



**R-CALF USA**

PO Box 30715

Billings, MT 59107

Phone: 406-252-2516

Fax: 406-252-3176

Email: [r-calfusa@r-calfusa.com](mailto:r-calfusa@r-calfusa.com)

[www.r-calfusa.com](http://www.r-calfusa.com)

August 3, 2023

The Honorable Katherine Tai  
U.S. Trade Representative  
Office of the U.S. Trade Representative  
600 17th Street NW  
Washington, DC 20508

TRANSMITTED ELECTRONICALLY

**Re: U.S. Sheep Industry's Request for Immediate Relief from Injurious Imports of Lamb and Mutton from Australia and New Zealand**

Dear Ambassador Tai:

As set forth in the attached *Protect American Lamb: Petition for Relief by America's Sheep Producers*, full-time U.S. sheep producers, who continue suffering serious injury, are facing the prospect of near total extinction due to the unrestrained and ever-increasing importation of foreign lamb and mutton that do not meet the United States more stringent production standards.

These lower-cost imports originate from Australia and New Zealand and are displacing U.S. production of lamb and mutton at an alarming pace; and creating what soon will be an irreversible dependency on foreign supply chains for an important American staple. As revealed by the charts and data in the petition, this is by no means an exaggeration. Only with immediate intervention by the Administration and Congress can the impending, catastrophic outcome be averted.

Since the time the U.S. entered its first major free trade agreement – the 1994 North American Free Trade Agreement – lamb and mutton imports have increased over 543% in quantity and 2,363% in value. These imports have displaced domestic lamb and mutton production, which has declined 60% during this period. And despite America's marked increase in lamb and mutton consumption that began in earnest a decade ago, all the increase has been captured by foreign supply chains while domestic production continually declines. These foreign supply chains have now captured 74% of the domestic market – away from full-time U.S. sheep producers.

The petition describes the serious injury mounting imports are having on our domestic sheep industry and the Addendum to the petition includes numerous testimonials from our nation's full-time sheep producers that explicitly describes the untenable market conditions they continually face.

We respectfully request the Administration and Congress carefully review this petition and initiate immediate action to protect America's lamb producers. Thank you for your consideration and please contact me at your earliest convenience to discuss how we may assist you in achieving the corrective actions needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Bullard", with a stylized, cursive script.

Bill Bullard, CEO  
406-670-8157  
[billbullard@r-calfusa.com](mailto:billbullard@r-calfusa.com)

Attachment: Petition for Relief

# PROTECT AMERICAN LAMB

**Petition for Relief**  
by America's Sheep Producers



★★★★  R-CALF USA ★★★★★

**Presented by**  
The R-CALF USA Sheep Committee

# Table of Contents

<b>3</b>	Purpose of Petition
<b>3</b>	Introduction
<b>5</b>	Drastic and Abrupt Changes in the U.S. Sheep Industry
<b>6</b>	Import Penetration and Surges
<b>8</b>	Injuries to the Domestic Sheep Industry Caused by Excessive Import Penetration
<b>9</b>	Principal Cause of Excessive Import Penetration
<b>11</b>	Factors Contributing to Australia's Distortion of the Domestic and Global Lamb Market
<b>15</b>	Relief Requested
<b>17</b>	Urgency of Requested Relief Heightened by Inflation
<b>18</b>	Conclusion
<b>19</b>	References
<b>22</b>	Addendum

This paper is the collaborative work of R-CALF  
USA CEO Bill Bullard and the R-CALF USA  
Sheep Committee, Bill Kluck, Chair.



# Purpose of the Petition

The United States sheep industry is being decimated. Protect American Lamb, a project under the auspices of the R-CALF USA Sheep Committee, respectfully petitions the Administration and Congress to deploy all available resources to provide immediate and subsequent lasting relief to America's full-time sheep producers whose industry is being destroyed by the unrestrained importation of substantially lower-cost foreign lamb and mutton.<sup>1</sup>

## Introduction

### History of Sheep in America

Sheep are among the world's first livestock species to be domesticated, with estimates indicating domestication around 8500 BC.<sup>2</sup> Sheep also are the most prominent animal mentioned in Scripture, with "sheep" and "flocks" mentioned hundreds of times in the Bible.<sup>3</sup> In fact, sheep and shepherding are traditional symbols for many religious traditions, with "God, in the Jewish, Christian, and Muslim traditions, [] referred to as the Good Shepherd."<sup>4</sup> Unsurprisingly, domestic sheep accompanied mankind throughout history and are believed to have first arrived in America during the second voyage of Columbus in 1493.<sup>5</sup>

Recognizing sheep were a valuable source of food and clothing, early colonists sought to expand America's sheep industry as exemplified by Connecticut's 1666 exemption of sheep from taxation, and its requirement that young men spend one day each week to clear underbrush to extend the area of sheep pasture.<sup>6</sup>

Soon after their arrival in America, sheep colonized the West, arriving so early their presence seemed "ubiquitous and timeless."<sup>7</sup> Historians place this westward movement around the 1840s, likening it to a "tornado."<sup>8</sup> But historians may have missed earlier westward movements as the teachings of the Navajo's Blessingway ceremony of the Diné suggest that even before humans arrived, sheep helped to "create and define their homeland."<sup>9</sup>

Sheep numbers increased dramatically in the wake of the Civil War due to a significant increase in the demand for wool.<sup>10</sup> Their westward movement coincided with their increase in numbers and sheep were soon deemed a "frontier enterprise."<sup>11</sup> By the turn of the 20th century, over 60% of the United States' approximately 40 million sheep resided in the Far West.<sup>12</sup>

## Importance to U.S. Economy and Culture

The United States sheep inventory reached a historical high in 1942 at 56.2 million sheep and lambs.<sup>13</sup> For centuries, before and during and after this time, the sheep industry was and is intrinsically interwoven in America's rural fabric, particularly now in western states. It provided then and provides now the economic cornerstones for western states' rural economies supporting schools, churches, Main Street businesses, hospitals, civic organizations, and the social infrastructure comprised of people engaged in meaningful enterprises.

## Importance to Ecological Balance

Sheep also perform an important environmental purpose when grazing in the West and elsewhere as they graze and browse on noxious and other undesirable and invasive weed species, such as leafy spurge, reducing, if not eliminating the need for chemical control. For example, sheep are recognized as a non-chemical but effective biological control of leafy spurge with studies estimating that sheep reduced leafy spurge density about 90% when infested range was grazed by sheep for only 10 days in July over a period of five years.<sup>14</sup>

Further, sheep are an important and effective biological fire suppression tool when grazed in and around forested areas. For example, in a 2022 news story by ABC News titled "Flocks of sheep are the firefighting solution we never knew we needed," the story explains how sheep offer a "powerful secret weapon" in controlling fires and how some researchers believe sheep can prevent flames from spreading after a fire starts.<sup>15</sup> According to the article, the role sheep play in fire suppression is twofold: first the sheep effectively reduce the fire's fuel, i.e., ground vegetation, thus creating a "burn break" that stops a fire's movement; and second, the manure left behind by sheep in grazed areas acts as a fire retardant.<sup>16</sup>



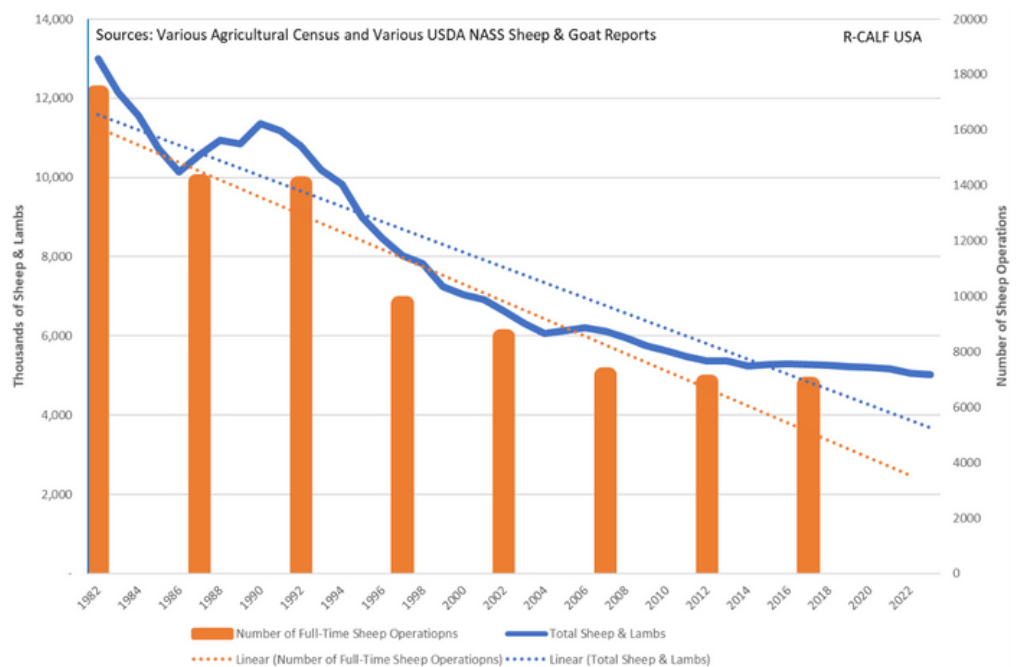
# Drastic and Abrupt Changes in the U.S. Sheep Industry

But all those intrinsic economic, social, and environmental benefits associated with the U.S. sheep industry are in peril today. The U.S. sheep industry, particularly in the western United States and particularly with respect to the western United States' full-time sheep operations, is being indiscriminately ravaged.<sup>17</sup> The U.S. sheep and lamb inventory is now at the lowest level in history, as are the numbers of full-time sheep operations. What remains of today's beleaguered U.S. sheep industry is only 5.02 million head of sheep and lambs, with nearly 72% (3.61 million) of all sheep and lambs located in the 17 western states<sup>18</sup> and only 6,843 full-time U.S. sheep operations to shepherd them.<sup>19</sup>

Contrast this with the U.S. sheep industry of just four decades ago, in 1982. At that time there were 13.12 million sheep and lambs in the U.S., with about 81% (10.66 million) of all sheep and lambs located in the 17 western states<sup>20</sup> and there were 17,341 full-time U.S. sheep operations to shepherd them.<sup>21</sup>

In other words, the ravaging of the U.S. sheep industry is marked by nearly a 62% decrease in the number of sheep and lambs in the United States, with about a 66% decrease occurring in the 17 western states, and a decrease of more than 60% of the full-time sheep operations in the U.S. to shepherd them. Alarming, these drastic reductions occurred during just the past four decades as depicted in Chart 1.

