

In this Issue

New Direction for CSF	1
From the Chair	2
Changes in Provincial Managers	3
On-Farm Food Safety	4-5
Foreign Animal Disease Preparedness	6-7
Alberta - New Legislation	8
Scrapie Program	9
Canadian Lamb Grading	10-12
OIE Statement on Canada's BSE Program	13
International News	14
Stats Can - Farm Income	15

New Communication and Education Efforts from CSF

By Jennifer Fleming, Executive Director

This is an exciting time for CSF. Over the past year an enormous amount of work has gone into the planning and execution of a series of new communication and education projects which are now ready to be shared with the industry at large. The work on these activities has been running parallel to the larger business planning exercise to ensure consistency in objectives and messages as well as the look and feel of the finished tools. Collectively they support CSFs efforts to project an image that mirrors its evolution as a more professional and business-focused organization. They also fit CSFs mandate to serve as a conduit for the various touchpoints in the sheep value chain by motivating and encouraging collaboration in areas that have the greatest potential for mutual benefit. Here's a sample of what people can expect to see in the immediate future:

1. New logo for CSF

As CSF makes significant progress in defining and acting on a renewed mandate, it is only fitting that the organization adopts a new look to reflect this evolution. CSF is emerging as an increasingly professional organization with an objective to ensure long-term sustainability of the industry for all value chain members – and now it has a look that says just that. A news release announcing the new logo and its implications for the Canadian sheep industry and Canadian agriculture in general is being circulated on May 28, 2007. See this release for more information on the work and thinking that went into the development of the new logo.

2. Points of View – A Forum for Sharing Perspectives from Across the Canadian Sheep Industry

This communication vehicle is a unique tool designed to give value chain members an opportunity to share information, opinions and ideas on a number of subjects that have the greatest opportunity to strengthen the industry for long-term sustainability. It is different from a traditional newsletter, and as such will be distributed as a companion piece to From the Flock which will continue to be developed and distributed as usual. Points of View is intended to be an interactive tool with the bulk of the content and commentary coming from individuals and organizations within Canada's sheep industry. Watch for Points of View later this week and prepare to join in the dialogue. We're anxious to hear what you think!

3. Resource Bank

One of CSFs biggest priorities is to help all sectors of the sheep value chain cooperate and collaborate where appropriate. To support this effort, CSF has developed a "resource bank" – an online central directory for materials and resources related to marketing, production, etc. Consultation with different provincial organizations (whether marketing boards or extension groups) showed us that there is an abundance of incredibly valuable tools, materials and expertise available at the provincial level that may be helpful to other provinces. This resource bank will continue to grow and evolve with a focus on maximizing awareness and use of resources that are available across the industry. Anyone interested in accessing the resource bank or sharing resources with others is encouraged to watch for the launch of the Resource Bank at the end of May 2007. This is just a sample of the types of activities that have, among other things, been keeping CSF busy. We hope you'll agree that collectively they are making strides in the organization's efforts to support the industry for long-term growth and sustainability.

MERINO LINKS UP WITH CANADIAN SKI RESORT

Australian Wool Innovation (AWI) has teamed up with the Red Mountain ski resort in Canada to promote the virtues of Merino wool to the serious skier. Known as "The Mountain Project", AWI hopes to expose some of the best skiers in the world to the use of Merino wool as an ideal textile to wear next to the skin.

All 120 staff members at the Red Mountain resort have been fitted out with Australian Merino and the wool industry hopes the staff will pass on their wool wearing experience with the 116,000 visitors that pass through the resort every year according to AWI.

As most growers know, wool assists with moisture movement away from the skin, thermal regulation and has great anti-odour characteristics. "Australian Merino is a natural fit for the project," said Stuart McCullough, director of North American operations at AWI.

"Red Mountain is the ultimate resort for serious ski enthusiasts and Merino is the ultimate technical outdoor performance fiber. Together, they provide a one-of-a-kind experience that is unmatched in the industry."

AWI appears to have already converted one influential skier, this year's Verbier Xtreme and Big Mountain Pro competition winner, Xavier Delerue. "I constantly go from hot to cold to really cold and from wet to dry in a short period of time. Merino gets warmer when it needs to be but I never feel too warm. It keeps me super comfortable so I can focus on the mountain."

Mr Delerue said that natural fibres were important to his lifestyle. "Natural is very important to me. I like eating organic, I stay away from preservatives and I don't like to waste product. I prefer not to use synthetics so Merino fits best with my way of life," he said. The Mountain Project will continue for a number of years according to AWI.

From the Chair

By Florence Henning, CSF Chair

After long delays I eventually arrived in Chihuahua Mexico for the Mexican Sheep Annual General Meeting April 26th /27th.

Chihuahua is an historical city in Northern Mexico with a population of around 800,000. Its architecture and history date back to the Spanish with plenty of history about the Mexican Revolution.

Merino sheep were first introduced to the state of Chihuahua by the Spanish back in the early 1700's. While their numbers have fallen over time, breeding ewe numbers are on the increase. That being said Pelibuey Dorper and Kathadin are the main breeds both in the state of Chihuahua and nationally.

The AGM spans 4 days, beginning with an official welcome from the Sheep Breeders, the city, and the government. My presentation of the Canadian Sheep Industry was translated by Dr Javier Lara who did a wonderful job. I was pleased to be able to confirm the Canadian border was open for small ruminant imports. The Mexicans were really enthused about this and, like us, are awaiting the opening of the US border.

The sheep industry in Mexico like Canada has lots of potential for growth. Lamb prices are high and consumption is growing. Lamb is still mainly eaten in restaurants and on weekends served as Barbacoa. Two truck loads of lamb leave Chihuahua for Mexico City each week to supply the demand.

