



American Lamb Council



American Sheep Industry Association, Inc.
www.sheepusa.org



American Wool Council

Statement of
Cindy Siddoway
Past-President of the
American Sheep Industry Association

Before the
Committee on Agriculture
U.S. House of Representatives

May 1, 2010
Nampa, Idaho

Review of U.S. Agricultural Policy in advance of the 2012 Farm Bill

On behalf of the 82,000 family farms and ranches that produce sheep in America, of which 1,200 are right here in Idaho, I am very appreciative of this opportunity to discuss our nation's agricultural policy with the agriculture leadership of the U.S. House of Representatives.

I am Cindy Siddoway, past president of the American Sheep Industry Association (ASI), the national trade organization of the sheep industry. My family and I own and manage a five generation sheep ranch in eastern Idaho with 20,000 head of ewes and lambs. We are extremely proud of our rich heritage in Idaho and in the sheep ranching industry.

A half a billion dollars in lamb, wool, sheep milk and breed stock sales at the ranch level supports an additional \$1.3 billion in economic activity for a total contribution to the nation's economy of \$1.8 billion. The industry is a mainstay of many rural communities including many in Idaho where sheep are a key use for grazing and pasture land.

Our industry greatly appreciates the opportunity to participate in the current Farm Bill as well as in this and future hearings with the committee as you prepare for the next Farm Bill.

Sheep producers were encouraged when the 2008 legislation extended the loan deficiency program for wool with an increase in the base loan rate from \$1.00 per pound to a \$1.15 per pound. That loan rate increase was implemented January of 2010 and so far there is still only one of the nine loan categories being used by producers.

Total wool payments nationally, since inception of the program in 2002, range from \$6 million to \$8 million annually. This is far under the original CBO projection of \$20 million per year. We believe this is primarily due to the fact that participation has been in only one loan category—a category that was intended as an opportunity for the smallest farms to participate in the program even though their volume of wool didn't justify the expense of quality testing.

The rest of the loan categories are geared to specific grades of wool that match the actual trading in the international wool market and are determined by yield and grade testing that producers conduct on their wool. The loan rates have consistently been less than market prices over the years even though wool prices have varied dramatically between 2002 and 2010.

An increase in the base loan rate and a discussion of the loan rate formats similar to those currently used by other USDA fiber programs may be in order to deliver a “workable” safety net for producers.

The current legislation also authorized a Sheep Industry Improvement Center under the U.S. Department of Agriculture. This program, to be implemented and administered by the Agricultural Marketing Service, is designed to fund business ventures that strengthen the sheep business infrastructure from wool warehouses to processing equipment to lamb slaughter companies.

The Farm Bill provided a million dollars in mandated spending and authorized appropriations up to \$10 million per year through 2012. We anticipate the oversight board will be appointed by the Secretary and the program will be operational before the committee finalizes the new Farm Bill. We believe the Center will provide much needed capital to the industry and would request it be continued in the next Farm Bill.

A national plan to increase the sheep inventory of the United States is being developed in 2010 by lamb and wool companies, sheep producers and feeders to address the shortage of sheep production in America. We anticipate that portions of the plan may fit the Committee on Agriculture's goals in the 2012 Farm Bill.

The entire sheep industry and the lamb and wool business chains from farm to processor have been working to build a plan that prioritizes the most critical items needed to increase sheep production. Producers and companies alike believe they must find ways to replace retiring producers and attract new producers or the infrastructure of the industry will be at risk. Fewer companies mean less competition and less ability to market to American consumers and to export markets. The lack of both lamb and wool volume continues to squeeze the ability of businesses to buy and process our annual crops. Declining inventory of sheep since 2005 has not been due to any collapse in lamb prices at the farm gate nor extreme volatility of lamb prices. In fact, lamb prices weathered the recession better than other categories of livestock, yet we still lost production.

We look forward to sharing the plan to stabilize sheep production and rebuild the inventory, which is positive for rural economies and sheep farms and ranches.

Of interest to the Committee is a report issued this winter titled *Nontraditional Lamb Market in the United States: Characteristics and Marketing Strategies*.

www.sheepusa.org Fully one-third of American lamb production is now sold through smaller markets and nontraditional markets from direct consumer sales of lambs to farmers markets and to small processors serving local communities. The dramatic shift in lamb marketing of the last five years is changing the sheep industry as it strives to serve traditional retail and food service accounts as well as the increasing nontraditional markets.