*Chart 1*  
**Decline of  
Total  
Sheep and  
Lamb  
Inventory  
and  
Number of  
Sheep  
Operations**



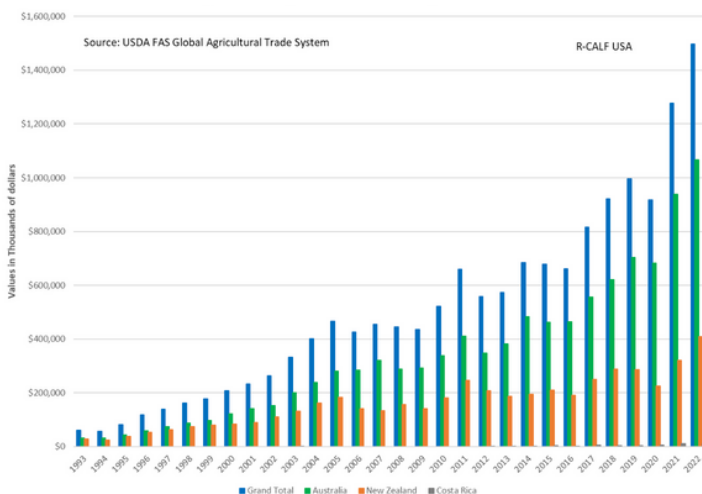
# Import Penetration and Surges

## Quantity- and Value-based Import Surges

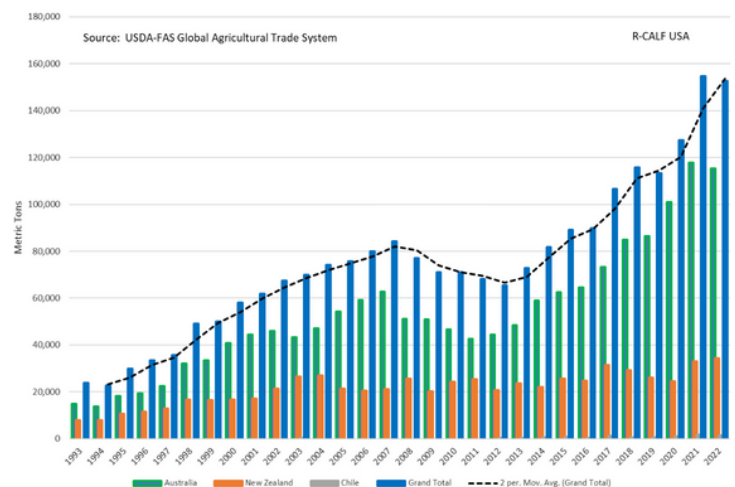
The dramatic increase in U.S. imports of lamb and mutton since the North American Free Trade Agreement (NAFTA) entered force is undeniable. These imports arrived primarily from Australia; to a lesser extent New Zealand; but also from Canada, Mexico, and several other countries. As revealed in Chart 2,<sup>22</sup> the United States imported approximately \$61 million in lamb and mutton in 1993. By 2022, imports had increased 2,363%, to approximately \$1.5 billion.

As revealed below in Chart 3, the quantity of imported lamb and mutton likewise exploded. The United States imported approximately 23,723 metric tons from these countries in 1993. By 2022, imports had increased 543%, to 152,646 metric tons. To put this in perspective, the quantity of lamb and mutton imports in 2022 was roughly the equivalent of importing 4.5 million live lambs.<sup>23</sup>

In addition to the overall increase in lamb and mutton imports from 1993 through 2022 depicted in Charts 2 and 3 above, also revealed are two distinct import surges, again originating primarily from Australia, as elucidated by the two-year moving average trendline added in Chart 3.<sup>24</sup> The first distinct surge occurred between NAFTA's implementation and 2007, with the total volume of imports nearly quadrupling, representing an increase of 272% during the period. However, the quantity of imports began to temporarily decline after 2007, due in large part to Australia's multi-year drought,<sup>25</sup> and hit an 11-year low in 2012. Then, since 2012 the second distinct import surge occurred, this time more than doubling, increasing 134% from 2012 through 2022 (from 65.4 to 152.6 thousand metric tons).



**Chart 2**  
Value of Imports from Top 3 Lamb and Mutton Importers and World Total



**Chart 3**  
Quantity of Imports from Top 3 Lamb and Mutton Importers and World Total



## Primary Source of Import Surges

Australia is both the primary source of imports, comprising over 75% of total 2022 imports, and the primary cause of the two distinct import surges occurring since NAFTA. Australian imports exploded by 356% during the first surge and by 160% during the second surge.

The U.S. Australian Free Trade Agreement (U.S.-Australia FTA) facilitated both post-NAFTA period import surges. The U.S.-Australia FTA was implemented on January 1, 2005. Unfortunately, the United States Department of Agriculture (USDA), in its evaluation of the potential impacts the U.S.-Australia FTA would have on U.S. livestock industries, ignored completely the agreement's potential impact on the U.S. sheep industry. This neglect is evidenced by the complete omission of any discussion regarding the sheep industry or its terms "sheep," "lamb," or "mutton" in the USDA's March 2004 Report of the Agricultural Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products.<sup>26</sup> In sharp contrast to its lack of consideration for the domestic sheep industry, the agreement contains both a quantity and a price safeguard for beef.<sup>27</sup> As of January 1, 2022, all goods imported from Australia became duty-free.<sup>28</sup>

As revealed in Charts 2 and 3, New Zealand is the second largest source of lamb and mutton imports in the United States and has and continues to play a significant role in the displacement of U.S. sheep and full-time U.S. sheep operations. Therefore, and although the remainder of this petition focuses primarily on imports from Australia for the purpose of brevity, the concerns of the Petitioners include imports of lamb and mutton from New Zealand and the relief sought by Petitioners applies also to imports from New Zealand.

# Injuries to the Domestic Sheep Industry Caused by Excessive Import Penetration

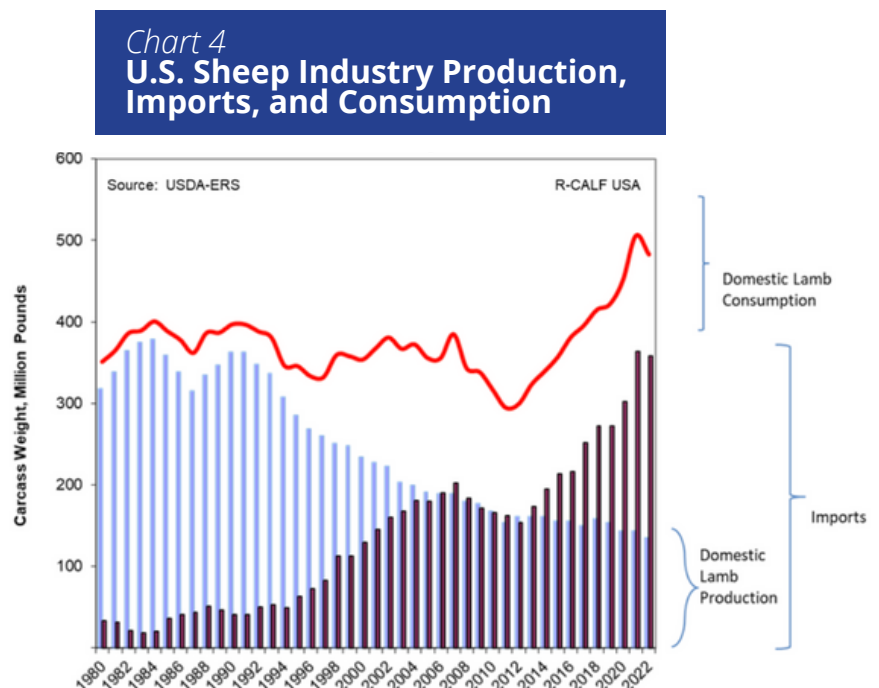
The dramatic surges in lamb and mutton imports continues to cause serious injury to the domestic sheep industry as measured by significantly lower industry output – an alarming 60% reduction since 1993,<sup>29</sup> drastic reductions in sheep numbers, exodus of 60% of all full-time domestic sheep operations, and a protracted lack of profitability for remaining sheep men and women.

To illustrate the injury to the domestic sheep industry, Chart 4 below reveals the historical correlation between domestic lamb and mutton consumption, production, and imports.<sup>30</sup> As shown, domestic lamb and mutton production varied synchronously with domestic consumption during the pre-NAFTA period (1980 through 1993) when imports represented about 11% of domestic production. However, as domestic consumption generally increased from 1994 through 2007, there was an inverse relationship between the decline in domestic production and increase in imports. In fact, in year one after implementation of the U.S.-Australia FTA, the U.S. sheep industry became the first livestock sector to be offshored – imports exceed domestic production – and U.S. consumers became more dependent on imports to satisfy their appetite for lamb and mutton than the beleaguered U.S. sheep industry could anymore produce.

The production/import relationship turned congruous during the 2007-2012 period as Australia was emerged in a widespread drought,<sup>31</sup> with both data series declining, though imports and production maintained roughly equal shares of domestic consumption. In 2012, imports equaled about 96% of domestic production. But since 2012, though domestic consumption has trended sharply upward, imports have far eclipsed and outpaced the downward trending domestic production. By 2022, imports captured 74% of the domestic market. The United States is now dependent on imports for the vast majority of lamb and mutton consumed in America.

Particularly during the past decade, the manifest inverse relationship between fast rising imports and declining domestic production, in the face of historically large consumption that has increased at an unprecedented rate in recent years, leaves the question of determining causation a perfunctory exercise.

By way of the personal letters contained in the Addendum attached hereto, numerous full-time U.S. sheep producers provide testimony describing the explicit injuries they continue to suffer as a result of the sheer flood of unrestrained, lower-cost imports of lamb and mutton.



