



## FARM BILL

ASI strongly supports reauthorization of the Agricultural Improvement Act of 2018 (2018 Farm Bill) with the inclusion of funding for orphan programs. A farm bill should provide producers a reasonable safety net, encourage rural growth, and support the production of U.S. food and fiber. The 2018 Farm Bill safety net must be modernized to address current market conditions, inflated input costs and supply chain disruptions.

### **WOOL APPAREL MANUFACTURERS TRUST FUND, U.S. WOOL RESEARCH, AND U.S. PIMA COTTON (ORPHAN PROGRAM)**

- Over the past few decades our trade laws have had a devastating impact on America's tailored clothing and textile industries and the American sheep farmers and ranchers who produce the wool they rely on.
  - Tariffs on imported fabrics used in tailored clothing (25% on worsted fabrics; 11% on cotton fabrics) far exceed the duties 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."
- 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. They are also the same folks who grow and raise the fibers and produce the fabric and apparel worn by our Warfighters.
- For more than two decades these programs have helped American farmers and ranchers, factories and jobs survive.
- Collectively, these programs' beneficiaries still pay more in tariffs than they receive 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.
- **ASI strongly supports the related provisions contained in H.R. 8467 – the Farm, Food, and National Security Act of 2024 – in the 118<sup>th</sup> Congress. Specifically, the Agricultural Fiber Trust Fund and its permanent funding baseline. Or, at the very least, the inclusion of funding for orphan programs in any short-term extension.**

### **SHEEP PRODUCTION AND MARKETING GRANT PROGRAM (ORPHAN PROGRAM)**

- The Sheep Production and Marketing Grant Program (SPMGP) (section 209 of the AMA of 1946 as amended by section 12102 of the 2018 farm bill) 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 reauthorization and funding of the Sheep Production and Marketing Grant Program or extension and funding as an orphan program in any short-term extension.**

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



### **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. With almost 25 years having gone by, these rates have not kept pace with markets and producer costs, which have been further exacerbated by inflation.
- **With the recent low levels of producer income, ASI supports a re-examination of the wool loan rate and requests an update that provides an effective risk management tool for sheep producers and supports the loan rates included in H.R. 8467 – the Farm, Food, and National Security Act of 2024.**

### **SHEEP INDUSTRY RISK MANAGEMENT TOOL**

- In February of 2024, Watts & Associates (at the behest of USDA's Risk Management Agency) issued a report evaluating risk management tools available to the sheep industry, or lack thereof. The report acknowledged the need for a quality risk management tool for lamb but ultimately did not provide any recommendations.
- **ASI strongly supports inserting language into the next farm bill directing USDA to develop a program or insurance tool that offers and provides risk management protection to domestic lamb producers.**

### **ANIMAL DISEASE PREVENTION AND MANAGEMENT**

- National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB) – Established in the 2018 Farm Bill, is 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 or other minor species to the U.S. market.
- **ASI requests a study by the General Accountability Office (GAO) to evaluate the effectiveness of The Minor Use and Minor Species Animal Health Act of 2004 (MUMS Act) for the U.S. sheep industry and recommendations on the steps required to provide access to the same disease management tools utilized by our foreign competitors.**

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

- With approximately 60% of all U.S. wool exported, access to foreign markets is critical for the sheep industry.
- **ASI supports the House and Senate proposals from last Congress to double funding for USDA's FAS Market Access Program (MAP), the Foreign Market Development Program (FMD) programs as well as general support for the Quality Samples Program (QSP). These are critical to the export of American wool.**

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