One issue that has not changed from the sheep industry perspective since the 2008 Farm Bill is the international situation. The United States has no barriers to lamb meat imports and as such has become the market of choice for lamb exporters from around the world. However, we have not had new markets opened up to our products, including China.

Similarly, the European Union continues to provide subsidies to sheep producers estimated at \$2 billion annually under their whole farm payments. Additionally, the European Union maintains strict and effective tariff rate quotas on lamb imports. Our industry looks to both the Agriculture Committee's role in industry programs in the next Farm Bill and the Committee's role in pushing for aggressive reform of Europe's agriculture programs and barriers to assist the domestic sheep business.

We greatly appreciate the opportunity to discuss the sheep industry with the Committee and commit our support to the effort of drafting the next Farm Bill

CINDY SIDDOWAY

1764 East 1200 North • Terreton, ID. 83450 • (208) 663-4585 Fax 663-4428 siddoway@dcdi.net

EDUCATION

1990 – 1991 Idaho State University, Pocatello, Idaho. Bachelor of University Studies, Focus: Entrepreneurship and Political Environment. Honors Graduate.
1969 – 1970 University of Idaho, Moscow, Idaho. Major - Elementary Education.
1968 – 1969 Ricks College (BYU Idaho), Rexburg, Idaho.

BUSINESS EXPERIENCE

2003 - Present Owner, Manager: Juniper Mountain, LLC, St. Anthony, Idaho
2002 - Present Owner, Manager: Siddoway Wool Company, LLC, Terreton, Idaho
1970 - Present Corporate Officer: SIDDOWAY SHEEP COMPANY, INC., Terreton, Idaho
General management of ranch and farm operation. Responsibilities include all payroll and accounting (employ approximately twenty people), all business correspondence, regulation compliance, farm programs and conservation issues, banking and financial matters, and general labor. Initiated computerized accounting and payroll. Implemented H2-A workers.
2001 - 2008 Chairman: Idaho State Committee, Farm Service Agency, USDA
1981 - 2005 Stockholder: SEBS FEED & SUPPLY, Terreton, Idaho.
1985 - 1988 Owner, Manager: C.J. OIL COMPANY, INC., Terreton, Idaho.
1967 - 1970 Clerk: BLOCKS, St. Anthony, Idaho

PROFESSIONAL ASSOCIATIONS

2006 – Present American Sheep Industry Legislative Action Council
2001 – Present Sheep Heritage Foundation
2001 – 2008 Member: Idaho State Technical Committee, NRCS
1999 – 2001 American Sheep Industry Association, President
1996 – 2000 Information Technology Resource Management Council, State of Idaho
1995 – 1999 American Sheep Industry Association, Secretary/Treasurer, Vice- President
1994 – 2003 American Sheep Industry Association, Executive Board
1993 – 1998 Grizzly Bear Legislative Oversight Committee, State of Idaho, Co-Chairman.
1992 – 1996 American Sheep Industry Legislative Council, Chairman.
1990 – 1996 National Animal Damage Control Advisory Committee.
1990 – 2004 Board of Directors Idaho Woolgrowers Association.
1988 – 1997 Member: Women Involved in Farm Economics (WIFE)
1988 - 1997 Member: American Agri-Women
1988 – 2002 Charter Member: Agricultural Women's Leadership Network
1987 – 1989 President, Idaho Wool Growers Ladies Auxiliary
1986 – Present Acting Secretary, Idaho Animal Damage Control District #5.
1985 – 1988 Idaho Delegate, American Sheep Producers Council

COMMUNITY ACTIVITIES

1993 - 2000 West Jefferson Technology Committee
1992 – 1999 West Jefferson Education Foundation
1990 – 2000 School Board Trustee West Jefferson District #253

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2007.

Name: Cindy Siddoway

Address: 1764 East 1200 North, Terreton, ID 83450

Telephone: 208-663-4585

Organization you represent (if any): American Sheep Industry Association

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2007, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2007, as well as the source and the amount of each grant or contract:

Source: USDA AMS / FAS Amount: 4.5M / 1.6M

Source: USDA APHIS / NRCS Amount: 142K / 56.5K

Please check here if this form is NOT applicable to you: _____

Signature: Cindy Siddoway

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*