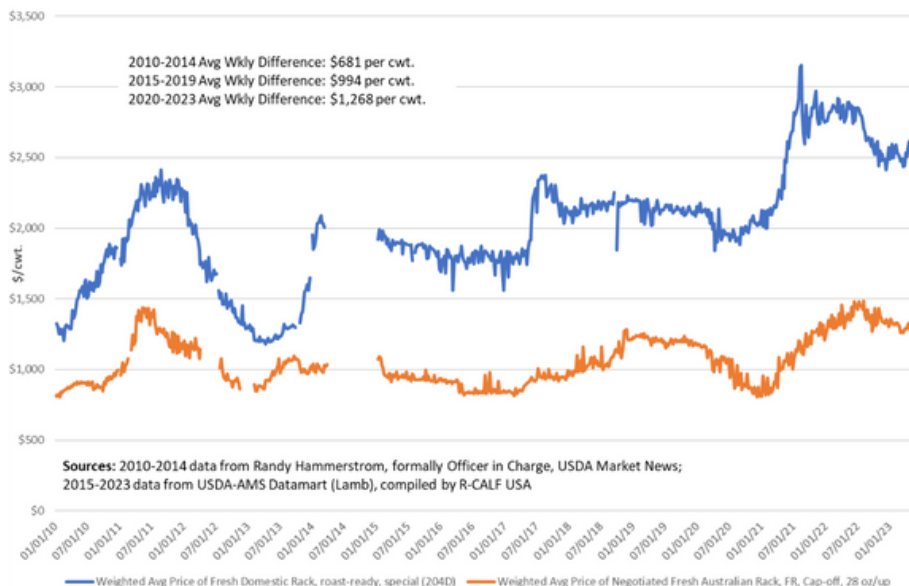
# Principal Cause of Excessive Import Penetration

In a December 2013 investigative report concerning the U.S. sheep industry, the USDA principal factors causing the demise of the U.S. sheep industry was “low cost imports,”<sup>32</sup> which the PSA determined was “likely the most important factor,” and it found that those low cost imports came from Australia and New Zealand.<sup>33</sup>

Indeed, the report found that about half the lamb consumed in the United States from 2010-2012 was imported from Australia and New Zealand, with Australia providing the largest share and New Zealand providing most of the remainder.<sup>34</sup> As indicated above, the share of the U.S. lamb market captured primarily by Australia but also New Zealand has increased substantially since 2013 as about 74% of the lamb consumed in the United States is now imported (2022).<sup>35</sup>

Australian lamb, which according to the above-mentioned report, has displaced the largest share of domestic lamb and mutton production, is imported duty-free into the United States under the U.S.-Australia Free Trade Agreement that took effect in 2005.<sup>36</sup> Currently, and in contrast to duty-free Australian imports, New Zealand lamb and mutton imports are subject to minuscule U.S. tariffs ranging from only .7 cents per kilogram to just 2.8 cents per kilogram.<sup>37</sup>

The most obvious reason that Australian lamb and mutton imports have displaced such a large share of domestic lamb and mutton (and, as stated above, the reason the USDA believes is the most important factor) is because Australian imports are delivered into the U.S. market at a significantly lower cost than what domestic lamb can be produced for in the United States. As Chart 5 shows, regardless of the presence or absence of any extenuating factors (e.g., differences in exchange rates or drought), racks of lamb imported from Australia have been consistently priced lower than domestic racks of lamb for well over a decade.

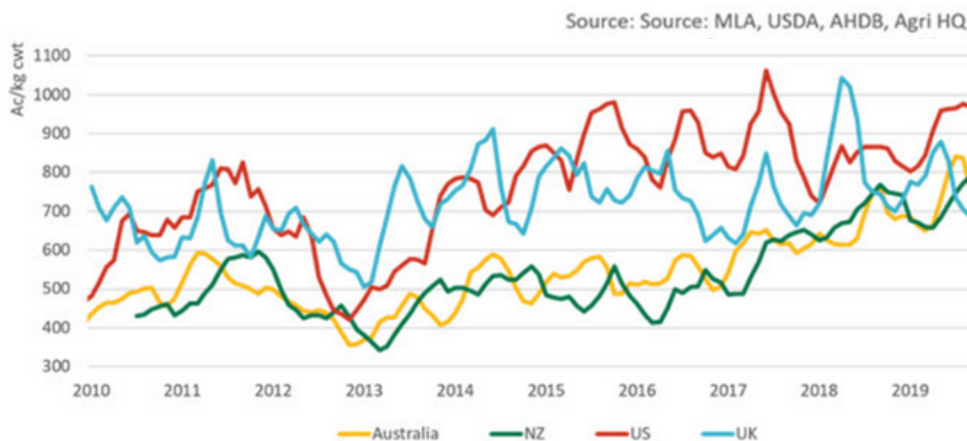


*Chart 5*  
**Weekly Price Difference Between Domestic Rack of Lamb and Imported (Australia) Rack of Lamb**

It is no wonder that the U.S. sheep industry is being decimated by imports when import prices are consistently pegged below prices needed by domestic sheep producers to remain profitable. In 2014 the USDA stated that imported lamb “is substantially cheaper than domestic [lamb]” and explained that a 65-75 lb. domestic lamb carcass was valued at about \$255.00, whereas a comparable imported lamb carcass can be delivered to the U.S. for less than \$200.00.<sup>38</sup>

Chart 4 provides an illustrative depiction of the alarming contraction of the domestic sheep industry since the early 90s (in terms of production output), which is essentially the mirror image of the unprecedented rise in Australian and New Zealand lamb and mutton imports.

That the discounted price of Australian and New Zealand lamb distorts the global market and renders the United States noncompetitive domestically and in the global marketplace is evident by the data compiled by Meat & Livestock Australia depicted in Chart 6.<sup>39</sup> The chart reveals that for at least the past decade, Australian and New Zealand lamb trade at a substantial discount to both United States and United Kingdom lamb.



**Chart 6  
Global Lamb  
Prices**  
Prices are OTH  
figures,  
averaged  
monthly and  
most recently  
available as of  
27 April



# Factors Contributing to Australia's Distortion of the Domestic and Global Lamb Market

## Inattention to Environmental and Wildlife Concerns

Death losses of sheep and lambs significantly increase the cost of lamb production in the United States. In 2020 the USDA reported annual death losses of 210,000 and 370,000 sheep and lambs, respectively.<sup>40</sup> For lambs, this represented approximately a 12% death loss for lambs in 2020.<sup>41</sup> The USDA further reports that in 2020, predation caused 32.6% (71,440 animals) of those sheep death losses and 40.1% (155,470 lambs) of those lamb deaths, with estimated loss values of \$16 million and over \$29 million for sheep and lambs, respectively.<sup>42</sup> In addition, the number of sheep and lambs injured but not killed by predators was 17,540 and 18,130, respectively.<sup>43</sup>

The use of sodium fluoroacetate (compound 1080), a chemical compound once widely and effectively used as a poisonous bait in the United States by the sheep industry to control predators and thus reduce predation, was prohibited in 1972 and later reauthorized with severe restriction in 1985 for the exclusive use in livestock protection collars to control coyotes.<sup>44</sup> So limited is its use in the U.S. that the USDA reports that for the 10-year period prior to 2020, there were on average only 23 livestock protection collar projects administered by the agency in only five states, and only about 12 coyotes were controlled on average during each of those years.<sup>45</sup>

However, according to Meat & Livestock Australia, the lethal baiting with compound 1080 is: "considered the most effective available method of controlling foxes and is cost effective over large areas. Ground baiting tends to be more effective and has a decreased risk of baiting non-target species than aerial baiting. There are strict restrictions on the availability and use of 1080 and persons using 1080 must ensure they meet appropriate state requirements and follow instructions."<sup>46</sup>

Compound 1080 is also available in Australia to control feral pigs.<sup>47</sup>

The Australian government confirms that compound 1080 is "widely used in Australia to protect agricultural production from the impacts of pests" and considers compound 1080 "the most efficient, humane and species-specific pesticide currently available for declared pest control in Australia."<sup>48</sup> The declared pests in Queensland includes wild dogs, feral pigs, foxes, and rabbits and is approved to be used as a poisonous bait.<sup>49</sup>

Thus, while the U.S. sheep industry largely refrains from using compound 1080, which is known to cause environmental harm and indiscriminate wildlife deaths,<sup>50</sup> its competition in Australia continues the widespread use of the poisonous compound. As a direct result, U.S. sheep producers face a distorted global market because the widespread use of compound 1080 allows Australia to incur fewer death losses (thus lower production costs) with its more effective means of predator control.

## **The Global Sheep Market Is Distorted by Global Industry Concentration**

There were 71 sheep slaughtering plants reporting to the USDA Packers & Stockyards Division (P&S Division) in 2019, and the four largest slaughtering companies controlled 53% of the U.S. sheep market.<sup>51</sup> A method used to measure industry concentration by the U.S. Department of Justice/Federal Trade Commission (DOJ/FTC) is the Herfindahl-Hirschman Index (HHI).<sup>52</sup> The current DOJ/FTC Horizontal Merger Guidelines consider an HHI below 1,500 to be unconcentrated; an HHI between 1,500 and 2,500 to be moderately concentrated; and an HHI above 2,500 to be a highly concentrated market.<sup>53</sup> In 2019, the P&S Division found the HHI in the U.S. sheep industry to be unconcentrated, with an index of 1,059.<sup>54</sup>

However, researchers found that in the global sheep market the HHI was over 2,500 for half of the period from 2003-2013, thus indicating the global sheep market was highly concentrated during half of that period.<sup>55</sup> Given the mergers and acquisitions occurring after 2013, it is highly likely that the global sheep market remains highly concentrated.<sup>56</sup> Exacerbating this high concentration in the global sheep market is the fact that the world's largest meat packer, JBS,<sup>57</sup> which is also among the four largest meat packers in the United States,<sup>58</sup> owns and operates JBS Foods Australia, which is Australia's largest meat and food processing company.<sup>59</sup> JBS Australia exports lamb and other meat products and expressly cites North America as its principal, if not exclusive export destination.<sup>60</sup> JBS Australia is also vertically integrated, operating six feedlots in Australia.<sup>61</sup> This globe-dominating, vertically integrated behemoth is uniquely positioned to benefit from its Australian-produced, low-cost lamb (which cost is lowered further by the significant monetary foreign exchange advantage discussed below) by exporting it to the United States while leaving U.S. domestic producers with depressed prices for their products or even without a buyer.

