



The

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National Livestock Producers Association

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NLPA Members to Market Livestock Over the Internet

Colorado Springs, CO (NLPA) — The members of the National Livestock Producers Association (NLPA) are pleased to announce that they have entered into an agreement with Equity Cooperative Livestock Sales Association to spend the next few months working to market livestock on the Internet.

NLPA members have met several times in the last year to discuss Internet strategies and options. The members decided to work with Equity because their trial-period proposal offers NLPA and its members the simplest, most cost-effective opportunity to learn more about how offering Internet marketing services will effect their business operations.

"This is an excellent opportunity for our members to work together and to learn together," Scott Stuart, NLPA CEO, said. "Each member has different needs and different experiences - we hope that by collaborating on this project we can bring the collective strength of cooperative marketing to the Internet."

All of NLPA livestock marketing members are participating in the effort and each has already identified its key personnel who will work with NLPA and Equity. Equity is currently working with these representatives to familiarize them with, *thelivestockmarket.com*, Equity's online auction system.

Thelivestockmarket.com, currently hosts weekly auctions for lambs and cull cows and has special sales for feeder cattle. Equity is also planning to add a listing service for selling smaller lots of livestock.

For more information about this agreement, please call Melissa Schneider at 1-800-237-7193. For more information about the online auction, go to www.thelivestockmarket.com.

NLPA Loses Former CEO, Harold Lein

On Aug. 29, 2001, Harold Lein, East Lansing, Mich., passed away. He is leaving behind countless friends and a loving family. Surviving are Dorothy (Dunn) Lein, his beloved wife of 50 years; three devoted daughters, Lisa (Tom) Jelenek of Laingsburg, Mich., Linda (Larry) Sims of Saginaw, Mich., and Lauren (Rick) Santos of Chicago; and five grandchildren.



Harold Lein
1927-2001

He was born April 17, 1927, in Lancaster, N.Y. Lein graduated from M.S.U. in 1950 with a B.S. in Animal Science. He spent most of his career as General Manager with the Michigan Livestock Exchange (MLE) and retired as CEO of the National Livestock Producers Association (NLPA) of Denver, Colo. Lein was a member of the National and Michigan Cattlemen's Association, a volunteer and trustee emeritus of the Michigan 4-H Foundation, a charter member of the M.S.U. College of Agriculture and Natural Resources Alumni Association, and attended Peoples Church of East Lansing.

Harold served as a management representative to NLPA on behalf of MLE for several years prior to

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Equity Sadly Reports Loss of Leonard Nuckles

Baraboo, WI (ECLSA) -- Equity Cooperative Livestock Sales Association and National Livestock Producers Association extend our sincerest sympathy to the family of Leonard Nuckles. Leonard passed away on July 20th following a courageous battle against cancer.

He was an integral component of Equity's history. Nuckles served as a regional director from 1977-2000, holding the positions of vice chairman and chairman of the board. He was also an active board member of the local shipping association,

Equity Wisconsin-Illinois Livestock Marketing Cooperative.

Nuckles served on the NLPA Board of Directors for many years.

Both Equity and NLPA are stronger organizations because of Leonard's insight, motivation, and leadership. He will be greatly missed.



Leonard Nuckles
1933-2001

Harold Lein, from page 1

becoming NLPA's CEO, a position he held from 1987 to 1992.

"Harold was not only a great leader, but also a great person and friend," Scott Stuart, current NLPA CEO, said. "He was always enthusiastic and excited about the organization and was a tremendous mentor. He will be truly missed."

Those desiring may make contributions to the Michigan 4-H Foundation in support of the 4-H Children's Garden at M.S.U. in memory of Lein.

United Producers, Inc., Acquires Interest in Southern States/Parks of Ontario, Inc.

Columbus, OH (United) -- As part of the transaction between United Producers, Inc. and Southern States Cooperative, Inc. regarding the MLE Marketing Division, United Producers, Inc. has agreed to purchase Southern States' ownership interest in Southern States/Parks of Ontario, Inc. The name of the organization will be changed to UPI/Parks of Ontario, Inc.