The government is helping the poorer farmers to expand and to buy breeding stock. Producers pay a lower price for the animals from the breeder and the government pays the difference of the current market value to the breeder.

Siestas between 2p.m. and 4p.m. are a part of daily life in Mexico but their meeting then resumes with a meal served and the meeting continues while the members eat.

It was a great experience to go their AGM and their welcome and hospitality was wonderful. They are now looking forward to the Canadian Classic in Brandon in June.

Mexico is hosting the Wool Sheep and Wool Expo in Queretaro in July. More than 800 have already registered with more numbers involved in the Trade Show. Four international judges are confirmed for judging. It will be a good opportunity for the world to see the positive expansion of the Mexican sheep industry.

OSMA HIRES NEW GENERAL MANAGER

By Courtney Denard, Ontario Sheep News Editor

On April 25th, 2007 OSMA announced the hiring of its new General Manager- Norma Collett- who will officially take the position on June 4th, 2007.

A native of Newfoundland, Norma comes to OSMA with extensive knowledge of sheep production and many years experience in the industry. Following her graduation from the Nova Scotia Agricultural College, Norma spent seven years working for the N.S. Department of Agriculture and Marketing at the Kentville Research Station- specializing in Integrated Pest Management.

Since 2000, Norma has been the Manager of the Newfoundland and Labrador Livestock Council (NLLC), a not-for-profit organization representing the needs of non-supply commodities such as sheep, beef, pork and fur. Through this position, Norma was involved in various sheep projects focusing on industry issues like predator control education and training, promotion and advertising, market feasibility studies, red meat strategies, meat cutting and secondary processing training workshops, as well as pasture management.

As Manager of NLLC, Norma worked closely with the Department of Natural Resources on the development of a groundbreaking television series highlighting various agricultural commodities- including sheep- raising the industry's profile. An ad campaign for television and newspaper was also created as part of this project. Before she leaves her post at NLLC, Norma is wrapping up a red meat strategy where she is working with producers, processors and abattoir operators to upgrade their slaughterhouses to higher food safety standards.

An advocate of the sheep industry, Norma has experience obtaining funding grants and contributions from provincial and federal governments. "In my position at NLLC, I was always lobbying the government to put more money into the sheep industry," says Norma. "I developed a working relationship with several funding agencies and I have extensive experience working with governmental departments such as Agriculture and Agri-food Canada and the Canadian Food Inspection Agency."

Making the big move from Newfoundland to Ontario, Norma is excited about taking on the role of OSMA General Manager. "Something that I'm really looking forward to is working with producers and the OSMA staff to keep the Ontario sheep industry moving forward," says Norma. "I believe in, and have a passion for the sheep industry. I think it has untapped potential to develop in Canada so my goal is to network and form partnerships with related stakeholders that will result in industry growth and expansion."

NEW GENERAL MANAGER FOR THE FPAMQ

Sylvain Maher General Director

Assuming his current functions on the 16th of April, Sylvain has been working for producers under the UPA umbrella for 26 years. Prior to joining the Fédération des producteurs d'agneaux et moutons du Québec, Sylvain was the secretary for the Fédération des producteurs d'œufs du Québec from 2000 to his recent appointment. For over 12 years, Sylvain held the position of Director of Quota and Programs at the Fédération des producteurs de volailles. He has also held the position of marketing agent at the Regional UPA Federation in St-Jean – Valleyfield.

ON-FARM IMPLEMENTATION FUNDING AGREEMENT RECEIVED

By France Lanthier, national Coordinator On-Farm Food Safety



As of May 7th 2007 Canadian sheep producers are now able to receive on-farm implementation funding to assist in off-setting the cost of implementing the Canadian Sheep and Lamb Food-Safe Farm Practices program. This funding is made available through a contribution agreement for the Canadian Food Safety and Quality Program, On-Farm Implementation Component between the Minister of Agriculture and Agri-Food and the Canadian Sheep Federation.

The information below is from the Agriculture and Agri-Food Canada website: http://www.agr.gc.ca/fd_al/cfsqp-pcsqa/index_e.php?section=frm&page=broch#avail

What is available to producers?

Under the program, assistance worth up to \$1050 is available to each producer. The total government contribution will be up to \$300 per producer for workshops (\$100 on average per workshop for up to 3 different workshops) and \$750 per producer for on-farm support.

Workshops

- ⇒ Organizations may offer workshops to producers. Producers may choose to access the workshops from one or more organizations.
- ⇒ Workshops are designed to give participating producers consistent information on implementing commodity-specific, on-farm food safety systems. Producer organizations will offer these workshops and producers will be able to attend up to three workshops coordinated by various producer organizations (\$100 x 3 workshops).

Note: Producers will not receive direct financial support to attend a workshop, that is, producers will not be paid to attend. The workshop funding allows the organization (CSF) to recover up to \$100 of the costs of running the workshop per producer who attends.

On-farm support

On-farm support includes **technical assistance** aimed at customizing and implementing a food-safety system for the farm or **specialized equipment** that is needed to implement a food safety system on the farm.

a. **Technical Assistance**

- ⇒ Participating producer organizations may provide a producer with the services of a designated specialist chosen by the producer organization. The specialist will provide one-on-one technical advice to help plan and implement a food safety system tailored to the producer's specific farming operation. The specialist may also review producer files for pre-audit purposes.
- ⇒ This technical support is cost-shared: the Canadian Food Safety and Quality Program will fund 70 per cent of the costs, to a maximum of \$750 per eligible producer. The producer or the producer organization funds the remaining 30 percent. Details are available from participating national producer organizations.