## **The Domestic Sheep Market Is Distorted by Currency Misalignment**

According to a report by the Reserve Bank of Australia, Australia's currency exchange rate plays an important role in the country's exports, stating a lower exchange rate "makes Australian exports more competitive in world markets, as exported goods and services become relatively cheaper in foreign currency terms."<sup>62</sup> It further estimates that if all else is equal, then a 10% reduction in the exchange rate will result in an increase of total Australian exports by about 4% over the long-term.<sup>63</sup> More specifically, a low Australian dollar benefits Australian sheep farmers because their exports are cheaper in foreign markets, which means foreign buyers can purchase more of Australia's lamb and mutton.<sup>64</sup>

The Reserve Bank of Australia also discloses that most Australian commodity exports, which presumably include lamb and mutton, are typically priced in U.S. dollars.<sup>65</sup> Therefore, as the Australian dollar depreciates relative to the U.S. dollar, the Australian dollar price received by commodity exporters (i.e., lamb and mutton exporters) increases, thus encouraging more exports to the United States. Added to Australia's exchange rate advantage is the advantage born by many Australian commodity exporters by virtue of their low production costs when compared to international standards.<sup>66</sup> Indeed, the report suggests that Australia's increased supplies of lower cost commodities has contributed to lower commodity prices (i.e., world commodity prices).<sup>67</sup>

The USDA has long known of the pricing distortions created by changes in Australia's exchange rate. In its December 2013 investigative report discussed above on the U.S. lamb market in 2010-2012, during which period prices for domestic lambs doubled and then fell back to previous levels realized in early 2010, the USDA stated that "[e]xchange rates would affect the price of imported lamb."<sup>68</sup> The USDA included a graph depicting import prices for Australian lamb in U.S. dollars that varied by over \$300 per cwt during the period 2010-2012 and explained that "[c]hanges in the exchange rate for Australian dollars would appear as changes in price in the graph."<sup>69</sup>

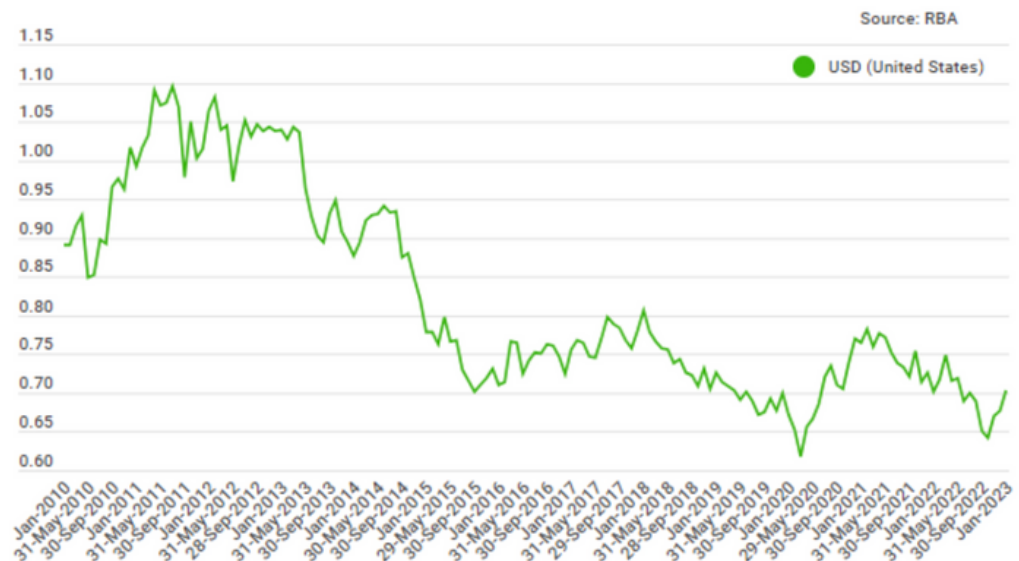
Those changes in the exchange rate and their impact on import volumes were further documented by the USDA in slide presentations describing the state of the U.S. sheep industry during the mid-to late 2000s. The presentations explained that lamb and mutton imports to the United States prior to 2013 had been on a decline since 2007.<sup>70</sup> And it was 2013 when the appreciating Australian dollar peaked.<sup>71</sup> The U.S. dollar was weakening through all or part of this period – thus reducing the amount that the Australian dollar was undervalued when compared to the U.S. dollar, and this effectively, though temporarily, slowed the volume of imported lamb and mutton.<sup>72</sup>

The USDA expressly stated that the weakening U.S. dollar through the fall and winter of 2010 slowed imported product and that the U.S. dollar weakened further in early 2011,<sup>73</sup> which weakening corresponded to both reduced import volumes and increasing domestic lamb prices.<sup>74</sup> The USDA then stated the U.S. dollar began strengthening around July 2011, strengthened further in late 2011, and remained stronger in 2012, which the USDA stated had initially opened up imports and then spurred increased lamb imports.<sup>75</sup> This opening up of imports in the latter half of 2011 coincides with a long, steady decline in domestic lamb prices following the July 2011 peak in the price of imported lambs.<sup>76</sup>

Chart 7<sup>77</sup> looks at trade from Australia's export perspective. Since February 29, 2012, when \$1 Australian dollar (AUD) equaled \$1.0816 U.S. dollar (USD), and through today, the Australian dollar has been depreciating, with \$1 AUD equaling only \$0.7037 USD in January 2023.<sup>78</sup> Consequently, since the 2012 depreciation of the AUD, Australian exporters are incentivized to increase their production and export more lamb and mutton to the United States. And, as shown in Chart 4, imports of lamb and mutton indeed exploded.

When looking at the exchange rate imbalance from a U.S. domestic importer's perspective, the value of Australia's currency relative to the strength of the U.S. dollar entices them to procure as much lamb and mutton from Australia (and New Zealand) as possible. During the past 10 years, the relative strength of the U.S. dollar has increased from \$1 USD equaling approximately \$1.1 AUD in July 2013 to \$1 USD equaling approximately \$1.5 AUD on June 27, 2023.<sup>79</sup>

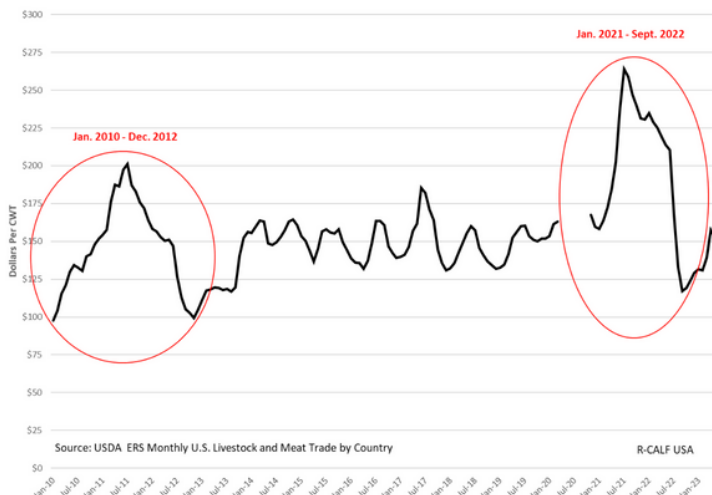
*Chart 7*  
**AUD Exchange Rates: 2010-2023**  
Data shows what \$1 AUD equals for USD



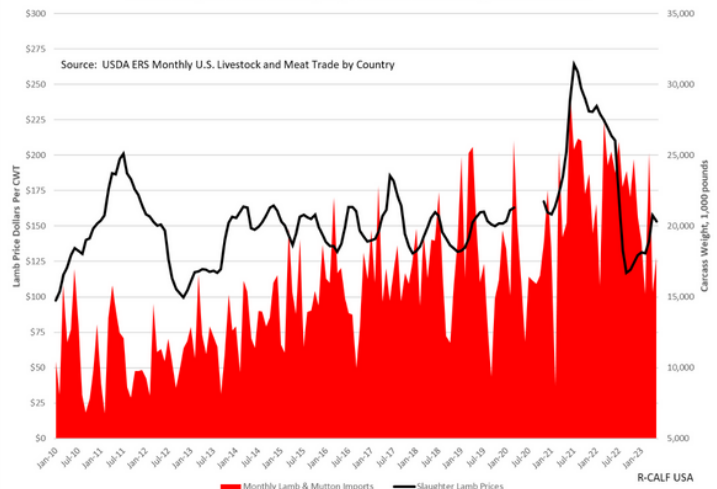
The rise in domestic lamb prices from January 2010 through their peak in July 2011 and subsequent collapse through 2012, which the USDA correlated with a weakening U.S. dollar that slowed imports from 2010 through July 2011; and thereafter a strengthening U.S. dollar that spurred imports from around July 2011 through 2012 is illustrated in Chart 8.

Also revealed in Chart 8 is that the 2010-2012 phenomenon (i.e., rising prices during the first half of the period and falling prices during the second half) was repeated a decade later, but this time the price movements were more drastic and both the rise and fall in prices were steeper (i.e., they occurred in a more compressed timeframe). This second phenomenon replete with rising prices that began in January 2021 and peaked in July 2021, and then suddenly collapsed through September 2022 is likewise correlated with an initial weakening of the U.S. dollar and ensuing strengthening of the U.S. dollar.

That the correlated price movements and exchange rate changes are associated with increased imports is revealed in Chart 9, which depicts both slaughter lamb prices and correlated monthly import volumes.



*Chart 8*  
**St. Joseph, MO Slaughter lamb Prices,  
Choice/Prime**



*Chart 9*  
**Relationship Between Monthly Import  
Volumes and Slaughter Lamb Prices**

The U.S. dollar had been weakening beginning in the fall and winter of 2020 and by January 2021, when the phenomenal price movement began, the exchange rate was \$1 USD equaled about \$1.3 AUD. And through about mid-June 2021 the U.S. dollar hovered around this weakened state. But the U.S. dollar began strengthening after mid-June (with some volatility) and by September 30, 2022, the exchange rate was \$1 USD equaled about \$1.5 AUD. During this rapid strengthening of the U.S. dollar relative to the Australian dollar, U.S. lamb producers experienced the fastest and farthest price collapse in their industry's history. Slaughter lamb prices fell \$146.84 per cwt in a matter of just 14 months, representing about a 56% reduction in the price they received for their lambs. In addition, unlike the 2010-2012 price rise and collapse in which the collapsed price was similar to the price when the increase started, during this latest price collapse, the collapsed price settled well below the price at which the increase started.

Thus it is that Australian lamb and mutton exporters have a distinct and inequitable, twofold advantage over U.S. lamb and mutton producers. First, Australian exporters do not have to meet the United States' more stringent production standards as exemplified in Section VII(a) above regarding their inattention to environmental and wildlife concerns (discussing their more liberal use of compound 1080). Second, Australian exporters gain a profound pricing advantage over the U.S. sheep industry when the Australian dollar weakens relative to the U.S. dollar as this further lowers the price of Australian lamb and mutton imports, which greatly exacerbates the production-cost advantage Australia already enjoys.

## Relief Requested

Tariffs on imported sheep and lamb products have been far too low to prevent the U.S. sheep industry from being overrun and all but destroyed by much cheaper products produced under lax production standards. There are zero tariffs on Australian lamb and mutton and as shown above in Charts 2, 3 and 4, and in Chart 10, those Australian imports have exploded in recent years.

The minuscule tariffs on imported lamb and mutton from New Zealand have been ineffectual at curbing increases in imported product as shown below in Chart 11. Based on data regarding the quantity of lamb and mutton imports obtained through the USDA Foreign Agricultural Service's Global Agricultural Trade System (GATS) database, and the U.S. Census Bureau data depicted below, the effective tariff rate on the 75.68 million pounds of New Zealand lamb and mutton imports in 2022 was less than 0.4 cents per pound (less than four tenths of a cent per pound).