"We are working closely with Parks in several facilities acquired in the Southern States transaction. We would like to further that partnership in Ontario," Dennis Bolling, CEO of United Producers, Inc., said.

In March, United Producers, Inc. and Southern States (SSC) announced an agreement in which United Producers would lease and operate selected livestock marketing facilities owned by SSC's MLE Marketing Division.

Lawrence Parks, president and CEO of L.L. Parks Livestock, Inc. and

managing partner of UPI/Parks, LLC said this alliance is consistent with his philosophy of working with partners to provide marketing services.

"Our systems, developed specifically for marketing cull swine, allow us to meet the special needs of our customers and provide a viable market for this segment of their production," Parks said.

L.L. Parks Livestock, Inc., currently has 14 marketing facilities in eight states and two provinces. Parks handled over 900,000 head of sows, boars, light tops, BBQs and butchers throughout the United States and Canada in fiscal 2000. Parks also provides additional services in feeder pig placement and purchases, S.E.W. pigs and supply management programs.

Formed in 1976, Parks is headquartered in Oakwood, Ill. For more information about L.L. Parks Livestock, please call 217-354-4870.



The National Producer

Monthly newsletter of the National Livestock Producers Association

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Saskatchewan Wheat Pool Enters Agreement to Sell Heartland Livestock Services to Nilsson Bros., Inc.

Regina, SK, Canada (Saskatchewan Wheat Pool) -- Saskatchewan Wheat Pool and Agricore Cooperative Ltd. have entered into an agreement to sell substantially all of the assets of Heartland Livestock Services to Nilsson Bros. Inc. for an aggregate purchase price of approximately \$32.9 million, subject to certain adjustments and holdbacks.

The sale includes Heartland's livestock marketing centers in the three prairie provinces, in which the Pool holds an 89.8 percent interest and Agricore holds 10.2 percent. The Pool expects to record a pre-tax gain of \$6.4 million in the first quarter of fiscal 2002, \$4.1 million or \$0.11 per share after-tax. Net proceeds from the sale will be used to pay down debt.

"The sale allows for the Pool to generate premium value from our long-term investment in the cattle industry," the Pool's Chief Executive Officer, Mayo Schmidt, said. "The sale is consistent with our objective to reduce debt through divestitures and return our company to profitability as quickly as possible."

Lee Nilsson of Nilsson Bros. Inc. said, "We're excited about this

acquisition and look forward to serving Heartland Livestock Services' customers. The value of Heartland Livestock's brand is well-recognized. The best way for Nilsson's to build upon that strength is to maintain business as usual. We will retain the Heartland Livestock name and continue to deliver the services that have made Heartland Livestock the success it is today."

The remaining businesses under the Heartland Group of Companies, including CanGro Aquaculture, Heartland Pork Management, and Heartland Feeds are not included in the sale.

The purchase and sales agreement is subject to usual closing conditions. The transaction is expected to close on Sept. 14, 2001 with an effective date of Aug. 1, 2001. Once concluded, John LaClare, President of the Heartland Group, will become Chief Operating Officer, Heartland Livestock Services with Nilsson Bros. Inc.

Schmidt said, "We see opportunity for the Pool to grow into a stronger, more prosperous grain-handling and agri-products marketing business, which means competitive services for producers. By continuing to provide

good value to our customer base, and improving the way we do business, the Pool is working with prairie farmers to help them remain competitive in the global grain industry."

Saskatchewan Wheat Pool is a publicly traded agri-business cooperative headquartered in Regina, Saskatchewan. Anchored by a prairie-wide grain handling and agri-products marketing network, the Pool channels prairie production to end-use markets in North America and around the world. These operations are complemented by value-added businesses and strategic alliances, which allow the Pool to leverage its pivotal position between prairie farmers and destination customers. The Pool's Class B shares are listed on the Toronto Stock Exchange under the symbol SWP.B.

