



Mountain States Lamb Cooperative

July-Sept 2017
Newsletter

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Etcheverry Sheep Company

15th ANNUAL MEETING

The Mountain States Lamb Cooperative 15th Annual Meeting in Pocatello, ID was well attended. Members were optimistic about the future and they were overwhelmingly supportive of their Co-op.

The range tour visited the Etcheverry Sheep Company and Ball Brothers Sheep Company in the beautiful mountain ranges east of Pocatello. Participants had a great day visiting these large range operations.

Etcheverry showed the group a band that would wean a couple weeks later at an average of 150# on the first three loads.

In addition to another outstanding set of lambs, the Ball Brother portion of the tour included an encounter with a black bear and an incredibly scenic trip to the top of the mountain.

We would like to give a big thank you to Robert Ball and Henry Etcheverry for hosting a wonderful day full of incredible sheep, beautiful country and a great time with fellow MSLC members.



Robert Ball discusses range allotments

THANK YOU TO OUR MEETING SPONSORS

Thank you to Double J Feeders and the Hasbrouck family for sponsoring our annual meeting welcoming reception.

Also, a big thank you to Food and Fiber Risk Managers and Burdell Johnson for sponsoring our social hour on Thursday night. We appreciate our meat company, Mountain States Rosen, again supplying the delicious lamb for all our meals.

The support of our sponsors goes a long way toward keeping the cost down for members and making our meeting special. Watch upcoming newsletters for the announcement of the location of next year's annual meeting.

TOP LAMBS

The top May lambs were marketed by Frank Shirts, Wilder, ID. The natural lambs earned \$5.92 per head in average grid premiums and another \$1.50 in natural premiums for a total of \$7.42. The load, fed at Double J, contained 75% YG2 and 25% YG3. May pelts averaged \$7.86.

Mountain West Lamb, LLC of Douglas, WY marketed June's top lambs. The lambs earned \$3.16 per head in average grid premiums. Double J fed the load which contained 41% YG2 and 41% YG3. The average pelt price in June was \$5.74.

Powell Early Lamb of Powell, WY pool fed and marketed July's top lambs. These lambs earned \$4.88 per head average grid premiums. This load contained 84% YG2 and 12% YG3 lambs. Pelts averaged \$5.86 in July.

SLOTING

The Slotting forms for 2018 were due September 1. If you submitted a slotting form, you will receive your accepted slotting form via mail or email. If you have not slotted lamb delivery for 2018, it is important that you do so as soon as possible. If you cannot find the slotting form that was mailed to you earlier, please call the office and we will send you a second form.

DPAD DEDUCTION

We are pleased to pass through the Domestic Production Activities Deduction to our members this year. This is another benefit to you as a Cooperative member. You recently received a DPAD letter with deduction amount. A 1099-PATR will also be mailed in January with this amount. It is very important to provide your tax preparer with this amount. The pass-through deduction is available for use regardless of whether your operation paid W-2 wages.

I'm really struggling to read the future market as situations play out today. I think the best market risk protection is to buy the LRP insurance, but that guarantee has changed a bit since the settlement price has been adjusted to a 5-week rolling average. On one hand, it seems as we will have enough lambs to harvest due to drought, high summer prices/lower demand, and lower harvest numbers and on the other hand I can't believe that we have had more lambs born in 2017 than in 2016. Therefore, if the industry stays current then we should see a spike in price come April/May.

I think I may be having the most difficulty as not everyone has shown us their cards and I'm not sure how many people are putting lambs in the feedlot and how many are grazing. With that said, my recommendations are to buy insurance, turn in a slotting form, lock in some low feed prices, stand for the flag, and kneel for the Lord because it could be an interesting ride. Everyone must remember that this is the first full year without any influence from JBS in the market place. We have wandered into a new era.

It is going to be very important that all members please submit their projected supply numbers and slotting for 2017 and 2018 to me as soon as possible if you haven't already. It looks like there will be a lot of lambs on feed in the winter months and it is of utmost importance that MSR and I know what our supply numbers are so that we may plan accordingly.

The pelt market has maintained prices and we have even seen a little strength on some high end unshorn pelts. This seems to be the kind that China is desiring and willing to pay for on a regular basis. I still recommend that members evaluate their environment, lambs, and delivery time frame to decide on when and whether to shear.

A reminder that we are having some interest in killer ewes and replacement ewes. Please contact me with any questions.

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