Author: U.S. Census Bureau Economic Indicators Division USA Trade Online. Source: U.S. Import and Export Merchandise trade statistics. For information on confidentiality protection, nonsampling error  
Current date: 07/10/2023 2:06 PM (Eastern Daylight Time)  
Rate Provision: All Rate Provisions  
Country: Australia  
Commodity: 0204 Meat Of Sheep Or Goats, Fresh, Chilled Or Frozen  
Data row 1 of 1 Data columns 1-11 of 11

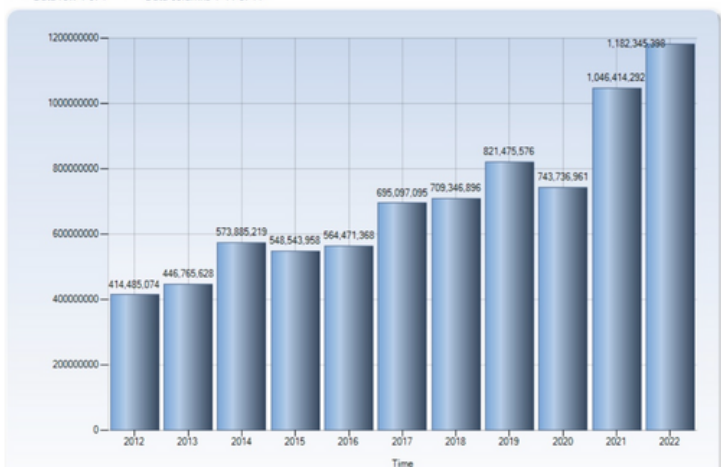


Chart 10  
Standard Report - Imports

Author: U.S. Census Bureau Economic Indicators Division USA Trade Online. Source: U.S. Import and Export Merchandise trade statistics. For information on confidentiality protection, nonsampling error  
Current date: 07/10/2023 2:08 PM (Eastern Daylight Time)  
Rate Provision: All Rate Provisions  
Country: New Zealand  
Commodity: 0204 Meat Of Sheep Or Goats, Fresh, Chilled Or Frozen  
Data row 1 of 1 Data columns 1-11 of 11

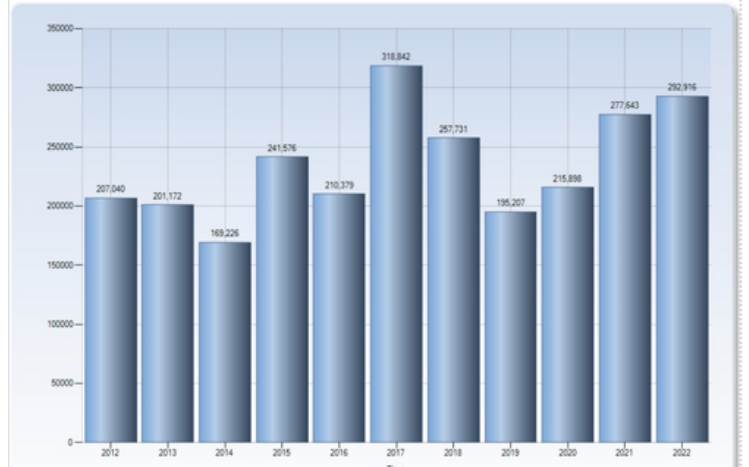


Chart 11  
Standard Report - Imports

The U.S. sheep industry is in dire need of both tariffs and Tariff Rate Quotas (TRQs) that will preserve an opportunity for the nation's remaining commercial sheep producers to remain economically viable and competitive; and that will provide an opportunity for the full-time U.S. sheep producers to begin the process of rebuilding the nation's sheep flock and increase production to reduce the American consumer's dependency on imported product for such a valuable protein source as lamb and mutton.

Petitioners specific request for relief is twofold: First, Petitioners urge the Office of the United States Trade Representative to request the U.S. International Trade Commission to conduct a global safeguard (escape clause) and market disruption investigation under the Trade Act of 1974 (section 201 of the Trade Act of 1974). As discussed herein, lamb and mutton primarily from Australia are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic sheep industry.

Second, we urge the U.S. Congress to establish a phased-in TRQ over ten years. During the ten-year phase-in period, the TRQ would be used to encourage the growth in production of the U.S. sheep industry to achieve a 50% market share in the United States by year 10.<sup>80</sup>

The sheep industry estimates that domestic sheep packing plants are operating at only one-third to one-half of available capacity.<sup>81</sup> This factor suggests that the domestic sheep producers could quickly increase production except for the untenable weight upon their markets caused by the unrelenting influx of lower-cost Australian and New Zealand lamb and mutton imports.

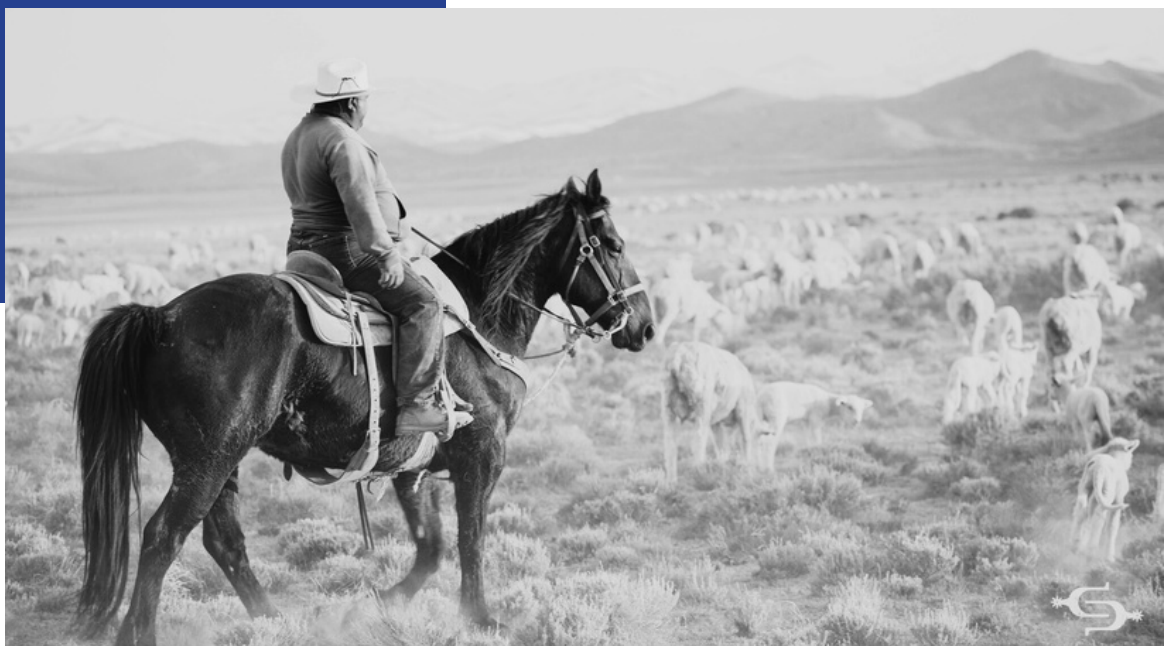


# Urgency of Requested Relief Heightened by Inflation

The sheep industry is particularly hard-hit by inflationary input costs as evidenced by the USDA's projections for farm business average net cash income for producers of "other livestock," (i.e., the commodity category wherein sheep and lambs would be included) in forecasted years 2022 and 2023.<sup>82</sup> The USDA forecasts an average net cash income for this category of only \$2,400 per farm in 2022, which is the lowest net cash income recorded over the previous eight years, and the lowest of any other listed commodity.<sup>83</sup> The forecast for 2023 is even worse, with a projected net cash income per farm of a negative \$1,300 per farm, making it the only commodity category expected to be unable to recover even its production costs.<sup>84</sup>

The contributing inflation hit a 40-year high in 2022 and attendant production-cost spikes including nearly a 23% increase in fuel costs and a 13.5% increase in feed costs during 2021 have burdened sheep producers with an untenable economic cost/price squeeze.<sup>85</sup>

As a result, the Administration and Congress must act swiftly to preserve those who remain in the United States sheep and lamb industry.





## Conclusion

For the reasons set forth above, we, the R-CALF USA Sheep Committee, urge the Administration and Congress to take immediate steps to halt the ongoing injury to the U.S. sheep industry caused by excessive imports. We specifically request the establishment of tariffs and a tariff rate quota system that will ensure the competitiveness of the domestic sheep industry and encourage an increase in domestic lamb and mutton production to reduce America's dependency on foreign supply chains for their protein-rich lamb and mutton needs.



[www.r-calfusa.com](http://www.r-calfusa.com) | (406) 252-2516 | [r-calfusa@r-calfusa.com](mailto:r-calfusa@r-calfusa.com)