Nilsson Bros. Inc. is a group of livestock-based agricultural businesses located in Alberta and Saskatchewan. Nilsson Bros. owns and operates a diverse group of agri-business ventures, including meat packing plants, auction marts, livestock feeder buying services, satellite auction sales, livestock commodity trading, livestock financing, farm and ranch insurance.

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

ID Pilot Project Takes Off in Key Dairy States

Bowling Green, KY (NIAA) -- A pilot project designed to create a model for a national animal identification program has been building momentum during the past year and is taking off in key dairy states.

The National Farm Animal Identification and Records pilot project (F.A.I.R.), in its third year of development, is a collaborative project of members of the Council on Dairy Cattle Breeding. It is funded in part through a cooperative agreement with USDA, APHIS, Veterinary Services, and is coordinated by the Holstein Association in Brattleboro, Vt.

Herd enrollment in F.A.I.R. has steadily grown from 86 herds in October 2000 to 148 herds in May 2001, reported Project Coordinator Neil Hammerschmidt with Holstein Association USA. Animal enrollment is steadily increasing as well, he said, with the total number of animals identified in F.A.I.R. at approximately 77,000.

Hammerschmidt said consideration of a coordinated, national identification system is no longer an issue for debate.

"Consider the animal health issues around the world, as well as those in the U.S., not to mention free trade and global marketing. These alone warrant us moving off dead center."

Hammerschmidt, who chairs the National Institute for Animal Agriculture's Animal Identification and Information Systems Committee, said a national animal ID system will not prevent the occurrence of animal disease outbreaks or food-related illness. But, he said, if done right, an

ID system will provide the industry with an infrastructure that allows it to respond quickly to such issues, and to control or eliminate the problem.

Officials with Taylor Packing Co., agreed. The Pennsylvania-based processing plant is participating in the pilot project.

"Due to both regulatory changes and increasing customer expectations, the need to document our food safety controls has grown dramatically over the past several years," Celie Myers, quality assurance manager at Taylor Packing Co., said. "As these expectations are thrust upon us, we in turn are going to our suppliers, livestock producers, and asking for their cooperation in improving their ability to verify the safety of the livestock they are producing."

The pilot demonstration has primarily been established in several of the key dairy states, including

New York, Pennsylvania, Wisconsin and California. Additionally, the Michigan Department of Agriculture intends to utilize the F.A.I.R. system to support their efforts in the TB eradication program.

The model has been built upon three key components of a national program: numbering systems for animals and premises, identification methods, and the information system. Hammerschmidt said the recipe for a national system is a simple one.

"A unique national number for each individual animal and a database recording what numbers were allocated to each production unit - that's all you need to create a working national system."

Phil Trowbridge, a seedstock beef cattle producer from New York, said the F.A.I.R. system is producer-friendly.

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Objectives of National F.A.I.R.

Develop a model for a National Animal ID program that:

- Unifies animal identification programs and links animal recording systems that meet the needs of the various segments of the industry.
- In addition to identification systems and methods, issues of electronic data flow, database administration and accessibility will be established.
- Supports the design and testing of methods to track animals from farm to farm, farm to market, and market to slaughter.

Industry issues that warrant the development of a national identification system include:

- Food Safety (Consumer Confidence)
- Animal Health/Biosecurity and Disease Surveillance/Control Programs
- International Trade (Regionalization)
- Performance Recording/Premium Incentive Programs/Genetics

Source: National F.A.I.R. Project.

Sheep Industry to Receive More Assistance as Part of U.S. Compliance with WTO

Denver, CO (ASIA) -- The Office of the U.S. Trade Representative (USTR) announced on Aug. 31, its plan to comply with the World Trade Organization (WTO) following its ruling last May on the current safeguard measures on lamb imports into the United States.

The Administration will provide the U.S. sheep industry an additional \$42.7 million industry assistance package and elimination of the current lamb import tariff rate quota (TRQ) schedule on Nov. 15, 2001. The TRQ is currently in its third and final year.

