



The

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NLPA Sheep & Goat Fund Establishes Loans For Additional Projects

(Colorado Springs, CO) - The National Livestock Producers Association (NLPA) Sheep & Goat Fund recently established loans with six sheep and/or goat businesses, for a total of more than \$2.5 million in loans to help strengthen the sheep and goat industries. The NLPA Sheep & Goat Fund still has almost \$11.5 million dollars available for loans at a current interest rate of 5.5 percent.

The NLPA Sheep & Goat Fund approved its first loan in September 2000; the loan was established with a company in Michigan to construct a state-of-the-art lamb finishing facility for the year-round feeding of lambs to service the needs of a major packer's customer demands for premium high-volume cuts and to smooth out kill floor schedules.

Since September 2000, the NLPA Sheep & Goat Fund has written loans for six additional projects including:

- A sheep dairy in upstate New York is using loan funds to purchase milking equipment.
- A large regional wool-marketing cooperative based in Ohio is using loan funds to enhance its sheep supply and wool-marketing activities for its members.
- Two lamb-breeding operations in Western Nebraska have secured loan funds in order to increase their operations to better supply replacement Polypay ewes for the out-of-season lamb production market.
- A lamb processing/fabricating operation in Pennsylvania is using loan funds to expand its physical building and add equipment to increase its volume of high-quality, branded lamb products sold to high-end restaurants.
- A slaughter facility for lambs and goats in Pennsylvania is using funds for building and equipment upgrades in order to increase the facility's slaughter capacity.

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NLPA to Hold Annual Commodity Conference in Chicago, June 21-23

Colorado Springs, CO (NLPA) - National Producers Service Company is hosting its annual Commodity Conference at the W Chicago City Center (formerly the Midland Hotel) in Chicago, June 21-23, 2001.

Conference participants will start the conference on June 21, by visiting the Man Financial offices and then will discuss several of Man Financial's services with their representatives. On June 22, participants will visit the CME floor and hear overviews of the livestock, dairy and grain markets. Finally, on June 23rd, commodity branch personnel will hold a closed session to discuss internal business issues.

All participants are invited to join the National Introducing Brokers Association's 10th Annual Conference "Competing for the Future -- Let's go Global" on June 22-23, also in Chicago.

For more information about attending this conference, please contact Scharee Atchison at 1-800-237-7193.

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"We are pleased with the seven projects that have been funded so far and the committee has several other loans that are close to completion," Pierce Miller, Chairman of the National Sheep Industry Improvement Center (Sheep Center) and member of the NLPA Sheep & Goat Fund Committee, said. "However, a lot of money is still available for loans, so I hope that members of the Sheep and Goat industries will recognize that the NLPA Sheep & Goat Fund, with a 5.5 percent interest rate, is an extremely competitive lending option."

In 1999, an agreement was signed between the Sheep Center and NLPA that enables the Sheep Center funds to be used in the sheep and goat industries. The agreement allows NLPA to establish a revolving fund that will be used exclusively for loans to the sheep

and goat industries with the following goals:

- To make capital available for enhancing production methods and services.
- To improve marketing efficiency and product quality.
- To promote coordination and cooperation within the industry.
- To create opportunities for adding value to sheep and goat products.

"We would like to emphasize the scope of projects the Sheep and Goat Fund Committee is willing to consider for use of the Fund," Scott Stuart, President and CEO of NLPA, said. "Production loans are outside of the scope of this project, but there is no bias toward sheep or goats, meat, fiber or dairy – the Committee will consider any project that encourages innovation and efficiency in the sheep and goat industries."

According to the terms of the agreement, the Sheep and Goat Fund Committee, which consists of members of NLPA and representatives of the sheep and goat industries, is responsible for the oversight of this process. The Committee regularly reviews applications and is only allowed to consider loans up to \$1 million that are submitted by eligible entities (sole proprietors are not eligible as written into the legislation that established the Sheep Center).

For more information or an application please contact NLPA at (800) 237-7193. More information and the application are also available at www.nlpa.org.

