



# Mountain States Lamb Cooperative

April/ May 2015 Newsletter

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## Frank Philp 1947-2015



MSLC founding member, Frank Philp, 67, died Sunday, March 8, in Riverton, WY. Frank raised sheep all his life and served in the Wyoming Legislature for 18 years. Frank's service to the agricultural community was recognized in 2007, when he was inducted into the Wyoming Agricultural Hall of Fame; he also received the Wyoming Farm Bureau Distinguished Service Award in 2008, and the USDA honor award for service to agriculture. Frank was an early and strong supporter of the formation of MSLC.

A full obituary is available at [www.TheDavisFuneralHome.com](http://www.TheDavisFuneralHome.com). The Mountain States Lamb family sends our sincere condolences to his wife Janet, daughter Aley, sister Elizabeth, and the entire Philp family.

## DOL PROPOSED CHANGES THREATEN HERDING OPERATIONS

The Department of Labor has made changes that will triple labor costs and impose additional restrictions and expenses on employers. The DOL estimates the cost over the next 5 years will be more than \$70 million. The sheep industry projects employers will not be able to absorb these extra costs and many, or most herding operations, will be forced out of business. This change has huge implications not only for many of our member producers, but also for our Co-op, meat company, industry, as well as family farm and ranches through the Western U.S.

We want to urge all our members and those who care about the future of the American Sheep Industry to visit the ASI website at: [http://www.sheepusa.org/IssuesPrograms\\_LegislativeActionCenter](http://www.sheepusa.org/IssuesPrograms_LegislativeActionCenter) for full details and a link to submit comments online.

Please then contact your elected and appointed government officials. The comment period has recently been extended to June 1. Again, this change to longstanding procedures and wage methodology has grave implications for the American Sheep industry. **Please take time today to make the appropriate contacts and express your concerns about the change.**

## 2015 MSLC Annual Meeting Wyoming Big Horn Mountains Holiday Inn, Sheridan, WY July 15-17



The MSLC Annual Meeting has been rescheduled for July 15-17 in Sheridan, WY. We sincerely apologize for the late change, but circumstances developed that necessitated the adjustment.

Our headquarters will be the Holiday Inn Convention Center in Sheridan. We will kick off the event Wednesday evening, July 15 with a welcoming reception. Our annual business meeting will be on Thursday, July 16. Friday we will tour area sheep operations in the beautiful Big Horn Mountains and wrap up the event with a special dinner that evening.. At this time, we anticipate a more leisurely paced tour than the past few years, but we should see a few thousand sheep, points of interest and the scenery will be spectacular.

Room reservations can be made by calling 1.800.465.4329 or the hotel directly at 307.672.8931. Please mention you are with the Mountain States Lamb Cooperative group to receive our \$99 group rate. You can also check out the facility and make your reservation online at [www.holidayinn.com/sheridanwy](http://www.holidayinn.com/sheridanwy). You will need to type in the group code of MSL under the reservation segment. Reservations are due on or before June 24. Reservations not made by the cut-off date will be subject to room rate and availability. This is a popular facility and rooms may not be available after the cutoff.

Meeting registration information will be sent out next month but we recommend you go ahead and make your room reservations as soon as possible. We look forward to a great meeting, interesting sheep tour and a good time in Wyoming's beautiful Big Horn Mountains.

## BOARD ELECTIONS

It is board nomination and election time again. This year the District One board seat is up for election. District One is Wyoming and the seat is for three years. The seat is currently held by Brad Boner, Glenrock, Wyoming.

Any MSLC member can nominate a member from District One to that seat. Enclosed is nomination form that should be returned by May 27. A member must receive three nominations to appear on the ballot. Ballots will be mailed out in early June.

## JONES LAMBS TOP GRID

Randall Jones, Otto, Wyoming, fed and marketed the top lambs in March. With 89% YG2's and 11% YG2's, these lambs returned an average grid premium of \$5.04 per head.

The average grid premium per head during March was \$1.39. The average pelt returned \$5.37 and the average 2X dressed price was \$1.52

## NEWS TO EWES

I hope lambing is going well and that everyone is getting well deserved moisture. Consumer demand was very good for Mountain States Rosen during Easter, but unfortunately it was lackluster for the industry as a whole. The national harvest is down 4 percent compared to 2014. It looks like the feeder lamb market has settled and we will see much lower breakevens as compared to a year ago. This isn't a surprise as the slaughter lamb market has softened significantly. There appears at this time to be an adequate amount of supply to fit the current demand, and nothing to drive the market higher.

Currently the industry is seeing heavier weights and higher yield grades than preferred, but I feel this is a short term bubble and there is still a significant chance that the supply could firm and even shorten a little as we get into July and the 3<sup>rd</sup> quarter of the year. Market intelligence tells us that the Midwest is out of their heavy lambs and now the industry will concentrate on the lambs on feed in the Western States. We should see the industry's weights elevated for the next 60 days as we work through the heavy supply.

I do not expect the market to make a large rebound in mid-summer, but it should firm and then strengthen in late summer and early fall. The fall market is still somewhat unknown as the Midwest lambing numbers have not been reported and the western operations have either just finished lambing or are just starting. We will need to keep a close eye on the feeder lamb supply and consumer demand over the following months so that we can make accurate decisions concerning our feeding and purchasing strategies.

The pelt market has been interesting to say the least. We are seeing a lot of pressure from purchasers in the foreign markets due to lack of demand and increased competition from imports. The inclement weather this winter has not helped the quality situation. We are seeing more mud and dirt which results in more

damaged pelts at the processing end, as well as increased labor to clean them.

Another issue that we have been dealing with is pelt length. In previous years we could get by with a 60 to 70 day pelt, but that is not the case anymore, given the limited outlets our partners in the pelt industry have for marketing our product. Today 100 days regrowth is required and this causes some issues especially in Colorado and Wyoming. Weather does not always permit us to shear 100 days before marketing and unshorn pelts are common after April 1. This creates several problems including pullers, mud build up and contamination at the plant level. We need to continue to work with Nugget to communicate and strategize to determine the best options for operations and maintaining our high quality pelts.

I do need to remind producers that it is extremely important that everyone keeps forecasting your lamb numbers as accurately as possible and notify me of any changes that will affect our projected supply. Due to volatility in the market place we have to work on improving our communication of marketing time frame and numbers so that we may adjust, and therefore limit the volatility, in the market. I try to run extremely close to the numbers that MSR has forecasted to make sure that we have enough supply to meet our customer's demands. Between MSR and I, we do our best to forecast harvest by week at least 13 weeks in advance and sometimes up to 6 months. Therefore, any sudden changes in our supply either way can have immediate reactions to the chain.

We have been baptized by fire with the new WFCF/Source Verified program. Personally, I think that as a group that we have handled it very well, even though we have had and will continue to have speed bumps along the way. It is imperative that everyone familiarize themselves with their manual and express any concerns or questions so that we may address them.

We are ordering tags again; therefore if you are planning on tagging at the ranch please get me the information so that we can direct ship from the supplier. We will also be conducting audits again this year so it is important that everyone keeps their records updated. It's always easier to do a little bit at a time and not wait until the last minute.

Please call me or email me if anyone has questions about the supply, market or any of the programs.

*Brad Anderson*

## All-Natural Policy Change

Effective immediately, Mountain States Rosen will no longer reimburse any producers or feedlots directly for tagging costs for the source verified program. MSR will continue to provide tags to the producers at no charge and producers should contact Brad Anderson (712.541.3608) to order tags.