# References

1. For a definition of a “full-time” sheep producer or operation, *see infra*, note 17.
2. See Animal Domestication - Table of Dates and Places, K. Kris Hirst, Jan. 27, 2019, available at [Animal Domestication - Table of Dates and Places \(thoughtco.com\)](#).
3. See Sheep and Shepherds, BiblePlaces.com, available at [Sheep and Shepherds \(BiblePlaces.com\)](#).
4. See Herding, Encyclopedic entry, National Geographic, available at [herding \(nationalgeographic.org\)](#).
5. See Changes in the Sheep Industry in the United States: Report in Brief, National Academy of Sciences, 2008, available at [SheepFinal.pdf \(nationalacademies.org\)](#).
6. A Brief History of the Sheep Industry in the United States, L. G. Connor, Agriculture History Society Papers, Vol. 1 (1921), at 95, available at [A BRIEF HISTORY OF THE SHEEP INDUSTRY IN THE UNITED STATES \(jstor.org\)](#).
7. Why Sheep Started So Many Wars in the American West, Adam M. Sowards, What it Means to Be an American, Smithsonian Arizona State University, Oct. 5, 2017, available at [Why Sheep Started So Many Wars in the American West | What It Means to Be American](#).
8. A Brief History of the Sheep Industry in the United States, *supra* note 5, at 116.
9. Why Sheep Started So Many Wars in the American West, *supra* note 6,
10. See A Brief History of the Sheep Industry in the United States, *supra* note 5, at 129.
11. See *id.* at 136.
12. See *id.* at 139.
13. See Sheep in the United States, Connersmith, This Old Farm, available at [Sheep in the United States - This Old Farm](#).
14. See, e.g., Leafy Spurge, Colorado State University Extension, Fact Sheet No. 3.107, November 2013, available at [Leafy Spurge \(colostate.edu\)](#).
15. See Flocks of sheep are the firefighting solution we never knew we needed, Julia Jacobo *et al.*, ABC News, April 20, 2022, available at [Flocks of sheep are the firefighting solution we never knew we needed - ABC News \(go.com\)](#).
16. See *id.*
17. The designation of a full-time sheep operation is one with a flock large enough to be considered a stand-alone economic unit. In large part because of the size categories reported by the Agriculture Census, the author has designated sheep flocks of 100 head or more to constitute a full-time sheep operation.
18. See Sheep and Goats, USDA-NASS, ISSN: 1949-1611, Jan. 31, 2023, available at [Sheep and Goats 01/31/2023 \(cornell.edu\)](#) (The 16 western states include AZ, CA, CO, ID, KS, MT, NE, NV, NM, ND, OK, OR, SD, TX, UT, WA, and WY).
19. See Table 27. Sheep and Lambs Flock Size by Inventory, Sales, and Wool Production: 2017, 2017 Census of Agriculture, available at [st99\\_1\\_0024\\_0027.pdf \(usda.gov\)](#).
20. See All Sheep and Lambs: Number, Value Per Head, and Total Value by States, Sheep and Goats, USDA-NASS, Jan. 26, 1982, available at [SheeGoat-01-26-1982.pdf \(cornell.edu\)](#).
21. See Table 36. Sheep and Lambs-Inventory and Sales by Size of Flock: 1982, 1982 Census of Agriculture, available at [1982-United States-CHAPTER 1 State Data-121-Table-36.pdf \(cornell.edu\)](#).
22. Charts 2 and 3 include the following 6-digit Harmonized Tariff Schedule (HS-6) headings: 010410 - Sheep, Live-\* (for Chart 2); 020410 - Lamb Carcass Fr/Ch-\*; 020421 - Sheep Carcass Fr/Ch-\*; 020422 - Sheep Cuts, Bone In, Fr/Ch-\*; 020423 - Sheep Cuts, Boneless, Fr/Ch-\*; 020430 - Lamb Carcass Froz-\*; 020441 - Sheep Carcass Froz-\*; 020442 - Sheep Cuts, Bone In, Froz-\*; 020443 - Sheep Cuts, Boneless, Froz-\*; 020680 - Sheep, Goat, etc., Offal Fr/Ch-\*; 020690 - Sheep, Goat, etc., Offal Froz-\*
23. This rough estimate was calculated by converting 152,646 metric tons to pounds (336,523,376.6 lbs.) and then dividing by a heavy per head lamb carcass weight of 75 lbs.
24. See *supra* note 22.
25. See, e.g., Sheep flock headed for 90-year low, The Sydney Morning Herald, August 5, 2008 (“Sheep numbers have plunged as the nation’s worst drought on record forced farmers to slaughter animals as feed supplies ran out and grain costs soared.”), available at [Sheep flock headed for 90-year low \(smh.com.au\)](#); see also Sheep numbers to hit an 80-year low, Farminguk, August 7, 2008 (describing how the six-year-long drought shrank Australia’s sheep flock to the lowest level since 1920), available at [Sheep numbers to hit an 80-year low - FarmingUK News](#).
26. See Report of the Agricultural Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products, the U.S.-Australia Free Trade Agreement (FTA), March 12, 2004 (reflecting majority and additional advisory opinions on the proposed Agreement, including its potential impact on livestock and poultry including pork, poultry, beef, cattle, and dairy, but not sheep, lamb, or mutton), available at [https://ustr.gov/archive/assets/Trade\\_Agreements/Bilateral/Australia\\_FTA/Reports/asset\\_upload\\_file584\\_3387.pdf](#).
27. See Annex 3-A, Sections B and C, U.S.-Australia FTA, at 3-A-3, 3-A-4, available at [https://ustr.gov/sites/default/files/uploads/agreements/fta/australia/asset\\_upload\\_file148\\_5168.pdf](#).
28. Australia Free Trade Agreement (AFTA), U.S. Customs and Border Protection, available at [https://www.cbp.gov/trade/free-trade-agreements/australia](#).
29. See Lamb and mutton: Supply and disappearance (carcass weight, million pounds) and per capita disappearance (pounds), USDA Economic Research Service (ERS), available at [MeatSDFull.xlsx \(live.com\)](#).
30. See *id.* (the author uses the total annual disappearance of lamb and mutton, calculated from subtracting exports and ending stocks from total supply, as a proxy for total annual domestic consumption).
31. See *supra* note 25.

## References continued

32. U.S. Lamb Market in 2010, 2011, and 2012, U.S. Department of Agriculture, Grain Inspection, Packers and Stockyards Administration, Packers and Stockyards Program (P&SP), December 2013, at 1 (stating there were several reasons for the sheep industry's contraction, "including changes in consumer preferences for meats, improved efficiency in competing meats and poultry, low cost imports, and low cost fibers that compete with wool).
33. *Id.* at i.
34. *Id.* at 5 (the author estimates that Australian imports represent about two-third of U.S. lamb imports and New Zealand accounts for approximately one-third of all U.S. lamb imports).
35. *See supra* Chart 4.
36. Harmonized Tariff Schedule of the United States (2023), Chapter 2, Meat and Edible Meat Offal, Headings 0204.10.00 – 0204.43-40.
37. *See id.*
38. Emerging Entrepreneurs, Randy Hammerstrom, USDA-AMS, Livestock, poultry and Grain Market News, Slide 49, available at [Sheep Data\2014 YE Hammerstrom 2014.pdf](#).
39. How do Australian lamb prices stack up globally?, Meat & Livestock Australia, April 30, 2020, available at [How do Australian lamb prices stack up globally? | Meat & Livestock Australia \(mla.com.au\)](#).
40. Sheep and Goats, USDA National Agricultural Statistics Service, January 2022, at 10, available at [Sheep and Goats 01/31/2022 \(cornell.edu\)](#).
41. *See id.* at 7.
42. Human Health and Ecological Risk Assessment for the Use of Wildlife Damage Management Methods by APHIS-Wildlife Services: The Use of Sodium Fluoroacetate in Wildlife Damage Management, USDA-Animal and Plant Health Inspection Service, Peer Reviewed Final, May 2023, at 20, available at [WS Risk Assessment Sodium Fluoroacetate Aug 22 \(usda.gov\)](#).
43. *Id.*
44. *See* 1080 and Pest Control – a timeline, Science Learning Hub, downloaded June 26, 2023, available at [1080 and pest control – a timeline — Science Learning Hub](#).
45. Human Health and Ecological Risk Assessment for the Use of Wildlife Damage Management Methods by APHIS-Wildlife Services, *supra* note 42 at 4, 14.
46. Predation Management, Meat & Livestock Australia, downloaded June 26, 2023, available at [Predation management | Meat & Livestock Australia \(mla.com.au\)](#).
47. *Id.*
48. Sodium fluoroacetate (1080) Fact Sheet: Pest Animal Control, Department of Agriculture, Fisheries and Forestry Biosecurity Queensland, July 2014, available at [Sodium fluoroacetate \(1080\) fact sheet \(chrc.qld.gov.au\)](#).
49. *See id.*
50. *See* Summary of Safety Assessment including Current and Emerging Issues in Toxicologic Pathology, Ramesh C. Gupta, James W. Crissman, in Haschek and Rousseaux's Handbook of Toxicologic Pathology (Third Edition), 2013, by Science Direct, available at [Sodium Fluoroacetate - an overview | ScienceDirect Topics](#).
51. *See* Packers & Stockyards Division 2020 Annual Report, at 8, 10, available at [Packers and Stockyards Annual Report 2020 \(usda.gov\)](#).
52. The HHI is calculated by summing the squares of the individual firms' market shares.
53. *Id.* at 9-10.
54. *Id.* at 10.
55. Structure and concentration of the global sheep meat market, Artemio Ramírez-López et al., Brazilian Journal of Animal Science, R. Bras. Zootec., 49:e20190033, 2020, <https://doi.org/10.37496/rbz4920190033>, at 5, available at (PDF) [Structure and concentration of the global sheep meat market \(researchgate.net\)](#).
56. *See, e.g.*, JBS acquires Mountain States Rosen lamb plant: Rancher seeks anti-trust intervention, Carrie Stadheim Editor, Tri-State Livestock News, July 29, 2020, available at [JBS acquires Mountain States Rosen lamb plant: Rancher seeks anti-trust intervention | TSLN.com](#).
57. *See, e.g.*, JBS, the world's largest meat supplier, hit by cyberattack, Jeff Pegues, CBS Evening News, June 2, 2021, available at [JBS, the world's largest meat supplier, hit by cyberattack - CBS News](#).
58. *See, e.g.*, Explainer: How four big companies control the U.S. beef industry, Reuters, June 17, 2021, available at <https://www.reuters.com/business/how-four-big-companies-control-us-beef-industry-2021-06-17/>.
59. JBS Foods Australia, Company Website, available at [JBS Foods Australia — JBS Foods \(jbsfoodsgroup.com\)](#).
60. *Id.* (stating "the Imports team markets JBS Australia meat products to retail, foodservice, wholesale, and further processor customers across North America).
61. *Id.*
62. Sensitivity of Australian Trade to the Exchange Rate, Duke Cole and Samuel Nightingale, Reserve Bank of Australia, Bulletin: September Quarter 2016, at 1, available at [Sensitivity of Australian Trade to the Exchange Rate \(repec.org\)](#).
63. *See id.* at 14.
64. *See* What does a weak Aussie dollar mean for your hip pocket, Emma Duffy and Harry O'Sullivan, Savings.com.au, updated Feb. 20, 2023, available at [How will a weak Aussie dollar impact me? \(savings.com.au\)](#).
65. *See id.* at 17.
66. *See id.*
67. *See id.*
68. U.S. Lamb Market in 2010, 2011, and 2012, *supra* note 32, at 7; *see also* at i.
69. *Id.*

## References continued

70. Emerging Entrepreneurs, *supra* note 38, at slide 29; *see also supra* Chart 4.
71. *See* Sensitivity of Australian Trade to the Exchange Rate, *supra* note 62, at 14.
72. *See* Tri-State Wool Growers, USDA AMS Livestock and Grain Market News, Presentation by Randy Hammerstrom, at Slides 58, 59, available at [Tri-state wool growers 12.pptx](#).
73. *See id.* at slides 58-63.
74. *See* U.S. Lamb Market in 2010, 2011, and 2012, *supra* note 32, at 6 (chart depicting rising lamb prices from 2010 through July 2011 and declining lamb prices thereafter with July 2011 identified as the peak of imported lamb prices).
75. *See* Tri-State Wool Growers, *supra* note 72, at slides 60, 62, 63.
76. *See* U.S. Lamb Market in 2010, 2011, and 2012, *supra* note 32, at 6.
77. *See id.*
78. *See* AUD Exchange Rates: 2010-2023, Interactive chart contained in “What does a weak Aussie dollar mean for your hip pocket?”, Emma Duffy and Harry O’Sullivan, *Savings.com.au*, updated Feb. 20, 2023, available at [How will a weak Aussie dollar impact me? \(savings.com.au\)](#).
79. *See* US Dollar to Australian Dollar Exchange Rate Chart, Xe Historical Currency Exchange Rates Chart, 10 years, available at [US Dollar to Australian Dollar Exchange Rate Chart | Xe](#).
80. *See* Lamb and mutton: Supply and disappearance (carcass weight, million pounds) and per capita disappearance (pounds), *supra* note 29 (data show the U.S. produced only 135 million pounds of the 483 million pounds of lamb and mutton consumed in the United States. To encourage an increase in domestic production to enable the domestic sheep industry to maintain at least a 50% U.S. market share after year ten, the quota for imported product would be set at approximately 242 million pounds).
81. Based on the author’s personal conversation with Jeff Hasbrouck, Partner, Double J Lamb, Texas, and other members of the R-CALF USA sheep committee.
82. Farm Business Average Net Cash Income, USDA-ERS (describing net cash incomes for the period 2014-2023 for various commodities including cattle and calves, hogs, poultry, dairy and other livestock), available at [Farm business average net cash income \(usda.gov\)](#).
83. *See id.*
84. *See id.*
85. *See* New Economic Report: A Glimpse into the 2022 Agricultural Economy, AgAmerica Lending, March 8, 2022, available at [A Glimpse into the 2022 Agricultural Economy | AgAmerica/](#).

