



American Sheep Industry Association

Testimony of

Steve Salmon

On behalf of the

American Sheep Industry Association

On the

State of the Sheep Industry

Before the

**Committee on Agriculture
Subcommittee on Livestock and Foreign Agriculture**

U.S. House of Representatives

July 16, 2019

Washington, D.C.

Introduction

Chairman Costa, Ranking Member Rouzer, and Members of the Subcommittee, thank you for the opportunity to speak with you today. I am Stephen Salmon, from central west Texas, a member of the American Sheep Industry Association (ASI), and a director of the Texas Sheep and Goat Raisers' Association. I have been involved with both organizations for over 20 years. I am here today to represent the nation's 100,000 sheep producers. America's sheep producers continue a strong tradition of supporting wildlife habitat, natural resources, and open space across the country – all enabled by careful resource management while grazing our flocks on private and federal lands. Our members support rural communities, the tax base, and local businesses providing safe domestic lamb and wool. In fact, the economic impact of sheep and wool production on our nation's economy is immense. From on the farm and ranch to the retail level, the sheep industry has a total retail impact in excess of \$2.7 billion and supports nearly 98,000 sheep-industry related jobs.

I am a third-generation rancher raising sheep, goats and cattle. Our operation is located north of San Angelo, in a semi-arid region of Texas, where we typically receive 16-20 inches of rain per year. This year has been exceptional for our operation, with rain events that have filled lakes and streams that have been dry for many years. Like everyone here we understand the cyclical nature of agriculture and the markets and for that reason we strongly support agricultural research, price discovery and effective predator control. We also market sheep, goats, lambs, wool and mohair. For our us the trade dispute with China has made a big impact on our ability to market fiber with tariffs severely hindering trade with our largest export market.

Trade

Continued strength in the international marketing of lamb and wool requires a commitment to the promotion and export of U.S. wool to export markets through strong USDA Foreign Agricultural Service (FAS) Program funding.

ASI is the cooperator with the FAS for American wool and sheepskins and finds success every year in securing customers with the Market Access Program, the Foreign Market Development Program, and the Quality Samples Program. In 2001, ASI relaunched an export program for wool and significantly improved the competition of American wool. We now export 50 percent of American wool, on average, and have at least doubled the number of U.S. firms that offer wool to overseas markets.

ASI strongly supports the ratification of the United States Mexico Canada Agreement and urges Congress to act swiftly. We have seen the benefits of trade and have made major progress first with the reopening of Taiwan and most recently with the reopening of Japan to American lamb. But we have also experienced first-hand the detriments of trade as over half of the lamb consumed in the U.S. is imported. The vast amount of imported lamb distorts traditional market signals to producers for expansion and muddies price discovery. We support fair trade on a level playing field, and as the Administration looks to negotiate future agreements with China, the European Union, the United Kingdom and others; we urge a cautious approach. We do not currently enjoy the ability to export U.S. lamb to many of these countries and most enjoy the benefit of direct or indirect subsidies to their sheep industry. Again, we welcome the opportunity to compete, but we can only compete on a level playing field.

The current trade disruption with China has been tremendously challenging for our U.S. wool exports. Prior to the implementation of tariffs, 72 percent of U.S. raw wool exports and 80 percent of U.S. sheep skins were sent to China. Since the implementation of tariffs, we have seen raw wool

exports drop by 85 percent and sheep skin exports drop by nearly 70 percent in value. Once a valuable asset, sheep skins now have either no value or even result in a loss to producers at the processing level. As the Administration continues to review and implement ways to aid producers during what we hope is a short-term loss of this valuable market, we ask that wool and sheep skin producers be included in the conversation.

Bighorn Sheep in Domestic Sheep Grazing Allotments

Nationally, about half of all domestic sheep spend time grazing on federal lands, including rangelands managed by the U.S. Forest Service (USFS). Over the years, the USFS has been systematically removing domestic sheep ranchers from federal lands in the name of bighorn sheep management, despite the fact that there are reasonable, science-based solutions to accommodate domestic sheep grazing while protecting the health of bighorn sheep populations. In mid-2016, the USFS announced that it may close some allotments in the Ashley National Forest and the Uintah-Wasatch-Cache National Forest in Summit County, Utah due to bighorn sheep concerns. This is being done without any offer of alternative allotments. In total, three allotments could be closed and a fourth allotment reduced. The ranchers on these allotments have letters from the USFS detailing that when they introduced bighorn sheep to the area, there would not be an impact to the domestic sheep population. There are many examples of these egregious actions.

Mandatory Price Reporting

In September 2015, the President 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, this reauthorization has not adjusted to changes in the lamb meat industry. Of particular concern is the implementation of current confidentiality rules of the U.S. Department of Agriculture (USDA) which restricts the information available. Additionally, federal lamb price insurance products available to the sheep industry rely on the USDA price reporting. ASI is in ongoing discussions with USDA and the Agriculture Committees in the House and Senate to resolve this issue as the date for re-authorization nears. Increased consolidation in the packing industry across livestock will continue to hinder producers' access to accurate price reports and we believe issues of confidentiality will need to be resolved sooner rather than later to preserve this program and the risk management tools that rely on it.