⇒

Continued on next page

b. Specialized Equipment

- ⇒ Participating national producer organizations may identify specialized equipment that is required to implement an on-farm food safety program.
- ⇒ Financial support is cost-shared: the CFSQP will fund 50 percent of the purchase price, to a maximum of \$750. The producer or the producer organization funds the remaining portion of the cost.
- ⇒ To be reimbursed, producers may be required to submit original receipts to the producer organization. Producers will be issued a tax statement for the amount received (Form AGR-1, *Statement of Farm Support Payments*) since it is a taxable benefit.

Note: The Canadian Sheep Federation is not able to fund the cost-shared portion for Technical Assistance or Specialized Equipment. Producers wishing to utilize this funding opportunity will be responsible for any costs incurred. The Canadian Sheep Federation can however assist producers to access this funding.

List of Specialized Equipment Eligible for Funding

General Program – for all sheep producers

1. Scale for weighing animal feed and water additives
2. Plastic bins with secure lids (i.e. for feed)
3. Label maker
4. Sharp's container
5. Animal scale
6. Chemical storage cabinet

Dairy Supplement – additional equipment specific for dairy operations

1. Temperature meter (with alarm) for milk bulk tank
2. Temperature meter for milk freezer
3. Light bulb covers/shatter proof light bulbs
4. Check valves for detergents and sanitizers

In order to access Technical Assistance and Specialized Equipment producers must have attended a Workshop (in-class or online training – a mail-out version will soon be available as well).

Under the funding agreement between the Minister and the Canadian Sheep Federation, equipment claims must be \$200 or over to be eligible for reimbursement. For example, if you purchase a Sharp's container, they cost approximately 8\$, you cannot submit an \$8 claim to receive a \$4 reimbursement. However, if you purchase a scale at \$750 then you can submit both purchases in the one claim for a total of \$758, to obtain a \$379 reimbursement.

If you have any question concerning the On-Farm Implementation funding opportunities please do not hesitate to contact the Canadian Sheep Federation. Tel: 1-888-684-7730 Fax: 519-824-9233 or email france@cansheep.ca or admin@cansheep.ca



DISEASE WARNINGS REMAIN UNHEEDED; A MAJOR FOREIGN DISEASE OUTBREAK WILL BE MOSTLY ABOUT ANIMAL WELFARE BUT WE'RE NOT PREPARED FOR IT

Dr. Terry Whiting has been sounding the alarm for at least five years about the devastating impact of a foreign animal disease outbreak, yet the federal government has done almost nothing.

And so at a conference on animal welfare here recently, he said we've learned nothing from the foot-and-mouth disease outbreak in 2001 in the United Kingdom and the Classical Swine Disease outbreak in the Netherlands in 1998-99.

In both cases, the farm losses mounted into the billions, the public was aroused and their livestock industries face much tougher and tighter government restrictions. Whiting said the North American livestock industry closely parallels the production models in Europe, so we could and should learn lessons from those disasters.

"We have lessons provided, but lessons learned, that's bull," he said after several international speakers outlined lessons learned from animal welfare disasters such as Hurricane Katrina that hit New Orleans. "These lessons have been around for a decade and we've learned bugger all," Whiting said.

He worked for the Canadian Food Inspection Agency for eight years and now is in charge of Manitoba's veterinary diagnostic laboratory, manages its animal health and welfare programs and is chairman of the animal welfare committee of the Canadian Veterinary Medical Association.

He's also a highly-entertaining and blunt public speaker who has been notching up his presentations in so-far futile attempts to get the federal government to adopt policies to compensate farmers for animal welfare losses in the face of a serious outbreak of a foreign animal disease. Whiting said welfare losses generally run 400 animals for every one that's infected with a disease. The federal government compensates for the loss of a diseased herd or flock, but not for healthy ones that often must be destroyed.

Whiting said if there's a pork disease disaster, such as foot-and-mouth disease in Iowa, Iowa would immediately close its borders.

Manitoba's farmers would immediately lose a market for 4.1 million weaner pigs per year. A study that he did with graduate student Leanne Barga indicates that most sow-barn operations could only hold off farrowings for three days. After that, they would have no place to go with newborn pigs.

Manitoba should be building nursery and finishing barns to mitigate the impact of a border closure, Whiting said, but instead the government has imposed a moratorium on building permits pending the outcome of an environmental assessment. "It's an election year," Whiting said.

He has pressed for an animal welfare and compensation policy and program and said he had high hopes in 2002 when the Ontario government was due to unveil its plans for the federal-provincial FADES (foreign animal disease eradication support program), but was disappointed. "We had opportunity to renew this program, but we were not able to do it," he said.

Another problem is the lack of a common agriculture policy as part of the North American Free Trade Agreement, he said.

Whiting also noted that there are hardly any veterinarians in the federal agriculture department, but plenty running the Canadian Food Inspection Agency. The agriculture department has the money and mandate to look after the farming economy, but the CFIA has a mandate only to deal with an outbreak of a foreign animal disease and not to cope with the impacts on the farming economy.

Continued on next page

FOREIGN ANIMAL DISEASE OUTBREAK

Whiting praised Quebec for pursuing a pork industry policy that has all of the hogs raised and slaughtered there. "Every pig that craps in Quebec stays in Quebec." Whiting said that Quebec will be declared disease free within 60 days of any foreign animal disease outbreak involving pigs "but the rest of the country gets screwed. That's what I predict."

He also praised the supply-managed poultry industry for its farmer-oriented, domestic-market policies that almost eliminate concerns about losing export markets, comparing it favourably with mega-sized hog farms dependent on exporting.