# Addendum

To Those Concerned,

I was one of eight children from Lawrence and Butte County, SD, raised on a sheep ranch. Back then, sheep were very numerous. Numbers have steadily gone down as imports have gone up. The law of supply and demand is not in effect as apparently foreigners can raise them cheaper than we can.

We need some stability in the market or more sheep operations will continue to go out of business.

For the sake of our posterity, there must be protection of the sheep industry in America.

Thanks for reading.

God Bless,  
Gene Johnson  
605-641-4314  
19610 US Hwy 85, Belle Fourche, SD 57717

---

I graduated from The University of Nevada Reno in 1971. Took a job on a ranch in Eastern Oregon for three hundred a month board and room. The caveat was I could run some livestock. I had seven sheep and two cows by that fall. Today, I have a few more of both. I have seen the ups and down of the markets more than once. I have managed to stay in business with due diligence. I thought we may have had established a new era this last peak only to have record imports show up from Australia and New Zealand. With modern transportation they can flood our market very rapidly. They have many advantages over our domestic production. Their sheep are run under wire and little labor is needed. They have trucks that can haul almost twice as many animals as we can. They have an effective predator control program keeping predation losses low. Their money is worth sixty-eight cents to our dollar, giving them a huge incentive to dump lamb and mutton here.

Nevada has some of the best sheep range in the nation. Sheep are browsers and prefer plants that cattle avoid. We can consume lite fuels to mitigate fire. We can balance the ranges. We can graze unfenced areas to limit invasive species. We produce both meat and fiber. We can flash graze. There are lots of advantages to having public land grazing. The runaway inflation and labor cost are about to put us out of business. I ask for help in leveling the playing field with sky rocketing imports.

My Kindest Personal Regards,

Hank Vogler  
DBA Need More Sheep Company LLC  
HCR33 Box 33920 Ely, Nevada 89301  
775-591-0404

## Addendum continued

I am Henry Etcheverry, owner of Etcheverry Sheep Company in Rupert, Idaho. My father came to the United States in 1929 at the age of 16, from the Basque country of southwestern France. He went to Ely, Nevada to herd sheep for eight years, followed by four more years in Utah. Herders at that time were paid \$50.00 / month. It was always his desire to have his own sheep outfit.

In 1947 my dad, Jean Pierre, purchased 1200 ewes and started his own business. With hard work and patience, he built up the operation to 7000 breeding ewes and 1500 yearlings as well as ranges to support them. I joined the business after graduation from college in 1972.

Always producing some of the best lambs in the west, we have gotten top lamb prices. We were members of Mountain States Lamb Co-op from its inception until its end, sending approximately 10,000 slaughter lambs annually. In those years and today we have seen our market share diminish along with our price per pound. Presently I sell our lambs to Double J Lamb. They are sold on the hook, so to speak, which is at the end of the chain.

We need more money for our lambs, simply a fair price. The US industry packers are told if they ask for more of a carcass price, the meat purveyors, chain stores, jobbers, etc. will switch to imported lamb. It is inferior to domestic lamb but the price is consistently under our U.S. price. We are held hostage. The Australians have lower costs and less regulations than we U. S. producers do.

The long and short of this is I am 74 years old. I have a top-notch range sheep outfit and someday, sooner than later, will need to sell it. No young person in his/her right mind will take it on. It's a very satisfying business and has been profitable but as of late the imports are killing us. We need tariffs or some type of help that would put us on a level playing field.

We contribute to our local communities: buying goods, groceries and services; providing work to shearers, truckers, herders; buying feed and pasture. We pay taxes as do our herders. We participate in the U.S. system. The importers don't even pay a tariff. They have total free trade. Imports are overwhelming us. Any help for the U. S. sheep industry will be greatly appreciated.

Thank you,  
Henry Etcheverry

## Addendum continued

To whom it may concern,

I am a 6th generation sheep rancher. My family raised sheep in Europe before emigrating to the United States in 1860. They traveled here in search of the American Dream, which they found. As the story is told, my 3rd Great Grandfather, Andrew Aagard, traveled to what is now Sanpete County, Utah from Scandinavia. With him he carried nothing but a gold watch given to him by his grandfather and hope in starting his own ranch in the west. When he reached Utah he parted with the watch and used the money to buy his sheep, then helped others do the same. This was the catalyst for what would become a "Sheep Gold Rush" in the west. Sanpete County soon became the epicenter of the sheep industry, and at its peak our county alone would hold over 2.5 million sheep. To put that into perspective, there are roughly 4 million sheep in the entire US today. Which brings us to the point. Where have all of the sheep gone?

Prior to WW2, there were 49 Million sheep in our country. The industry was thriving. During the war effort and as a result of many ranchers fighting in the war, the sheep population plummeted, destroying nearly half of the industry. By the time the war ended there were 29 million sheep in the US and the industry has never recovered.

Consumption of lamb is on an ever-increasing rise, yet the American rancher has done nothing but struggle. 72% of lamb consumed in the United States is coming from other countries. If that is not market capture, I don't know what is. The thing about having the strongest economy and the strongest dollar in the world is that we have nowhere to export to and no way to increase our profitability via trade. This is not true for the rest of the world. Australia, New Zealand, and South America have found that the US is the place to make their money on exports. These countries, who are not bound by the same regulations, not contributing to American communities, and not paying American taxes, nearly double their money just because of the exchange rate. They are undermining the American rancher to the point of unsustainability. We are on the verge of losing the American Rancher, not just sheep but cattle as well. This is affecting everyone.

The food supply should be considered a matter of national security and yet we continue to outsource our food production to different countries. This is a dangerous game we are playing. Once the agricultural infrastructure is gone, it is gone. It is not something easily rebuilt or replaced. Less than 1% of the population feeds the other 99%. As of the last agricultural census the average debt for the American Farmer and Rancher is \$1.7 Million and studies show the average suicide rate for farmers and ranchers is 3x the national average. Every farmer or rancher I know would be tickled to death to break even every year. Show me another industry, where someone toils 365 days a year, hot or cold, rain or snow, and is ecstatic to break even. We are not in this to get rich, but not many can sustain losing money year after year nor should they have to.

To put this to summation, American Agriculture needs intervention. Those who wish to import to the US must meet or exceed the same high standards we are expected to meet as well as pay their fair share to have access to our market. We don't want handouts, we don't need bailouts. We need a level playing field on which to compete with the rest of the world.

Alongside those who came before, now my grandfather, my father, my brother, myself, and our children pour into the same ground and the same dream our blood, sweat, and tears. We breathe in the same dust and that same clear mountain air as Andrew did nearly 200 years ago. Though this life is tough, we want nothing more than the opportunity to feed America and pass this on to our children, their children, and their children's children. Family is what binds us together through time and it is that heritage that binds us all together as a nation.

Over the last few years many American Farmers and Ranchers have said goodbye to their family legacy. They have been the last to work their family farm. They have been forced to be the one to lock the gate on the family ranch for the last time. The livestock grazing these "fruited plains", bearing the brands of multi generational American dynasties are fading away. Some of these families date back further than our Country itself. It is time we protect those who have served us and fed us all of these years. It is time to demand fair trade in the sheep industry and American agriculture as a whole! Let us do all in our power to assure that there are always 3 meals a day on American tables and that these legacies can be passed on to our children and theirs beyond them. God Bless you all and God Bless the United States of America.

Carson Jorgensen  
6th Generation Sheep Rancher  
Sanpete County, Utah

## Addendum continued

To whom it may concern,

My name is Jared Cornelius. I'm writing you today. To express my worries of the future of the US sheep industry. I am the soul family member still involved in agriculture. My wife and I have been running around 900 range ewes. In iron county Utah since November of 1997 .in 1997 lambs sold \$1.06 per pound. Wool was around 80 cents. Times were good. Three years ago I sold lambs for \$2.78 per pound. Wool around \$1.80 per pound. Again Times were great. Then we had to use our earnings to try and stay in business. Do to a depressed lamb price of . 97 cents. Wool at 88 cents. The government needs to be mindful of this when they are over flooding our markets with imports of lamb and wool. They are killing a multi million dollar industry.

Sincerely,  
Jared Cornelius

---

I have been in the sheep business since 1975 and I feel like the lamb markets are not being fair dealings on the lambs I sell. We cannot get a steady market so we end up in limbo every Fall, waiting to hear what the price is. When I get after the buyers they all have the same story: it's the imports coming in, you have to change your operation to compete. I am not able to raise and market lambs at a 1.20 a pound. I feel like that the imports need to be scaled back to less than 40% coming in. We do not need them to pay a minimum tariff fee, they'll just pay it, what's another 10 to 20 dollars a lamb? That will not fix it. They have to be limited to what time they come and the level of percentage that's my take on it.

My regards,  
John D. Bown  
bownlivestock@yahoo.com  
435-610-6544

## Addendum continued

Chance and Leissa Allred  
PO Box 359  
Fountain Green, UT 84632

To whom it may concern:

This is a letter that expresses our deep concern for the future of the sheep industry in America.

In the past five years or so we have had a great struggle with selling the American lambs for what they're worth. Imported lambs are taking over the market.

We are 6th generation sheep ranchers. Our children are learning and growing to keep the American lamb system running, but with imported lamb ,that has a strong negative impact on our family.

In order for the American lamb industry to continue and have the next generation take over we think there should be tariffs and some restrictions of imported lamb allowed.

Let our industry continue to serve the American people, and family farms like ours before imports make it so we can't raise domestic lamb. It's an important part of Americans taking care of Americans. Why are we supporting other countries before our own?