NLPA Welcomes Intern Leslie Smith

Hi, my name is Leslie Smith. I am a summer intern at the NLPA headquarters in Colorado Springs, Colo. I am senior at Colorado State University in Fort Collins, Colo. I will graduate in May of 2002 with a Bachelors degree in Journalism with a concentration in Public Relations and a minor in Agricultural Economics.

I am involved with many clubs and activities at CSU as a Mascot Handler, College of Agricultural Sciences Ambassador, member of the Block and Bridle Livestock Club, Collegiate Cattlewomen, Public Relations Student Society of America, and Mortar Board Honor Society. Upon graduation I hope to get a job with a livestock organization to promote and educate the general public about agriculture.

I am from Kiowa, a small town on the eastern plains of Colorado. My dad, Woody, is a veterinarian and my mom, Trena, manages our veterinary clinic. I

have one brother, Trevor, 26. Upon graduation next May my entire family will be alumni of CSU. In my spare time I enjoy riding my horse "General," running, playing basketball, and spending time with friends and family.



Leslie Smith

The NLPA staff has kept me busy with several projects. The largest project has been for the Sheep and Goat fund by preparing and sending out informational packets and applications to producers, breed organizations, state extension agents, state veterinarians, and members of Congress. I also wrote a couple of the articles in this month's newsletter. In the coming months I hope to gain the experience necessary to work within the industry that can't be learned in the classroom.



The National Producer

Monthly newsletter of the National Livestock Producers Association

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Member Spotlight**NLPA Vice Chairman and NLCA Representative John Frank**

*By NLPA Intern/Staff Writer
Leslie Smith*

Even though he spent 40 years making a living as a banker, John Frank has spent the last 18 years promoting the livestock industry as a board member of the National Livestock Producers Association (NLPA).

Frank has been NLPA's Vice-Chairman for the past three years and he represents the National Livestock Commission Association (NLCA) in Oklahoma City. Frank has been on NLCA's board since 1969, where he has held numerous positions and has served on many committees.

"I enjoy the relationships you develop with other board members and learning about other organizations and types of operations."

Frank grew up in the small town of Bokchito, Okla., and now lives 15 miles from there in the town of Durant. Frank's interest in livestock developed from his father who was rancher, who also owned a hardware store and a seed store. Frank is a partner in a cow-calf operation, but by profession he was a banker for nearly 40 years, until he retired a year ago.

Banking became Frank's first love by accident. In April of 1959, when the local bank at Bokchito was closing its doors after 48 years, Frank's father bought the First State Bank for the sake of the town. Frank's father borrowed money from National Livestock Credit Corporation (NLCC) to purchase the bank, but he still needed someone to run the bank. Frank began filling in for the summer, then it went into the fall, and by spring Frank was running the bank full-time.

Frank gradually learned the ropes of the banking system assisted by his membership with NLCA and NLCC. With time Frank bought shares of stock of the bank until he took ownership in 1968.

Recently Frank, along with NLPA Chairman Sam Philips and NLPA President Scott Stuart, traveled to Washington, D.C., to meet with representatives from the USDA's Grain Inspection, Packers & Stockyards Administration and staff members for several legislators. The group used the opportunity to explain NLPA's ideas concerning animal identification and environmental issues in an effort to encourage them to call upon NLPA to assist with those decisions.

In the short-term, Frank said he would like to see NLPA help lead the country's efforts to develop a national animal identification system by working closely with policymakers to create a system that will be beneficial and useful to the livestock industry.

"I would like to see NLPA become the voice of livestock production in Washington, D.C., by having them (policy makers) seek information from NLPA to make informed decisions," Frank said.

Over the long-term, Frank said he would like NLPA to become more involved in the legislative arena by developing a grassroots program for members to contact their local representative or state senator.



John Frank

In addition, Frank said he would like NLPA to develop other ways the organization can benefit its members with projects similar to the Sheep and Goat Fund that work to strengthen animal agriculture in general.

As Frank works on behalf of the livestock industry through his involvement NLCA and NLPA

he noted the following challenges that affect the livestock industry on both local and national levels.

"Maintaining a customer base that feels a loyalty to our organization from its members," he said. "Today, there is less desire to feel the closeness to a cooperative. There is also an increased lack of understanding of cooperatives."