Manitoba exported more than four million weaners and about 1.3 million market hogs plus 1.7 million kilograms of pork to the U.S. last year, he said, noting that all of his statistics come from U.S. sources because Canada "doesn't even collect them." Ontario exported 1.4 million weaner pigs, 800,000 market hogs and 2.5 million kilograms of pork. Quebec exported no weaners, only a few market hogs and 4.3 million kilograms of pork to the U.S.

Canada's hog industry is more dependent on exports than the Netherlands when its industry was crippled by an outbreak of Classical Swine Fever and was unable to continue exporting weaners to Spain and Germany, Whiting said.

Holland's exports were 1.5 million weaners per year; "we exported that many by February this year," Whiting said. He called the Canadian situation a "cognitive failure," a term the insurance industry uses to describe a situation in which people recognize a threat, but do nothing to prepare for it.

"So denying reality is normal," Whiting said. "There is a serious disconnect in Canada between animal health and animal welfare," he added, with almost all of the money and attention going to health and little or nothing for animal welfare.

"There is no doubt that the outbreak of a foreign animal disease will be about animal welfare and not disease control," he said. The news media will jump on the "massive slaughter" of animals that have no home, he said, and the livestock industry will lose much of its public support.

Livestock production depends on public goodwill, he said, and he questioned whether much of the industry will be left after the public witnesses the fallout of a major disease outbreak. Veterinarians have a responsibility to ensure the livestock industry is prepared, he said.

And yet, while he clearly won audience support yet again, Whiting said 40 speeches a year have yet to result in the federal agriculture policies Canada needs to cope with a serious outbreak of a foreign animal disease.

Source: Ontario Farmer, Tuesday May 15th 2007

ALBERTA: NEW ACT WILL PROTECT ANIMAL AND HUMAN HEALTH

New legislation will allow Alberta to take further steps to minimize disease risk and respond rapidly to animal health emergencies. Bill 32, the proposed *Animal Health Act*, will modernize current legislation replacing the *Livestock Diseases Act* created in 1946. "We've learned a great deal about disease control in the last few years and the province is committed to applying those lessons for the benefit of all Albertans," said Agriculture and Food Minister George Groeneveld. "Our legislation must reflect today's knowledge and technology. Among other things, Bill 32 recognizes that livestock production has changed and that we are now part of a dynamic global market." Avian Influenza and other diseases that affect public health require a new Act to meet changing requirements and commitments. This bill will improve Alberta's capacity to help manage disease outbreaks under protocols such as the Foreign Animal Disease Emergency Supports agreement with the federal government. "In the big picture," said Groeneveld, "Alberta wants to make sure it is prepared for any future disease outbreaks, particularly fast-moving diseases like animal influenzas."

Key provisions of the Act include:

- clear and updated definitions of reportable and notifiable diseases;
- the ability to establish quarantine orders, surveillance zones and control zones for animal diseases;
- the ability to order the destruction and disposal of animals if necessary and to authorize compensation for destruction and disposal as appropriate;
- restrictions around possession and sale of animals with specific reportable diseases;
- the ability to introduce a livestock traceability system to complement the national system
- the ability to collect information for timely disclosure to the Chief Provincial Veterinarian with provisions to protect private information, in order to ensure animal and human health.

Livestock, animal health and government stakeholder organizations were consulted in the development of Bill 32 and stakeholders will be consulted on regulations. This legislation is part of Premier Ed Stelmach's plan for providing safe and secure communities. Other government priorities are to govern with integrity and transparency, manage growth pressures, improve Albertans' quality of life and build a stronger Alberta.

The website is: http://www.assembly.ab.ca/net/index.aspx?p=bills_status&selectbill=032

ELECTRONIC SHEEP ID PREFERRED TO DOUBLE TAGGING IN SCOTLAND

NFU Scotland is prepared to accept the introduction of electronic tagging for sheep as the price to pay to avoid the immediate imposition of double tagging by the European Commission.

The move follows a damning report by EU veterinary officials who identified "significant deficiencies" in the UK's traceability system for sheep during an inspection of farms, auction marts and abattoirs in February. "Elements of the traceability systems in place in the markets and slaughterhouses visited were non-compliant and had not been detected by the authorities," the official report of the European Commission's health and consumer directorate states.

The report has alarmed sheep farmers who fear a costly and unworkable system of double tagging and individual movement recording will be imposed on the industry when the current derogation from these regulations ends on 30 June. The derogation allows UK farmers to record the movement of sheep in batches as they leave the farm rather than recording individual sheep movements. "We are determined to resist double tagging and the paper chase which that would involve," said NFUS livestock committee member, Bruce Walker. "An electronic identification system - when a system which is 100% reliable is developed - could easily be bolted on to the existing batch recording system and would ensure the level of traceability which the EU requires without imposing a costly bureaucratic burden of individual identification on farmers."

Mr Walker said individual identification might work in the rest of Europe where small flocks are common, but would be impossible to implement in Scotland where average flock size is 300-400 ewes, with many flocks of more than 1000 ewes. He was speaking following a meeting of the NFUS's north-east regional livestock committee which fully endorsed the move towards electronic identification. The policy has now been accepted by the union's national livestock committee and will be the subject of discussions this week with SEERAD officials prior to an all-industry stakeholders meeting in London next Tuesday (15 May). "The livestock committee is crystal clear that double tagging is simply not an option for the sheep industry, hence the vital importance of securing an extension to the current derogation," said NFUS vice-president Nigel Miller.