"The dramatic additions to the assistance package helps our industry get the most benefit from this particular trade case and will provide further assistance to the industry at a time when it is most needed," American Sheep Industry Association President and Wyoming sheep producer Frank Moore said. "ASI and U.S. sheep industry members greatly appreciate the close cooperation they have received from the administration in resolving this compliance issue."

The \$43 million package will be in addition to the three-year, \$100 million assistance package announced in 1999 and currently in its third year. A new \$13 million breeding ewe lamb payment program will be added this fall to complement the current feeder and slaughter lamb payments. A fourth year of assistance programs will begin July 2002 and will include the breeding ewe lamb program, a \$10 million feeder and slaughter lamb program and U.S. Department of Agriculture lamb meat purchases.

The third year of the current TRQ schedule began on July 22, 2001, and places a tariff rate of 3 percent (down from 9 percent in year one) on imports up to 74 million pounds and a rate of 24 percent above that level.

Last May, a WTO Appellate Body overturned a 1999 decision by the U.S. International Trade Commission (ITC) that prompted the United States to impose the import restraints on lamb meat imports. The 1999 ITC decision was a result of a Section 201 action filed by the U.S. sheep industry and led by the American Sheep Industry Association (ASI).

ASI was critical of the WTO decision announced in May but fully supports the Bush Administration compliance decision.

"Given the weak live lamb prices in the United States this summer and the strong U.S. dollar, the tariff levels are not having much of an impact today," ASI President and Wyoming sheep producer Frank Moore said. "The Administrations' compliance decision provides our industry with assistance we can have confidence in unlike the uncertainty that has surrounded the 201 trade restrictions, which have been under constant attack for nearly a year.

"While this decision does not address the severe prices that American producers are receiving for live lambs, it absolutely does represent the best benefit package for the industry from the remainder of the 201 case," Moore said.

PLMA - Omaha Unveils Premium Pork Internet Site

Omaha, NE (PLMA) -- After several months of working and testing, Producers Livestock now has a Web site devoted to its Premium Pork program, www.premiumpork.net.

Currently, the Web site provides general information about the Premium Pork services that pork producers can access through Producers Livestock. The site includes useful information about hog marketing, futures and contracts, basis and financing and news about the Iowa Premium Pork Company activity with Producers Livestock.

In addition, the site has a news page that is updated daily with global food-related information from Just-Food.com, a United Kingdom-based Internet news provider. The site also has general items of interest like weather, futures quotes and other miscellaneous information and links.

Pictures of the pork agents, commodities staff and finance staff with phone numbers and email addresses are located at the site. An easy to use "find the agent for your area" is also there to help producers find the pork agent who services their geographic territory.

In the months to come, Producers hopes to add a password protected area where Quarterly Pork Performance Reports will be available online to customers.