According to Frank, the American public will need to eventually come to realize the importance of agriculture in the United States.

"Most people feel they can and will always find what they want on the grocery shelf and either don't know or don't care about the production process behind the product," he said. "I think at some point America is going to wake up hungry."

In addition to his involvement with NLPA, NLCA, and NLCC, Frank remains active on the Board of Directors for the Oklahoma Banking Association, American Banking Association, and the First United Bank and Trust.

In his spare time Frank enjoys golfing, fishing, and traveling with his wife, Mary. The Franks have been married for nearly 39 years and have two children, Brett, 29, and Alisa 31.

Bohlander Reaches 50-Year Milestone with PLMA-N. Salt Lake

By NLPA Intern/Staff Writer Leslie Smith

Fifty years, a half-century, or 350 dog years, no matter how you look at it that is a significant period of time. For the past 50 of his 75 years Arnold Bohlander has worked for Producers Livestock Marketing Association, N. Salt Lake, Utah. Bohlander's employment with Producers began on April 1, 1951 at the Union Stockyards in Los Angeles, Calif.

"I was the lowest on the totem pole," Bohlander said when he began with Producers. He began as a yard boy working for \$275 a month and has worked his way up to being a branch manager.

Bohlander said he has seen a lot of changes and advances in the industry since those days before computers, calculators, and cell phones. In 1951, 110,000 head of cattle went through the yards at Los Angeles and they were all sold private treaty. Back then the stock yards were surrounded by 36 packing houses and today there is only one.

"It's a whole different game today," Bohlander said. "In the old days you'd never see Holsteins in the feedlot and today they are one of the biggest things we've got in California. I remember when Holstein bulls were once killed upon birth. Today, Holstein breeders have found a niche market in selling cattle right off the cow, putting them on feed, and selling them as lean cuts of beef."

When the yards in Los Angeles closed in 1959 Bohlander moved to Artesia, Calif., to start an auction and worked there as an order buyer, until the auction closed in 1970. Then Bohlander moved to Ontario, Calif., to start an auction and became the manager in 1975, until that auction barn closed in 1980. He then moved to Chino, Calif., in 1980 to start an auction there. Bohlander still works for Producers as an order buyer.

Bohlander said some of the best times he had working for Producers was when he represented the Vail & Vickers Cattle Company selling and handling cattle for them on Santa Rosa Island, located 35 miles off the coast of Santa Barbara. The 55,000 acre island was home to 6,000-7,000 head of cattle and 200 horses. Cattle and horses were sent to and from the island by boat. Bohlander worked on and off the island for the Vail & Vickers Company from 1975 until the island closed in 1998. Bohlander has a lot of memories of his experiences on the island and his friendship with Al Vail.

"Being on the island is like going back 100 years," Bohlander said. "Everything was like it was back in the old days. The

atmosphere was so relaxed you didn't worry about anything."

Bohlander shared the secret to his long, prosperous career with Producers.

"My hobby was my job. I loved it. It didn't feel like work. The customers were your friends, so it didn't feel like work," he said. "I've been content working for Producers, because they have been good to me."



Arnold Bohlander has worked for Producers Livestock Marketing Association in N. Salt Lake for 50 years.

Today, Bohlander resides in Chico, Calif., with his wife Gayle. Bohlander enjoys fishing, raising Shetland ponies, and the company of his two sons, 11 grand children and four great-grandchildren.

NLPA Plans Summer Board Meeting in Park City, Utah

Colorado Springs, CO (NLPA) — National Livestock Producers Association will hold its annual summer board meeting at The Lodges at Deer Valley in Park City, Utah, July 19-21, 2001.

The NLPA Sheep & Goat Fund Committee will meet on Thursday, July 19th to review applications. That evening the Committee will join the rest of the NLPA Board of Directors for an "Olympic" themed reception.

The Board will have general meetings and committee breakout sessions on Friday and again on Saturday morning. A reception and dinner will also be held on Friday evening. An open-air concert featuring the Riders in the Sky, a cowboy singing group, with the Utah Symphony is a special offering for those staying over on Saturday night.

For more information about the summer board meeting, please contact Scharee Atchison at 1-800-237-7193.