Source: www.fwi.co.uk/Articles/2007/05/15/103602/electronic-sheep-identification-preferred-to-double-tagging-in.html

VOLUNTARY SCRAPIE FLOCK CERTIFICATION PROGRAM

With the development of two new national programs, Scrapie Canada has doubled its fighting power against scrapie — one of the most potentially dangerous diseases facing Canadian sheep and goat producers. Yet with all the excitement surrounding the new programs, there remains to be some confusion around what it all means and how it will all happen. The following chart explains the two different programs and answers some of the most common questions surrounding the programs. If producers would like any further information or would like to apply to either program, please contact the Scrapie Project Coordinator at 519-836-0043. Funding for these programs has been provided by Agriculture and Agri-Food Canada's Advancing Canadian Agriculture and Agri-Food Program.

Voluntary Scrapie Flock Certification Program	
Objective	<ul style="list-style-type: none"> To help producers determine whether scrapie exists within their sheep or goat operation, and to minimize the risk of introducing the disease into clean flocks or herds.
Who Can Participate?	<ul style="list-style-type: none"> Any Canadian sheep or goat producer
Duration of Program	<ul style="list-style-type: none"> Producers must advance through 6 levels throughout the program. This takes approximately 5 years.
Participant Requirements	<ul style="list-style-type: none"> Purebred or commercial flocks are accepted into the program. Under the three strategies (Pathways) that producers can follow, basic requirements include: a closed ewe/ doe flock; submission of dead stock for scrapie testing; maintenance of a detailed flock/ herd inventory. Long-term commitment from producers.
Cost to Producers	<ul style="list-style-type: none"> Producers must pay for an accredited veterinarian to inventory their flock/herd- this varies between vets. Producers are responsible for collecting the obex (brain) sample, either on their own or through a vet (this cost varies between vets). All deads over 12 months must be submitted for obex testing. If there are no deads in a given year, producers must submit a cull that is 24 months of age or older.
What does the project pay for?	<ul style="list-style-type: none"> Producers will receive \$50/ year for the first two years on the program. Lab analysis of the obex (brain) sample is paid for. Administration of the project is paid for.
Vet Information	<ul style="list-style-type: none"> Producers must work with a vet approved by the CFIA.
National Survey of Scrapie Genetics in Canadian Purebred Sheep	
Objective	<ul style="list-style-type: none"> To maintain flock productivity while increasing scrapie resistance of the flock through genotyping rams and ewes.
Who Can Participate?	<ul style="list-style-type: none"> Any Canadian sheep producer with sheep registered under Canadian Livestock Records Corporation (CLRC).
Duration of Program	<ul style="list-style-type: none"> A one-time commitment from producers. Samples will be accepted between June 2005 and November 2006, with funding available for 31,000 head.
Participant Requirements	<ul style="list-style-type: none"> Sheep must be registered with the CLRC or are unregistered offspring of 2 registered purebred parents. Producers do not have to be a member of the CSBA. Producers are not required to make any changes in flock population (no culling required). All BC sheep that were not previously tested under the BC Genotyping Project, and meet the requirements for this program, are eligible for testing.
Cost to Producers	<ul style="list-style-type: none"> Producers can either use a vet for collecting blood samples or use ear tags designed to collect tissue samples (no vet required for this). \$10/ sample for lab analysis of 3 codons (136, 154, 171) of the sheep prion gene.
What does the project pay for?	<ul style="list-style-type: none"> 70% of the vet visit is reimbursed, up to \$6.00/ sample 50% of shipping costs will be reimbursed. [<i>All invoices must be sent to the Scrapie Project Coordinator within 90 days of the sampling.</i>] Producers can receive \$5.00/ animal for any samples taken between June 2003 and June 2005 by submitting official lab reports of genotype results to the Scrapie Project Coordinator. The analysis must have been completely paid for by producers- not funded through various provincial projects.
Vet Information	<ul style="list-style-type: none"> Vet does not have to be accredited with the CFIA.

CANADIAN LAMB GRADING — INFORMATION AND UNDERSTANDING LEADS TO OPPORTUNITY AND CHANGE

By Sean Firth, Consultant (Ruminants), AgraPoint

Understanding the way in which Canadian lambs are graded is critical to understanding and identifying our opportunities for growth. We are an industry that imports over 50% of our domestic consumption. Thus, it is absolutely critical for producers and processors to understand how our system compares with our competition.

The Canadian Sheep Federation (CSF) investigated the application of the Canadian Lamb Grading Standards in the “Value Chain Analysis for the Canadian Lamb Industry” report commissioned in 2006 and completed this year. Martin Gooch, from the George Morris Center, and I are the primary authors of the study.

“From the Flock” will discuss the results of this investigation in two articles. This, the first, will focus on the Canadian and U.S. systems, with an emphasis on how the two systems compare and the trends for lamb grades. The second article will examine the Canadian and New Zealand systems and opportunities for us to ensure that our product compares favourably with our main competitor.

The concept of grade standards is this: markets drive grades, the grading standards define the attributes that are measured, processors use the standards to provide signals to producers, and producers respond to those signals by altering production practices. Understanding grade standards provides producers with a tool to maximize their financial return and for processors to maximize product consistency and gain/create market share.

For simplicity sake we will only discuss the AAA grade (Table 1) which covers the majority of finished lambs in Canada. There are two additional youthful grades – C1 and C2 – which classify underfinished lambs or lambs with off colour fat or meat. The table below shows the AAA grade standards for maturity, fat and muscling characteristics and the all important yield grade breaks. Two issues to remember with the fat/muscling category: 1) there must be a minimum of 4mm of fat and 2) there must be a minimum combined muscle score of 2.6. These are important to know.