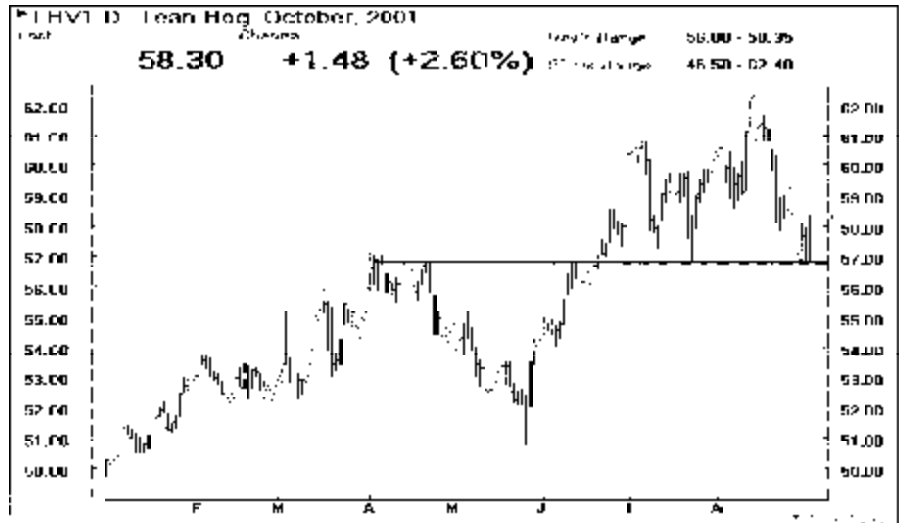
Market Commentary

Sept. 4, 2001 Report

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



Cash hog prices were sharply lower this week, led by lower prices in all of the products. Lean Hog Futures were extremely volatile as traders considered whether this fall in cash prices was a short-term correction, or the start of an extended seasonal decline. If today's trade was an indication, traders believe that this decline is just a correction, and cash prices should stabilize by the second week of September. This theory has merit since slaughter numbers remain below year ago levels and carcass weights are five pounds less than the start of summer. The October contract (shown right) tested support just under \$57 and held. With October closing strong today, this area should hold long enough for the cash market to stabilize.



* USDA announced the Class III and Class IV milk prices for August at \$15.55 and \$15.06, respectively. NASS butter prices for August averaged just under \$2 per pound, while cheese prices increased by just over a penny to \$1.67 per pound. The weekly NASS prices also increased this week for both cheese and butter. The Merc experienced some movement in the cash cheese prices for the first time in weeks as blocks traded up to \$1.78, before falling back during midweek to \$1.72. This price is 43½ cents higher than a year ago and the weekly average is the highest so far this year. The hot, humid summer has taken its toll on production and with school reopening, cheese and butter production will likely decline.

lower production for both corn and beans, they also acknowledge that USDA may be slow to lower their original estimates. I have stepped up recommendations for the 2001 soybean crop by advising producers to purchase November Soybean Futures at \$4.85 or better, as a way to lock in the LDP. This move will lock the LDP at approximately 75 to 80 cents, depending on local basis variability. I have not added any corn recommendations.

Grain Futures are struggling to find their direction and have fallen into a sideways trading pattern. After falling for the past few weeks, crop conditions seem to be leveling off. Seasonally, crop conditions will tend to decline for two more weeks before becoming steady during harvest. Industry analysts are starting to give predictions for the USDA *Crop Report*, which will be released on Sept. 12, along with new supply and demand numbers. While many in the industry are looking for

CME MILK PRICES

Month	Class III	Class IV
August	15.55 - FINAL	15.06 - FINAL
September	15.60	15.80
October	14.50	15.30
November	13.50	14.55
December	12.75	13.65
January	12.19	13.10
February	11.91	13.00
March	11.89	13.00
April	11.90	13.00
May	11.89	13.00
June	12.05	13.25

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.

USDA Announces Scrapie Eradication Program

Bowling Green, KY (NIAA) -- A plan to eradicate the fatal disease scrapie from the nation's sheep flocks and goat herds was announced mid-August by the U.S. Department of Agriculture.

The USDA-announced plan to eliminate scrapie from the United States will be administered by the Agriculture Department's Animal and Plant Health Inspection Service (APHIS).

Key elements of the program include:

- Interstate movement restrictions on animals from infected and source flocks and high-risk and exposed animals from other flocks;
- An indemnification program for owners of high-risk, test positive, and suspect animals;
- A nationwide individual identification program for breeding sheep and goats and sheep over 18 months of age;
- Surveillance and testing of sheep at slaughter; and
- Uniform minimum standards for state scrapie programs.

Especially important is that each flock identified as scrapie-infected will be required to prepare a plan to eradicate the disease and to monitor for recurrence of the disease in that flock or herd. To that end, producers will be provided with professional expertise, testing and indemnity for animals required to be removed. The

federal government earmarked \$10 million for the program in the 2001 budget.

"As with the other eradication programs, this will take a long-term commitment from everyone involved," according to Dr. Cindy Wolf, a small-ruminant specialist at the University of Minnesota and a flock owner. "While this may be a tough time for producers because of low prices, drought and a number of other problems, it is important that we get on with the eradication program because of the length of time it will take."