WTO Appellate Body Affirms Panel's Decision in Lamb Import Case; Restrictions to Remain in Place During Review Process

Denver, CO (ASI) - Representatives of the American Sheep Industry Association (ASI), which represents nearly 67,000 U.S. sheep farmers and ranchers, May 1, criticized a decision by the World Trade Organization's (WTO) Appellate Body that overturns a 1999 decision by the U.S. International Trade Commission (ITC) that prompted the United States to impose import restraints on lamb meat imports.

The Appellate Body issued its report in connection with the challenge by Australia and New Zealand of the United States' July 1999 safeguard measure on imports of lamb meat. The safeguard measure consists of a three-year program of import restraints in the form of a tariff-rate quota and a program of financial assistance to the lamb meat industry. In December 2000, a WTO Dispute Settlement Panel held that the safeguard action violated various provisions of the General Agreement and Tariffs and Trade and the WTO Safeguards Agreements. The Appellate Body's report largely upholds the Panel's decision.

Cindy Siddoway, an Idaho-based sheep producer and president of ASI, the

principal petitioner in the U.S. safeguard action, expressed criticism regarding the Appellate Body's decision. "Frankly, we are a bit shocked at the decision, as the Panel's decision back in December was so fundamentally off-base that we fully expected the Appellate Body to reverse them. We didn't necessarily expect a victory on all counts, but we certainly thought that the Appellate Body would correct some of the Panel's more egregious errors," Siddoway said.

In light of her own background and ASI's representation of the country's tens of thousands of individual sheep growers and feeders, Siddoway was particularly critical of the Appellate Body affirming the Panel's conclusion that the U.S. International Trade Commission was wrong to consider lamb growers and feeders as part of the domestic industry injured by surging lamb meat imports.

"The Panel and now the Appellate Body have said that the only U.S. industry producing lamb meat — and the only proper petitioners in a safeguard action — are the few dozen firms that actually slaughter live lambs

and process the carcasses," Siddoway said. "That's essentially telling the roughly 68,000 individuals, families and companies that raise live lambs in the United States that they have absolutely no remedy under the Safeguards Agreement if a flood of imported lamb meat comes into the U.S. market and ruins demand and prices for slaughter lambs."

Siddoway noted that the ITC found that growers and feeders contribute 88 percent of the value of lamb meat. "To say that growers and feeders of live lambs are not part of the lamb meat industry is just preposterous, and ignores basic economic reality. As we have said to the ITC, growers and feeders are not just part of the domestic industry — they are really the heart of it," Siddoway said.

ASI and its attorneys are still studying the 72-page decision, but believe at this juncture that the ITC should be able to correct those elements of its determination that the Appellate Body found to be in error. During the review process, current lamb import restrictions will remain in place.

Mandatory Livestock Price Reporting Procedures Reviewed by Committee

Washington, D.C. (U.S. House Committee on Agriculture) - A hearing was held by the Agriculture Committee on May 25, to review the implementation of the Mandatory Livestock Price Reporting and to examine recent problems associated with misreported data.

Chairman Larry Combest (R-TX) said "Our goal should be the return of credibility for the Agriculture Marketing Service's (AMS) reporting function and the assurance of an orderly livestock market benefiting producers, packers, retailers, and consumers."

Since the implementation of mandatory price reporting on April 3, 2001, many AMS reports have had data missing as a result of the so-called 3/60 rule. This rule is designed to ensure that proprietary data is not released to the public.

Livestock markets were recently shocked by revelations that AMS reporting errors, allegedly caused by a computer program error, had understated prices of boxed beef since the beginning of April. Ken Clayton, Acting Administrator of the AMS, testified that in response to the reporting errors, Agriculture Secretary Ann Veneman ordered a "top to bottom review" of the mandatory price reporting system.

An independent review team was appointed to examine the mandatory reporting system process and procedures, review the performance of the system to date, assess the consequences of the misreporting of the boxed beef cutout values, and recommend to the Secretary actions that can be taken to enhance the integrity of the system as well as ensure accurate reporting in the future.