Table 1

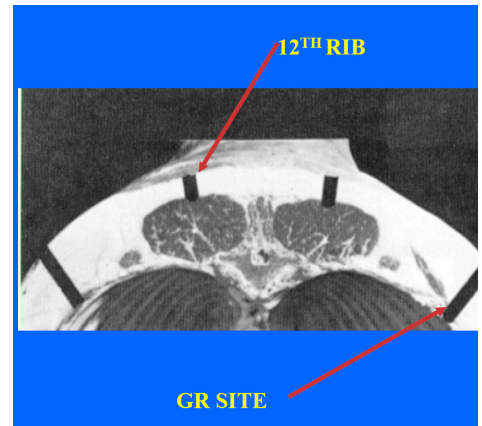
QUALITY GRADE	MATURITY	FAT/ MUSCLING	YIELD GRADE
Canada AAA	·less than 2 incisors; or 2 break joints; or 1 break joint with rounded ribs and a pink to red colour	·GR \geq 4 mm ·individual muscle score \geq 2.0 and average muscle score \geq 2.6 ·trace fat streaking ·firm	·Y1 if GR (13 mm; ·Y2 if GR \geq 13 and (19 mm; ·Y3 if GR \geq 19 and (25 mm; ·Y4 if GR \geq 25 mm

Continued on next page

LAMB GRADING

Most plant grids use a combination of muscling, fat measurement (GR) and carcass weight to determine the final value of the carcass. Underfinished or poorly muscled lambs will not be eligible for the AAA grade.

The U.S. system utilizes five yield grades as opposed to our four and measures GR in a different location than we do. The Americans measure GR over the loin at the 12th rib, we measure GR over the 12th rib, 11 cms off the midline of the carcass. This difference equates to GR fat levels that are very different (all 5 U.S. yield grades would fit into our Y1).



Who cares you say? The effort to determine grade equivalency was driven by a desire to determine historical Canadian lamb grade demographics. This was necessary because there is no database maintained in Canada that houses historical lamb grades. Without this data it is virtually impossible to determine where the lamb population in Canada is grading. This is important information to have. We need baseline data to identify trends and to identify opportunities for the lamb population to become more consistent.

The U.S. does maintain such a database, and have done so for many decades. It becomes possible to extrapolate this data to Canada if we can establish grade equivalency and if we assume that the genetic and production practices on farms are similar between the two countries.

Without going into a long diatribe on establishing grade equivalency, we were able to calculate this by determining the underlying mathematical lean yield equations for the yield breaks. This provided a mathematical relationship between the two systems and a calculation of equivalent GR measurements for each yield grade. Table 2 below shows the close relationship between the two systems.

Table 2

U.S. Yield Grade	U.S. %bctrc at lower entry point	Canada fat depth (mm) equivalency	Canada fat depth (mm) actual	Canada Yield Grade
Y1	47.4	<7.5		Y1
Y2	45.6	7.5 – 13.0	Y1 <13	Y1
Y3	43.8	13.0 – 18.5	Y2 13.0 – 18.9	Y2
Y4	42.0	18.5 – 24.5	Y3 19.0 – 24.9	Y3
Y5	41.9	24.5+	Y4 25>	Y4

It is apparent that the primary difference between the two systems is that the U.S. provides a yield break within our Y1. While our system places all lambs from 4-13mmGR within the Y1, the U.S. provides a break at 7.5mmGR and again at 13mmGR. This is both interesting and important in that the New Zealand system (which will be discussed in detail in the next article) provides very detailed grade breaks based on GR and the majority (60+%) of finished lamb fall under 7mmGR and 100% fall under 12mmGR. So we have the U.S. grade equivalency calculation. How do the grades over time look for our sheep population?

Continued on next page

LAMB GRADING

Table 3

%Y1	%Y2	%Y3	%Y4
56.2	40.3	3.2	.34

Table 3 provides 13 year average (1992-2005) yield grade data estimate for Canadian AAA lambs. It is apparent that a substantial portion of the population is falling in the Y2 yield grade which means a GR between 13 and 19 mm. This is a relatively fat carcass – fat costs money.

The Canadian industry needs to ask itself whether or not this relatively high percentage of relatively high fat lambs is what the consumer wants. One thing is for sure: it is not what your competition is providing. Ultimately, the processors will drive change if it is needed. The design of payment grids and the magnitude of rewards and discounts will force producers to change their genetic base and their feeding programs. The operative word is “magnitude”. Grids need to be designed that communicate the type of desired carcass and what is not wanted. Any grid design is an act of compromise – no processor can afford to over-penalize their suppliers but all processors want consistency.

This article is trying to make two main points: 1) Canada should consider an additional Y1 grade at the 7-8mmGR level and 2) the Canadian industry should take a hard look at the degree of finish on the lamb it is currently providing to consumers. Canada should also consider collecting grade data on a national basis and making that data available to industry on a pooled basis. We cannot identify and drive change without information.

KNIGHT TALKS ID WITH SHEEP PRODUCERS

“The sheep industry could very well be the first meat sector to obtain industry-wide traceability” stated Bruce Knight, under secretary for the U.S. Department of Agriculture’s (USDA) Marketing and Regulatory Programs. This is the message he relayed to more than 50 producers from across the country that spent the morning visiting with representatives from departments of the USDA.

Knight stressed that common-sense solutions are going to be the resolution to producers voluntarily registering their premises. In fact, through a close working relationship between the American Sheep Industry Association (ASI) and the Animal and Plant Health Inspection Service (APHIS), there is no reason why a common-sense approach can’t be found to join together the scrapie flock identification number with the National Animal Identification System (NAIS) premises identification number. ASI has specific policy stating that the NAIS must recognize the scrapie identification system numbers. “I am very committed to making this happen,” concluded Knight. Knight also assured the attendees that he is committed to making sure that the sheep industry is given the same opportunities as beef has been given to get lamb back into the Japanese markets.