"The disease takes two to five years to show clinical signs, therefore we expect that it will take a minimum of a decade to eradicate scrapie," Wolf said. "In addition, it will take another seven years without a scrapie outbreak for the United States to be recognized internationally as 'scrapie free.' So this is at least a 17-year project."

According to the American Sheep Industry Association (ASI), scrapie costs American sheep and goat producers an estimated \$20 to \$25 million annually.

Information about the scrapie eradication program will be available on the Internet at www.animalagriculture.org or at the USDA's Web site, www.aphis.usda.gov/vs/scrapie.htm. Producers can also call 1-866-USDA-TAG for more information.

ID Pilot Project Takes Off in Key Dairy States, continued from page 4 . . .

"When we started, we actually continued the use of a very similar herd tagging and numbering system. The F.A.I.R. tags, however, have the animal's official identification number printed on them along with our premises ID number."

Trowbridge is one of two New York beef producers who recently became the first beef producers to enroll in the F.A.I.R. Project.

"I realize that animal trace back is a concern of many producers," Trowbridge said. "Personally, it's my feeling that this should not be an issue. If problems are out there, the industry must be aware of them.

Bottom line, we must be willing to stand behind our products."

"Our philosophy, as a seedstock producer, is that we owe it to our producer clients to take a leadership role in the development of national identification systems," Trowbridge said. "I'm convinced a practical identification system can be of benefit to everyone."

Trowbridge said he's glad to see a coordinated system developed.

"While the recent animal health issues may 'push' the issue along more, we've been interested in a system like F.A.I.R. for over five years. We're excited

about the opportunity to be part of a proactive program that's doing something to make things happen."

Hammerschmidt said many producers share Trowbridge's opinion.

"We, the industry, must be proactive cooperating with animal health officials in developing systems that ensure preparedness," Hammerschmidt said. "This can only be achieved through a successful infrastructure, and national identification is the foundation."

More information about the F.A.I.R. pilot project is available on the Internet at www.nationalfair.com.

News Highlights for August 2001

AgricultureLaw.com, 8/14 -- President Bush signed into law the farm assistance package that promises \$5.5 billion for farmers. The bill includes \$4.6 billion in supplemental market loss payments for program crop farmers (corn, wheat, cotton, rice, etc.), \$424 million for soybean and other oilseed producers, \$159 million for speciality crop producers (distributed by states that will receive block grants), \$129 million for tobacco farmers, \$54 million for peanuts, \$85 million for cottonseed, \$17 million for wool and mohair, and \$10 million for emergency food assistance.

AgricultureLaw.com, 8/8 -Livestock Marketing Association, eight individual cattle producers and the Western Organization of Resource Councils have filed an amended complaint in South Dakota Federal District Court asking the court to declare that the beef checkoff violates cattle producers' First Amendment rights to freedom of speech and association. LMA's amended complaint was filed in response to a request by the court to address the impact of the U.S. Supreme Court's recent decision which held that a nearly identical checkoff program in the mushroom industry violated the First Amendment.

AgricultureLaw.com, 8/6 --USDA's Agricultural Marketing Service (AMS) has published a notice announcing a change to the confidentiality guidelines it follows regarding mandatory livestock price reporting.

Under the new "3/70/20" guidelines, price reports will be published so long as three conditions are met for each report: (1)at least three reporting entities provide data at least 50 percent of the time over the most recent 60-day time period; (2) no single reporting entity provides more than 70 percent of the data for a report over the most recent 60-day period; and (3) no single reporting entity may be the sole reporting entity for an individual report more than 20 percent of time over the most recent 60-day period. The previous '3/60' rule provided that at least three entities had to submit data and no single entity could be responsible for more than 60 percent of the data for a report to be published. USDA estimates that between April 2 and June 14, 30 percent of daily swine and cattle reports were withheld for confidentiality reasons. If the "3/70/20" guideline had been applied over that same time period, fewer than 2 percent would have been withheld.