FDA Minor Use Animal Drug Program

It is also critical that producers have continued access to key technologies. We strongly support the Food and Drug Administration (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 our ability to maintain flock health and provide a safe wholesome product. We urge the creation 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. We urge the USDA to make funds available under Section 12101 of the 2018 Farm Bill to ensure sheep producers have access to critical technologies, many of which are currently being used with great success by our international competition, but not labeled for use in the United States.

Wildlife Services

Coyotes, mountain lions, wolves, and bears kill tens of thousands of lambs and calves each year. Livestock losses attributed to these predators cost ranchers and producers more than \$232 million annually. For years, ASI has led the aggressive defense of livestock protection by bringing together

a diverse coalition of supporters in the areas of aquaculture, aviation, forestry, livestock production, range/forage management, and state departments of agriculture to ensure the programs' survival. Earlier this year, ASI led a coalition of 219 organizations to sign a letter supporting Wildlife Services funding.

Every dollar spent on predation management returns three dollars in livestock value saved. This has a tremendous impact on sheep and cattle producers and the rural economies they support. Predator management also supports abundant wildlife, hunting, and recreation activities on private and federal land. We applaud Congressional efforts ensuring USDA Wildlife Services is fully funded and has the resources needed to carry out their livestock protection efforts.

We are also keenly aware that existing, highly effective predator control products like sodium cyanide and sodium fluoroacetate (Compound 1080) are under attack and their continued use is threatened. These are the best available products for predator control; highly targeted, species specific, environmentally sound and humane. Despite enhanced guidance from Wildlife Services on the use and placement of these tools and a track record of EPA approval, these products continue to come under attack from Congress. The industry is committed to responding with science, but also a keen eye to find alternatives that respond to the concerns of the public. Developing alternatives that meet or exceed the attributes of current products is a great challenge, and we rely on the work of Wildlife Services Methods Development through the National Wildlife Research Center in Fort Collins, CO. We urge Congress to devote resources to that program for the development of alternatives to ensure U.S. sheep producers remain competitive worldwide.

U.S. Sheep Experiment Station (USSES)

The domestic sheep industry relies heavily on the work of the U.S. Sheep Experiment Station (USSES) and the Animal Disease Research Unit (ADRU). Both facilities work collaboratively and are critical components of the USDA's Agriculture Research Service. As our nation's only experiment station primarily dedicated to sheep production, the work carried out by these researchers and faculty are critical to our ability to remain productive and push back against flawed science on the range and in the area of animal health. In the past, administrative action has worked to limit the scope of these facilities. Such action not only threatens the viability of this resource for producers, but also threatens the USSES' unparalleled historic sage grouse data. We support the merger of the USSES and ADRU and encourage growth in their roles in food-animal science, rangeland systems, and animal health programs. These stations have a dedicated history of careful use of taxpayer funds to solve issues and challenges for our producers and counter flawed science from those wishing to remove livestock and multiple uses from our nation's public lands. We appreciate USDA's recognition in the role of the USSES as a critical part of our nation's agricultural research system and will continue to work with Congress, stakeholders and collaborators to build that resource.

Scrapie Eradication

Working collaboratively with USDA/APHIS and state partners, the American Sheep Industry has nearly eliminated scrapie from the United States. Official identification, surveillance, and traceability of both sheep and goats are critical to continuing and maintaining these efforts in order to preserve and enhance current and future export markets. Continued and increased funding of the National Scrapie Eradication Program must remain a priority to expand and build on export opportunities.

H2-A Temporary Agricultural Workers

The American sheep industry has a decades long history of a reliable, consistent, and legal workforce. Sheep ranchers depend on the H-2A shepherder program to help care for more than one-third of the ewes and lambs in the United States. To meet those needs, the industry has largely participated in temporary visa programs (in various forms) since the 1950s. As a result, sheep producers employ a legal labor force with an estimated eight American jobs created/supported by each foreign worker employed.

Increased regulation with ambiguous policies and enforcement have made the H-2A shepherder program very costly for employers. In the 2015 re-write of the shepherder provisions, our program now constitutes over half of all pages of regulations governing the entire H-2A program, even though we are only a small percent of total H-2A employees in the United States. A workable temporary foreign labor program is essential for the sheep industry including the special procedures for herding in future legislation involving immigration workers.

2018 Farm Bill

ASI strongly supported the Agricultural Improvement Act of 2018 (2018 Farm Bill) and appreciates the leadership of the House Agriculture Committee. The first and most important national security concern is the ability of a country to clothe and feed its citizens. The small investment made in agriculture by the farm bill when compared to the federal budget and the safe, affordable, and abundant food supply enjoyed by the U.S. illustrates the wise investment farm bill programs provide.

Conclusion

Thank you for your support of the livestock industry and for allowing me to visit with you about our priorities.

