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December 19, 2017

The Honorable Greg Gianforte
Representative (R-MT)
c/o Hannah Slusser
Helena District Office
7 West 6th Avenue
Suite 3B
Helena, MT 59601

Dear Greg

Thank you for reaching out to the Montana Wool Growers Association about the Association's three primary farm bill priorities. As you know, MWGA represents Montana's sheep and wool producers.

MWGA supports the reauthorization of the Agricultural Act of 2014 (2014 Farm Bill). We join our national organization, the American Sheep Industry (ASI) in stating that the first and most important national security concern is the ability of a country to clothe and feed its citizens. Passage of the farm bill reauthorization will go far in advancing those public protection interests.

Farm Bill Priorities

1. MWGA strongly supports the National Sheep Industry Improvement Center (NSIIC) and the Sheep Production and Marketing Grant Program (SPMGP).

The National Sheep Industry Improvement Center (NSIIC) was originally established in the 2008 Farm Bill. The nine-member board reviews grant proposals, recommends funding, and submits final recommendations to AMS for approval. The purposes of these grants are to—

(1) promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance production and marketing of sheep or goat products in the United States;

- (2) optimize the use of available human capital and resources within the sheep or goat industries;
- (3) provide assistance to meet the needs of the sheep or goat industry for infrastructure development, business development, production, resource development, and market and environmental research;
- (4) advance activities that empower and build the capacity of the United States sheep or goat industry to design unique responses to the special needs of the sheep or goat industries on both a regional and national basis; and
- (5) adopt flexible and innovative approaches to solving the long-term needs of the United States sheep or goat industry.

The Association supports reauthorization of these farm bill programs. And the MWGA encourages that the NSIIC and its mission be adequately funded so that it may continue its mission of helping Montana's, and this nation's sheep, production.

2. MWGA strongly supports the FDA Minor Use Animal Drug Program

MWGA's membership believes it is critical that livestock producers have continued access to key technologies. This is why MWGA strongly support the Food and Drug Administration's (FDA) Minor Use Animal Drug Program and its historic collaboration with USDA's National Institute of Food and Agriculture (NIFA).

The targeted use of biologics and pharmaceuticals within a veterinary-client-patient relationship is key to the livestock industry's ability to maintain flock health and provide a safe wholesome product. MWGA's membership urges the creation, within the Farm Bill, of a mechanism for NIFA funding for minor use animal drug research through the National Research Support Project No. 7 (NRSP-7). NRSP-7 has an established record with Land-grant universities and has demonstrated excellent results for minor use drug research for nearly 40 years. This could pose an excellent opportunity to benefit both Montana's livestock producers, but Montana's land grant university – Montana State University.

3. MWGA supports the reauthorization of the Wool Marketing Assistance Loan and Loan Deficiency Payment Program

The 2014 Farm Bill authorizes nonrecourse marketing assistance loans (MALs) and loan deficiency payments (LDPs) for wool to eligible producers who produce and shear wool for the 2014 through 2018 crop years. The LDP program is available to eligible producers of nongraded and graded wool.

The national loan rate for graded wool is \$1.15/pound. Nongraded wool is \$0.40 per pound. When the 2014 farm bill was enacted, CBO estimated that the cost of the MAL/LDP was \$4 million for wool annually. Recent actual outlays have been nonexistent. With the recent low levels of producer income, MWGA joins ASI, in supporting a re-examination of the wool loan rate and supports an adjustment to a more appropriate level. MWGA's membership urges that the final version of the Farm Bill ensure these programs provide producers the safety net needed.

Other issues of importance to MWGA

4. MWGA supports the Sheep Production and Marketing Grant Program (section 209 of the AMA of 1946) as it is part and parcel of the success of the NSIIC.

The Sheep Production and Marketing Grant Program (SPMGP) was authorized in the 2014 Farm Bill and provided \$1.5 M for fiscal year 2014 (to remain available until expended) of CCC funding to AMS for the SPMGP. 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. Only national organizations with similar missions were eligible to apply. The NSIIC was awarded funding by the SPMGP which has allowed it to identify and fund industry improvements.

The NSIIC is considered instrumental in the development of the LRP Lamb Insurance product and the wool superwash capability in the United States. Superwash or shrink proofing of American wool which is critical for washable wool socks was not available in the United States until 2011 when NSIIC funds significantly contributed to the presence of equipment stateside. LRP lamb insurance is the only risk management tool for lamb producers as neither lamb nor wool are traded in the commodity futures market. As a result, ASI strongly supports providing mandatory funding for the SPMGP.

5. MWGA supports extending the Mandatory Price Reporting program

In September 2015, President Obama signed into law the Agriculture Reauthorization Act of 2015, which included an extension of the Livestock Mandatory Reporting Act of 1999 (MPR). Unfortunately for sheep producers, this reauthorization has not lived up to our expectations when it was passed.

Of particular concern to the industry is the implementation of attendant confidentiality rules being followed by the U.S. Department of Agriculture (USDA) and the chilling effect of those rules on price reporting.

We are pleased that USDA has been conducting analysis on these confidentiality issues. We are hopeful that a solution to this issue will be identified. Additionally, we encourage you to encourage USDA to fully utilize price data from cooperatives, an issue of major importance in the sheep industry and likely all livestock just as confidentiality will be for all species. Although MPR has not been a farm bill issue in the past, if progress cannot be made administratively on the confidentiality guidelines, MWGA's membership encourage you to urge your colleagues to include language in the farm bill to address this issue legislatively.

6. MWGA supports making adjustments to the federal crop insurance program

MWGA has some concerns about the effectiveness of the federal crop insurance program. This program is laudable in that it serves as a risk mitigation tool for young producers and participation in the same is often required by lending institutions. However, there is some apprehension that the cost of participating in the program has escalated beyond the point of reason or even economic value. This is an issue that should be reviewed closely during consideration of the Farm Bill reauthorization.

Again, on behalf of the membership of the MWGA, thank you for the opportunity to share our thoughts and priorities on the Farm Bill. We appreciate your reaching out to us and we are available to speak with you directly about the issues raised above should you need more information or clarification on the matters discussed herein.

Thank you also for your work on behalf of the citizens of Montana.

Sincerely,

s/s

Kevin Halverson

President

MWGA

Cc: MWGA Board