In an unscheduled visit by Chuck Connors, deputy secretary of agriculture, he stressed to the industry that this new Farm Bill would provide for a long-term future for farm and ranch families. The plan USDA sent to Capitol Hill is very proactive and provides funding for areas such as energy, conservation and beginning farmers. The plan provides for fairness and equity across multiple agricultural areas.

Lloyd Day, administrator for Agricultural Marketing Service (AMS), informed attendees that it could be the end of the year before the rulemaking process is completed and mandatory price reporting is again in place.

Two other topics Day discussed were the American Lamb Board and the frozen lamb purchase program. The best way to assist the American Lamb Board is to find ways to increase the consumption of lamb, providing increased revenue for the program. When asked about future frozen lamb purchases, Day indicated that AMS was holding a teleconference in the afternoon to discuss the options on different cuts of meat to purchase to be able to utilize the program. AMS has until Sept. 30, 2007, to use the funds that have been obligated for this program.

Continued on next page

ASI NEWS CONTINUED

With a decrease in budgetary dollars from fiscal year 2007 to fiscal year 2008, APHIS may not be able to expand the National Scrapie Eradication Program surveillance activities, but it does plan to improve the targeting efforts and still move the program forward. The numbers of new cases of scrapie as well as the number of infected flocks have both decreased since 2004. Andrea Morgan, DVM, associate deputy administrator for regional operations, APHIS, also stated that in the very near future, an interim rule would be published that would remove Vermont from the list of states consistent with the scrapie program.

Floyd Gaibler, deputy under secretary for Farm and Foreign Agricultural Service, explained that he believes this is the most comprehensive Farm Bill sent to the hill since the mid-1980s.

"This bill puts us (USDA) on a pathway to prioritize funding for the next Farm Bill," stated Gaibler. Bill Clay, deputy administrator for Wildlife Services, offered a straightforward message. "As an agency and an industry, we are required to work smarter with the constraints the budget cuts are imposing. It doesn't mean we can not get the job done, it just means we will have to utilize technology to reduce costs," he said.

The delisting of wolves and the use of new control methods for the coyote population were also topics of interest to producers. The agency continues to look to utilize environmentally friendly control options for the management of predators. The key to the success of the Livestock Risk Protection-Lamb (LRP-Lamb) product is its marketability. Producers must participate to ensure the long-term existence of this product for the industry. Bill Murphy, deputy administrator for insurance services, Risk Management Agency, said the pilot, which is still on schedule for roll-out this summer, is considered large since it covers 27 states.

Arlen Lancaster, chief of the Natural Resources Conservation Services (NRCS), continued the discussions about the upcoming Farm Bill and detailed the conservation portion of the proposal. The primary goal for NRCS, a technical agency that gathers information to then share with landowners, is to consolidate the programs so they are easier to use. "ASI has an active partnership with USDA on the lamb, wool, health, grazing and predator management fronts, so the meetings are useful to update the industry and department officials," said Burdell Johnson, ASI president.

OIE RECOGNIZES CANADA'S BSE SURVEILLANCE AND ERADICATION PROGRAMS

PARIS, France, May 22, 2007 — The Honourable Chuck Strahl, Minister of Agriculture and Agri-Food and Minister Responsible for the Canadian Food Inspection Agency, today issued the following statement from the 75th General Session of the World Organisation for Animal Health (OIE).

"I am very pleased to announce that Canada has been officially categorized by the OIE as a Controlled BSE Risk country. This status clearly recognizes the effectiveness of Canada's surveillance, mitigation and eradication measures.

This categorization acknowledges the work done by all levels of government, the cattle industry, veterinarians, and ranchers to effectively manage and eventually eradicate BSE in Canada. We will continue to work together on initiatives, such as the recently announced enhanced feed ban, to maintain and improve upon this status in the coming years.

The OIE's science-based categorization system provides the framework for fair and standardized international trade based on safeguards agreed to by member countries. With this controlled risk categorization, we are confident that our trading partners will continue to recognize and respond positively to Canada's commitment to animal health and food safety, and that Canadian cattle will once again be sold throughout the world."

For information about the OIE risk categorization system, please see the fact sheet on the Canadian Food Inspection Agency website at:

<http://10.130.3.204:81/english/anima/heasan/disemala/bseesb/bseesbindexe.shtmlprocess>

Contact:
CFIA media relations
(613) 228-6682

IMPORTS OF NZ LAMB BLAMED FOR PRICE-PLUNGE IN BRITAIN

Wellington, April 26 NZPA - British farmers say imports of chilled New Zealand lamb are the main cause of plunging prices for hoggets in Britain. "The main reason prices are depressed has been the increase in imports from New Zealand, as a result of the weak dollar in relation to the strength of sterling," said a spokesman for Britain's National Sheep Association (NSA).

The NSA was dismayed that the latest statistics from the English beef and lamb executive showed a big jump in the proportion of supermarket shelves occupied by overseas products, the Glasgow Herald newspaper reported today.

The chairman of the livestock board of the National Farmers Union, Thomas Binns told Farmers Weekly newspaper: "Those retailing New Zealand lamb during the first half of the year must be encouraged not to turn their backs on Welsh lamb in favour of importing cheaper alternatives just to increase their margins."

A 9 percent jump in March meant 55 percent of the fresh and frozen lamb sold by retailers in that month was imported. New Zealand exports 92 percent of its lamb. Australia in contrast consumes around 60 percent of its lamb production and exports 40 percent.

New Zealand's annual lamb exports on a shipped weight basis total 310,000 tonnes and Australian lamb exports 157,000 tonnes.