Market Commentary

May 29, 2001 Report

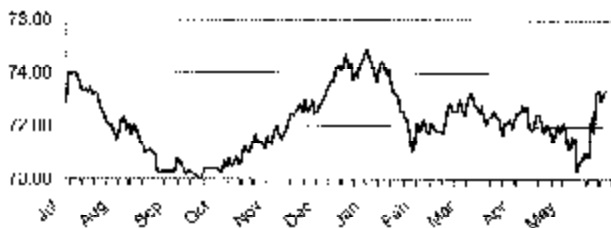
by Travis Holt, Director of Commodity Marketing
Equity Cooperative Livestock Sales Association



LIVESTOCK FUNDAMENTAL COMMENTS

Live Cattle Futures traded higher most of the week as last Friday's bullish Cattle on Feed Report, combined with USDA's revision of the choice and elect cutout prices dating back to April 3, fueled the rally. After the cutout revisions were released, cutout prices changed from \$1.10 lower to \$7.69 higher. While there were a few prices that were revised lower, the bulk of the changes moved prices higher. Live Cattle Futures have reached some chart resistance, but are poised to test contract highs.

August Live Cattle



Feeder Cattle Futures have also benefited from USDA's snafu and have set new life-of-contract highs. Producers that will be marketing feeders during late summer and early fall may want to start looking at using a "fence option" to protect prices. I am recommending buying the \$90 put and selling the \$94 call at even money. Currently this trade is costing around \$1 to buy, but feeder cattle moves up to \$92 should be enough to get it bought at \$0. Feeder Cattle prices will have resistance at \$92 and then again at lifetime highs of \$95.

Lean Hog Futures closed the week lower as cash prices have started to fall resulting from packers shortening kills coming into the holiday weekend. Slaughter figures support prices holding in the lower 50s, but many industry analysts are calling for increased slaughter throughout the summer months. There are also those in the industry who are claiming that the rough winter took its toll on farrowings, thus causing fewer pigs in the system. Lean Hog Futures have broken the long-term up trend and will have difficulty regaining upward momentum.

12-Month Average Contract



After leveling off for the past couple of weeks, **Class III Milk Futures** continued their ascent with support from higher cheese prices at the CME. The May milk prices will be released next Friday. Traders are looking for NASS Cheese prices to continue to rise to meet the May Class III Futures' close of 13.80. Butter prices at the CME also closed the week strong, settling at \$1.91 per pound.

Corn and Soybean Futures are heading in opposite directions as planting progress is approaching completion. Corn Futures have fallen out of the long-term downtrend channel and are accelerating to new contract lows. A breach of \$1.90 on front month corn would lead to a quick test of weekly lows at \$1.84. Without a lot of help from exports and "Mother Nature," the corn market is in a lot of trouble heading into the summer. Soybean Futures are moving into a sideways pattern, trading between \$4.25 and \$4.60. Soybean meal is solidly higher and shows signs of an upward trading range. High meal prices will help to support soybean prices in a year that they will need all of the help they can get.

CME MILK PRICES

Month	Class III	Class IV
May	13.80	14.90
June	14.59	15.20
July	14.95	15.25
August	14.93	15.50
September	14.91	15.30
October	13.95	15.00
November	13.45	14.20
December	12.78	13.85
January	11.79	13.20
February	11.68	
March	11.52	

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.

PLMA-Omaha Adds Nate Nelson to Commodity Staff

Omaha, NE (PLMA) -- The phone at Nate Nelson's desk starts ringing almost as soon as he walks into Producers Livestock's (PLMA) Sioux City, Iowa, office at 7:30 a.m.

Nelson begins each day by answering telephone calls from PLMA members who are anxious to get a professional's opinion on which way the market is going to turn that day.

Nelson joined the PLMA staff Dec. 11 as a licensed commodity broker. He answers phone calls from about 10 to 30 customers each day. Many producers call every day just to stay current with the markets.

"Once the markets actually open, then you start trading," Nelson said. "And you're constantly on the phone with producers, calling in, letting them know what the market is doing, if they should get in, or if they should get out. It's a lot of phone work, but it's high intensity too."

Nelson's primary responsibilities as a PLMA broker is to trade livestock and grain futures for customers and to provide them with market advice.