Stephen J. Salmon
2612 Oxford Ave
San Angelo, TX 76904

Born in San Angelo, TX, 1949,

BUSINESS EXPERIENCE:

1992 to Self Employed, investments, cattle
present

1983 to Wendland Ranch Company, San Angelo, Texas
1998 **Manager/Co-owner/ General partner**
Managed personnel, production and marketing of mohair, lambs and wool, and beef cattle, breeding, range management, range development and improvements, water development and storage for domestic, livestock wildlife and fire.

1974 to Wendland Manufacturing Company, San Angelo, Texas
1992 **Executive Vice President**
All phases of physical and financial management.. Directed production planning and quality control. Instituted new product and manufacturing techniques, inventory, and budget procedures. Personnel management, payroll and safety.

1989 to Bank of the West , San Angelo, Texas
1995 **Director**
Directed management, reviewed policies and loans, reviewed both internal and external audits, Member of the Audit Committee 1989-1994,
Chairman of the Audit Committee 1994.

1976 to Angelo State University, San Angelo, Texas
2008 **Adult and Continuing Education Instructor** (part time),
Instructor in camera techniques and photography.

1973 to M2T Photographers Ft. Worth, Texas
1974 **Partner**
Directed sales and marketing, staff photographer and instructor in camera techniques, darkroom techniques and procedures.

1973 Macro Systems, Inc., Silver Springs, Maryland
Investigator / Quality Control Reviewer
Reviewed accuracy of work performed by state welfare agencies in five states.
Interviewed welfare clients and others related to their case. Determined accuracy of case

evaluations by the states. Traveled extensively in five states

EDUCATION

Texas Christian University, Ft. Worth, Texas,
May 1973 - Bachelor of Arts in Government / Business Administration

Angelo State University, San Angelo, Texas 1984 -1986
Advanced Studies in Range Management/Animal Science

Texas State Technical College, Sweetwater, TX 1994
Emergency Medical Tech, State registered Emergency Medical Technician

Concho Valley Council of Government, San Angelo, TX_2011-2012
Basic Police Academy

PERSONAL and Other

President, 1995-2017, Riverside & Landowners Protection Coalition, a private property rights organization
Member, 1999-2005, Texas Parks & Wildlife, River Conservation Advisory Bd.
Member of Texas Parks & Wildlife, Off Road Vehicles in Rivers Task Force
Emergency Medical Technician, 1995-present
Past Pre Hospital Chairman /Board member, Concho Valley Regional Trauma Advisory Council,
President/Administrator 2002-present, East Coke County Ambulance Service
President/Administrator West Coke County EMS 2016-present
Member / Director, 1995-present Texas Sheep and Goat Raisers, District 4
Chairman, 1999-present Texas Sheep & Goat Raisers Assoc., Natural Resources and Environmental Affairs Cmte,
Current TSGRA Landowner Liason to Texas Forest Service / Texas Animal Health Commission.
Member Texas and Southwestern Cattle Raisers
2002-2011, Chairman San Angelo Rotary Club, Boy Scout Committee
2003-2011, Boy Scouts of America, , Amiga Council, Board Member
Trustee, Salmon Family Trusts, Investments and Real estate
Past Chairman, State Affairs, Texas Association of Business
Past Chairman, National Affairs, Texas Association of Business

**Committee on Agriculture
U.S. House of Representatives
Information Required From Nongovernmental Witnesses**

House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Stephen J Salmon

2. Organization you represent:

American Sheep Industries / Texas Sheep & Goat Raisers, Assn

3. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:

3rd generation Rancher, raising Sheep, Goats, Cattle

Marketing of sheep, Goats Cattle, Wool and Mohair

Bank Director

4. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:

Bachelors degree in Government / Business Administration

Bank Director reviewing management, loans, audits

5. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold: _

American Sheep Industires, Member, Legislative Council, Member 23 years

Texas Sheep & Goat Raisers Assn , Member & Director for 25 years

**PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF
TESTIMONY.**

Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)*, of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture

Subcommittee: Livestock and Foreign Agriculture

Hearing Date: July 16, 2019

Hearing Title :

Reviewing the State of the U.S. Livestock and Poultry Economies

Witness Name: Stephen J Salmon

Position/Title: Member, ASI / Director, TSGRA

Witness Type: Governmental Non-governmental

Are you representing yourself or an organization? Self Organization

If you are representing an organization, please list what entity or entities you are representing:

American Sheep Industries
Texas Sheep & Goat Raisers Assn,

If you are a non-governmental witness, please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you or the organization(s) you represent at this hearing received in the current calendar year and previous two calendar years. Include the source and amount of each grant or contract. *If necessary, attach additional sheet(s) to provide more information.* House Rules do NOT require disclosure of federal payments to individuals, such as farm program payments or assistance to agricultural producers.

None

If you are a non-governmental witness, please list any contracts or payments originating with a foreign government and related to the hearing's subject matter that you or the organization(s) you represent at this hearing received in the current year and previous two calendar years. Include the amount and country of origin of each contract or payment. *If necessary, attach additional sheet(s) to provide more information.*

None