"Although there are voluntary import restraints into the European Union, New Zealand has increased its exports of chilled lamb to the UK in the first quarter of this year," the Glasgow Herald reported. This was partly a response to demand from UK supermarkets which preferred New Zealand product at this time of the year, but was also driven by the exchange rate fluctuations.

UK farm-gate prices for Welsh lamb fell by NZ54c/kg over the last four weeks, with farmers saying a dramatic slide in farm-gate prices of between 15 and 20 per cent since March raised concerns about the sustainability of the UK lamb trade.

CONCERN OVER FALL OF BRITISH LAMB DISPLAYS

A substantial increase in shelf space given over to imported lamb last month shows retailers are continuing to adopt an unnecessary wholesale switch to overseas product at critical times in the year, according to the English Beef and Lamb Executive (EBLEX).

GB data shows the import penetration of fresh and frozen lamb stood at 55.9 per cent for March 2007, more than nine per cent more than the same time last year. EBLEX Chairman John Cross said: "We know that many retailers continue to be extremely supportive of domestic product. "However these figures clearly show others are continuing to adopt the lazy option of switching wholesale to imports at a time when slaughtering figures indicate there is plenty of quality home produced lamb available on the market.

"EBLEX firmly believes that a 'one stop shop' should not mean a 'one choice shop'.

"Many farmers will argue this is at odds both with the oft-stated desire of retailers to see a sustainable livestock sector and to allow their customers the right to exercise choice when purchasing fresh meat."

Figures for the first two weeks of April show that GB clean sheep slaughterings stood at 447,000—around 13 percent more than the 2006 Easter period. The news follows concerns from UK farmers that farm-gate prices have fallen by 20p/kg in the last four weeks. The drop has left the industry concerned about the future sustainability of the UK lamb trade and the National Farmers' Union is calling on retailers not to turn their backs on home-reared lamb in favour of cheap imports.

The fall in lamb prices is being blamed on a drop in French demand and a rise in New Zealand imports, which has triggered a supply and demand imbalance in the UK market.

FEWER CANADIAN FARM INCREASING INCOME

Fewer farms and a smaller number of producers are making more money farming large parcels of land in Canada, according to the 2006 Census of Agriculture figures released by Statistics Canada this week. The farm census found there were 229,373 census farms in Canada, a 7.1 per cent decrease from 2001, the last time the Census of Agriculture was done.

Saskatchewan and Newfoundland and Labrador saw the fastest rate of decline in the number of farms, a trend experienced in every province. Saskatchewan experienced a 12.4 per cent drop in farms to 44,329 last May while Newfoundland and Labrador had a 13.2 per cent drop to 558 farms between 2001 and 2006. British Columbia lost the least number of farms, losing 446 farms to a current total of 19,844. Ontario, meanwhile, has the largest population of farms in the country at 57,211, losing 2,517 since 2001.

The country's farms are operated by 327,060 producers, 19,140 fewer than in 2001. Of today's producers, 27.8 per cent are women, an increase from 26.3 per cent from five years ago. While Canada's agriculture land base remains steady at 167 million acres, the average farm size rose from 676 acres to 728 acres.

Newfoundland and Labrador saw the largest drop in area of farmland, dipping from 100,271 acres in 2001 to 89,441 acres in 2006 -- a 10.8 per cent drop. However, acreage in Alberta and British Columbia increased, up about 69,000 acres in Alberta and 613,600 acres in B.C.

In 2005, gross farm receipts amounted to about \$42.2 billion, an increase of 8.8 per cent from 2000, at 2005 constant prices. The monetary impact of BSE is evident in the payout of government aid programs during this time period. Payments of \$4.8 billion were made in 2005, representing 11.4 per cent of gross farm receipts. This is an increase of 6.9 per cent of receipts in the year 2000. Total farm operating expenses increased 0.7 per cent at 2005 constant prices to about \$36.4 billion. Between 2001 and 2006, farm input costs increased faster than prices producers received for their food. Statistics Canada states in its report that this led to improved efficiency, increased program payments and higher production to help balance the ratio. Agriculture producers spend about 86 cents in expenses for every dollar of receipts in 2005. This excludes depreciation and is about half a cent less than in 2000. Farm numbers have been declining steadily in Canada since 1941.

For more information: www.statcan.ca/english/agcensus2006/articles/finpic.htm



Canadian Sheep Federation

130 Malcolm Road
Guelph, Ontario
NIK IBI

Tel: (519) 824-6018

Toll Free: 1800-684-7739

Fax: 1-866-909-5360

Email: admin@cansheep.ca

Website: www.cansheep.ca

Looking for a perfect finish like this?



Welcome to Miller Livestock

The Miller family is proud to present to you our
July 21, 2007 Open House

Open House: 10:00 am - 3:00 pm

Lunch Served 12:00 - 1:00pm

RAMS – EWES – LAMBS

We welcome you to join us in evaluating our offspring. The number will not overwhelm you, but the quality is priceless!

**Our Selection, quality and service is second to none.
That is what makes MILLER FARMS your #1 stop.**

We always enjoy hearing from fellow breeders who use our Genetics, and look to our customers each year to inquire about our new prospects.

If you have used our genetics; thank you. If you are new to the business or searching for new genetics give us a try.

You'll find all the sheep are priced to sell. Matched with dependable service from one flock to another.

Thank You for your business, friendship through the past years; and we look forward to seeing & hearing from your soon.

Unable to make it... call us to schedule a visit.

BRAD & MEGHAN MILLER

1672 Mullifarry Drive • Kerwood, Ontario. NOM 2B0 • (519) 247-3402 or cell (519) 281-1554