Nelson has extensive experience working one-on-one with farmers, starting with his days growing up on the family farm in Marcus, Iowa. He helped his family raise cattle and hogs,

in addition to farming corn and soybeans.

Nelson first became interested in commodity trading while working at the First Cooperative Association in Cleghorn, Iowa. He got the job after graduating from South Dakota State University with a degree in agricultural business.

"I bought a lot of grain from farmers and also helped with feed and livestock," Nelson said. "I helped farmers run some breakevens. That got me interested in the markets."

To become a licensed commodity broker, Nelson passed the series of three National Commodity Futures Examinations.

Unlike other jobs he's had in the past, Nelson said working as a commodity broker allows him to work with not just grain farmers but also with livestock producers.

"I like working with the ag community in general. I grew up on the farm, and this allows me to stay involved with the farm, without having to go out there and do some actual farm work," he said.

Staying informed of market trends is always a challenging part of Nelson's job. He is constantly reviewing up-to-the-minute news and market reports,

as well as keeping in close contact with brokers at the Chicago markets.

But even with piles of information, it still can be difficult to predict which direction the markets will be moving, Nelson said.

Take, for example, the recent news about the foot-and-mouth outbreak in Europe. While U.S. hog prices have climbed since foot-and-mouth was found in Britain, U.S. cattle prices have seesawed up and down, depending on the day.

"Sometimes there is just no explanation for it. The traders just want to make it move," Nelson said. "Sometimes, you can't predict it, and you have to tell them (the customers) that, too."

To help producers manage price fluctuations in the markets, PLMA offers its customers a wide variety of hedging programs to suit their individual operations, Nelson said.

"They don't just have to open their own account. They can hedge their cattle and hogs through us on their hedge contract program," Nelson said.

For more information on PLMA's hedging programs, producers can contact Nate Nelson or John Nelson, vice president of commodity services, at 1-800-831-5936.

Order your Cattleman's Calculator today!

If you are interested in purchasing one of these handy tools or would like more information, call the National Livestock Producers Association at (800) 237-7193 or email Melissa Schneider at maschneider@nlpa.org.



NLPA Sheep & Goat Fund Applications are available online!

Visit the NLPA Web site at

www.nlpa.org

or call 1-800-237-7193

News Highlights for May 2001

AgricultureLaw.com (5/18/00) — REUTERS reports from Chicago that six weeks of errors that apparently caused USDA to underreport wholesale beef prices may have cost the cattle industry millions of dollars in lost sales.

“I have calculated that cattle feeders and traders may have lost between \$20 million and \$40 million,” said Steve Kay, editor of Cattle Buyers Weekly, a marketing and business newsletter for the North American meat industry. USDA officials acknowledged on May 16th that there were errors in beef price reporting stretching back to April 3 and they were working to correct and reissue those prices. When the boxed beef prices resumed late on the 16th, they were much higher than the industry had expected.

Kay said his estimates assumed that USDA’s boxed beef prices for the past six weeks were under-reported by \$2.50 per hundredweight for choice beef and \$1.00 for select beef, according to this report. Boxed beef values, along with other criteria, are used by cattle producers to set cattle prices. If the beef values were erroneously low the past six weeks, as the industry believes, then producers probably priced their cattle too low.

AgricultureLaw.com (5-25-01) -- Sen. James Jeffords’ decision to leave the Republican Party and become an independent has one profound implication for agriculture. It almost certainly puts Sen. Tom Harkin (D-IA) in the chair of the Senate Agriculture Committee and may steer the farm bill debate in a different direction than under the chairmanship of Sen. Richard Lugar (R-IN) who now steps aside.

Harkin is not a fan of the 1996 “Freedom to Farm” law. And his latest action in the farm policy arena is a just-reintroduced bill to pay farmers for practicing conservation. On several occasions this year he has urged President Bush to deny California’s request for a waiver from the oxygenate requirement of the reformulated gasoline program, and he repeatedly has urged more support for farm income.

Of almost equal importance to agriculture, Sen. Tom Daschle (D-SD) becomes majority leader giving Democrats control of the Senate agenda, not only for floor debate but also in the committees, under the leadership of a farm policy advocate (Daschle) who shares many of Harkin’s views.

