



FARM BILL

ASI strongly supports reauthorization of the Agricultural Improvement Act of 2018 (2018 Farm Bill). The Farm Bill should provide producers a reasonable safety net, encourage rural growth, and support the production of U.S. food and fiber. The Farm Bill safety net should be improved to address current market conditions including inflation and supply chain disruptions.

WOOL APPAREL MANUFACTURERS TRUST FUND, U.S. WOOL RESEARCH, AND U.S. PIMA COTTON

- Over the past few decades our trade laws have had a devastating impact on the tailored clothing and textile industries in the United States.
 - Tariffs on imported fabrics used in tailored clothing (25% on worsted fabrics; 11% on cotton fabrics) far exceed the duty rates imposed on imported tailored clothing. This “tariff inversion” operates as a “Made in America” tax.
 - A special rule in several trade agreements grants tailored clothing made in numerous countries duty-free entry, further compounding the negative impact of the underlying “tariff inversion.”
- **ASI supports an extension of sections 12602, 12603, and 12604 of the 2018 Farm Bill.**
- These programs are consistent with recent Congressional efforts to strengthen American manufacturing and reduce the offshoring of jobs. Many of the programs’ beneficiaries are spinners, fabric makers, and cut-and-sew operators who pivoted to become part of a vital PPE supply chain during the initial COVID outbreak. Many are also the companies and growers that produce the fiber, fabric, and apparel for military uniforms.
- For more than two decades these programs have been successful in maintaining domestic factories, saving American jobs, and increasing markets for domestic wool and cotton.
- Collectively, these programs’ beneficiaries still pay more in tariffs than they collect back in payments. However, the programs’ designs fairly balance the interests of each stakeholder in the production chain and creates a more level playing field against foreign competitors.

WOOL MARKETING ASSISTANCE LOAN AND LOAN DEFICIENCY PAYMENT

- The 2018 Farm Bill authorizes nonrecourse marketing assistance loans (MALs) and loan deficiency payments (LDPs) for wool to eligible producers who grow and shear wool.
- The national loan rate for graded wool established in 2002 is \$1.15/pound. The nongraded wool rate established in 2002 is \$0.40 per pound. These rates have not kept pace with markets and producer costs, which has been further exacerbated by inflation.
- **With the recent low levels of producer income, ASI supports a re-examination of the wool loan rate and an adjustment to provide an effective risk management tool for sheep producers.**

SHEEP PRODUCTION AND MARKETING GRANT PROGRAM (SPMGP)

- The Sheep Production and Marketing Grant Program (section 209 of the AMA of 1946) is intimately connected to the National Sheep Industry Improvement Center (NSIIC).
- The SPMGP provides funds on a competitive basis to national organizations whose mission is to strengthen and enhance the production and marketing of sheep and sheep products in the



United States, including the improvement of infrastructure business, resource development, and the development of innovative approaches to solve long-term needs.

- **ASI strongly supports continued mandatory funding for the SPMGP.**

ANIMAL DISEASE PREVENTION AND MANAGEMENT

National Annual Vaccine and Veterinary Countermeasures Bank (NAVVCB) – Established in the 2018 Farm Bill, the U.S.-only vaccine bank allows USDA to stockpile animal vaccines and related products to use in the event of an outbreak of Foot-and-Mouth Disease (FMD) or other high-impact foreign animal diseases

National Animal Disease Preparedness and Response Program (NADPRP) - This program allows APHIS to collaborate with animal health partners throughout the nation.

National Animal Health Laboratory Network (NAHLN) – The NAHLN is a laboratory network that collaborates with the National Veterinary Services Laboratories (NVSL) on disease monitoring.

The National Veterinary Stockpile (NVS) – The NVS provides the veterinary countermeasures that states, tribes, and territories need to respond to animal disease outbreaks.

- **ASI strongly supports continued funding of these programs as established in the 2018 Farm Bill under Title 7, Chapter 109, Section 8308a.**

MINOR USES, MINOR SPECIES ANIMAL PHARMACEUTICALS

- U.S. sheep producers have limited means to protect and prevent disease in their animals as animal health and welfare are critical aspects in ensuring a socially responsible and sustainable U.S. sheep industry and the safety of the national food supply.
- The cost to bring a new animal drug to market is rising and many pharmaceutical companies are not investing in bringing new drugs for sheep to the U.S. market.
- **ASI STRONGLY supports an annual allocation to USDA's National Institute of Food and Agriculture (NIFA) Minor Use Animal Drug Program (MUADP) of \$5 million to fund R&D to support the approval of new animal drug products for sheep, specifically antiparasitic drugs.**

EXPORT PROGRAMS OF THE USDA / FOREIGN AGRICULTURE SERVICE (FAS)

With approximately 50% of all U.S. wool exported, access to foreign markets is critical for the sheep industry.

- **ASI supports continued funding for FAS programs including the Market Access Program (MAP), the Foreign Market Development Program (FMD) and the Quality Samples Program, QSP. These are critical to the export of American wool.**

CLIMATE CHANGE AND SUSTAINABILITY

- America's farmers and ranchers are leading the way in climate-smart practices that reduce emissions, enrich the land we work, and protect our water and air, all while producing more food and fiber than ever before.
- **ASI supports addressing climate change/smart strategies in the Farm Bill through voluntary, incentive-based programs.**



For more information, please visit the ASI website at www.sheepusa.org.
Please contact Jim Richards at jrichards@cgagroup.com or (202) 448-9509 for more information.