Thank you for reading our feelings about the negative impact that the imports have had on our industry

Chance & Leissa Allred

---

To whom it may concern,

I am very concerned with the sheep industry. We are running a sheep operation as the 5th generation and would like to continue with a 6th with our children to be able to move forward. We are running on the same private land and same federal permits that we have for generations, helping control fire suppression, noxious weed control, and water shed restoration. We love our life and would love to see it passed down, but it is hard to encourage our children to take this on when there is no security for the future.

Lamb consumption in the U.S is up, you would think that would make our lamb more valuable. But other country's produce lambs a lot cheaper because of our high input costs, we can't compete with them. So as a result imports are 70% of U.S lamb consumption and I feel if there was a tariff to help stabilize our industry we could supply the lambs to the consumer.

Thanks,  
Michael Hansen

## Addendum continued

To whom it may concern:

I would like to express my concerns about the future of the US Sheep Industry. Our numbers have dropped to an all-time low. Due to cheap imports, we have reached the tipping point.

I'm a fifth-generation producer. My family has run sheep here in Utah since the 1880's. Today we still run on most of the same Federal Land as our ancestors. We have provided control of noxious weeds, reduction of fuel load to aid in wildland fire containment, as well as watershed restoration projects. We have protected and managed this land for sustainability because our future depends on it. For generations we have put all our effort into providing food, fiber, and national security for our county.

My kids (sixth generation) and I for the last five years have been expanding to meet the rising demand of lamb. My son also started a sheep shearing business to help where we were struggling to get our sheep shorn. We are all-in in this industry. We need help to level the playing field. In 2021 we had good prices. We made the decision to purchase another herd of 1000 sheep, growing from 2000 head to 3000 head. By the spring of 2022 the market was flooded by imports. In 2021, we received \$286 per head. In 2022 we received only \$106 per head. With a third more sheep we received \$200,000 dollars less for our lambs. Over 70% of the U.S. lamb supply is coming from imports.

To stabilize and grow the US Sheep Industry, there needs to be tariffs and tariff rate quotes on imported lamb. Among producers, feeders and packers, there is a strong desire and passion to produce lamb and wool for the United States. The American sheep industry is a vital part of our country.

Thank you for your consideration and action in this matter.

Sincerely,  
Scott Stubbs

## Addendum continued

Sentel Schreier  
1125 9th Ave  
Belle Fourche, SD 57717

To Whom It May Concern,

I am writing this letter to support the Protect American Lamb Petition for America's Sheep Producers. I am a 3rd generation shepherd. My Grandpa started selling rams from his flock in 1924, my dad has continued this bloodline, and now I do the same. Because the checks our customers receive for their lambs at market are miniscule, the price of our rams has changed very little in the last decade. We cannot ask our customers for a price that ignores the market. In this inflationary economy, we are finding it difficult to break even with the production costs of raising sheep. Like lamb, wool prices continue to fall and barely cover the price of shearing.

It is very uncommon to see sheep grazing in South Dakota and surrounding states. Fewer sheep in our nation is a social and environmental loss. Sheep sequester carbon in their wool, graze invasive weeds that cattle do not, and provide organic fabric that will not pollute our oceans and air with microplastics like synthetics do. More and more sheep men and women sell off their flocks in exchange for cattle, or simply sell their family operations entirely. I believe this is to the detriment of the nation.

Without tariffs on imported lamb, our industry will continue to dwindle. Generations of shepherds are finding work elsewhere. Please consider the futures of young producers like myself who do not see a viable way to make a living under current economic conditions but desire to continue on in their family legacy of growing USA lamb.

Truly,  
Sentel Schreier  
605-210-3467

## Addendum continued

### To Whom It May Concern:

Imported lamb has taken away the west coast market. When there were three packers in California, competition among them gave western producers a ready outlet for their lambs, including those of John Espil Sheep Company. Over the last several years lamb slaughter and processing on the west coast has been drastically reduced, primarily through the actions of the one remaining packer, which has bought and then closed its competition leaving producers with little choice in marketing, at least marketing close at hand. This same packer has filled the void by importing cheaper, poorer quality lamb, primarily from Australia.

In our experience, once the reliance on imported lamb was established, we lost all leverage for our product and, indeed, completely lost access to the once-available west coast market. Locally, there was a domino effect on supportive companies. For example, the largest, regional livestock hauler closed its doors when its business was supplanted by refrigerated carriers loaded with imported lamb from the Port of Oakland. This left us dependent on out-of-state trucks and far-flung markets. The efficiency of production to market access was lost, causing added expense and unnecessary stress for humans and animals alike.

Ours is a hundred-year-old, fifth-generation sheep and cattle ranch. Although fluctuations in marketing and pricing have always been inherent in ranching, the uncontrolled manipulation of the import market is largely without precedent or remedy for the American producer. Unreasonable policies which give preference to foreign interests have precipitated a dire situation for the sheep industry which also reflects upon those businesses and communities supported by production of food and fiber. Recovery depends upon the recognition of the problem and immediate remedial action. Quotas and tariffs must be implemented if we are to rebuild. This will benefit the country, the consumer, and the natural resources.

John Espil Sheep Co., Inc.

## Addendum continued

To Whom It May Concern:

We are writing this letter to ask for your help to keep the American lamb industry from becoming extinct. Although it is a very small industry in comparison to some agriculture, it is a part of our heritage and our country's history. Lamb has been a source of protein for as long as every other protein grown and harvested in the United States but seems to be the only source that is gravely affected by imports. The United States is also the only country able to provide lamb that is antibiotic free as this is not possible for Australia due to their feeding capabilities.

Our family has a long history in the lamb business- four generations- and has been leaders in the lamb feeding industry for over two decades. The family also owns one of the nation's largest feeding operations specializing in all natural practices- Double J Lamb Feeders located in Ault, CO. This operation holds 65,000 head and can feed up to 200,000 head annually. Numbers have decreased in recent years as the import lamb market continues to grow and domestic lamb sales decrease.

In September 2020, our family purchased Double J Lamb - Texas (DJL- TX); a lamb and goat processing facility located in San Angelo, TX. The facility had been abandoned for years and we completely renovated it to become a fully functioning processing plant after the nation's largest lamb plant was purchased by JBS, Inc. and turned into a ground beef facility. The loss of this plant put the lamb industry at high risk of becoming extinct in the United States and the Hasbrouck family felt compelled to find a solution using industry knowledge as well as success owning and operating a beef and bison packing plant in Colorado. The city of San Angelo and surrounding communities welcomed us with enthusiasm, looking forward to us employing hundreds of people in the area. DJL - TX currently harvests and processes 1500 - 2000 head per week but has capacity to process up to 7500 per week. However, due to imports, the number of sales only allows the plant to run at 20 - 25 percent capacity. Employment at the plant is extremely challenging because the number of employees needed to run all the machinery and jobs necessary sometimes equates to less than full-time employment (hours).

The lamb industry is in dire need of help in managing imports that are killing our industry. Studies show that 70 percent or more of lamb sold in the U.S. is imported. Our industry can no longer support the consumption of lamb in the U.S. because imports have caused it shrink dramatically. However, we would like the opportunity to build our industry back and without the use of tariffs or quotas, we will continue to watch its extinction. Thank you for our time and consideration of this request for help.

Sincerely,  
Jeff Hasbrouck  
Double J Lamb

## Addendum continued

1173 La Valencia Ct.  
Brawley, CA 92227

To Whom It May Concern:

My grandfather immigrated to the US and worked in the sheep industry in 1910. Through hard work and financial sacrifice, he brought his brother and immediate family to the US to all work in the US sheep industry. My father worked for various sheep companies and once again through hard work and financial sacrifice bought his own sheep company. All of his 8 children either worked or were married to individuals who worked in the sheep resulting in 113 years of employment and ownership in the American sheep business.

Martin Auza Sheep Company (MASC) is a family company that is diversified in that individuals have eventually had to get additional jobs to supplement their economic independence. This is due in large part to the effect the deluge of lamb imports in the US especially the last 20 years. Pre-pandemic the economy was improving and whenever that happens, other countries immediately flood the US with lamb in order to take advantage of the US economy resulting in the decrease of meat prices and the American lamb producer losing an increasing share of the market and making it more difficult to retain their stock numbers.

During the 1930s, there were 30,000 head of lambs in Coconino County, in Arizona; today there are between 5-10,000. During the 1990s there were 300,000 head of sheep feeding on the Imperial Valley forage fields; today there are less than 65,000 head. MASC has bought and raised feeder lambs every year but 1 since 1966-56 years. In the fall of 2022 MASC did not purchase feeder lambs as our 2021 feeder crop is in freezers across the US as there is no market due to the lamb imports and no one will buy our lamb. In addition, every year for the past 10 years we have had to reduce our herd from 53,000 to less than 25,000. While some companies have been able to sell their lamb at below profit margins, creating horrendous losses, many have not and many have had to either stop raising lambs entirely or have switched to other agricultural products. Once again this is a result of the loss of market share due to the enormous influx of imports into the US.

Reliance on other countries to produce food is a huge risk just as depending on other companies to produce medication and other products is a risk that is all too well known by American citizens. Without tariffs and quota limits on imported lamb meat, the American Sheep Industry will collapse except for the producers who raise under 100 head per year.

Thank you for your consideration and future action to assist the American sheep producer to remain an integral part of producing a safe and consistent level of food for American citizens. It is important to the success of America that we take care of our own country first.

Sincerely,  
Martin Auza & Shirley Auza

## Addendum continued

To Whom It May Concern,

My family has been in the sheep business for about 100 years. Although I don't think anybody thinks they will get rich raising sheep, it has helped many of us provide for our families and helps support many other people and businesses such as vets, IFA Farming Supply, grocery stores (to feed our help), farm trucks and equipment, fuel power, fencing supply, and payroll tax to name a few. Our power bills are on the commercial level.

The US gets 73% of its Lamb from import, which is cheaper to the processing houses, where import is subsidized. What happened to supporting the U.S.?

Little by little, more and more Farming and Ranching businesses are selling out to subdivisions because they can't keep up with the struggle. Do we want to depend on our food sources to be primarily imported? It should be the US FIRST, then an outside source, if needed! With a dollar a pound Lambs and low wool prices, farmers are falling one by one. While Imports get subsidized?

Even though farmers' numbers are small compared to large cities, they are responsible for SAFELY feeding America. Do we really want to put ourselves in a position where other Countries can control us through our food? We need help!!

Our business's percentage pays way more out than others, with less profit in the end. bottom line.

Price of hay is high, fuel is high, and all of our costs have risen when our price for lamb is down, but the price of meat in the store is at an all-time high?!

We have to deal with many things. Grasshoppers are eating the feed, drought and predators are killing our Lambs. Areas we could trail our sheep to graze are now filled with honking horns, and the cost of trucking our lambs has gone up, along with everything it takes to raise our animals. Not ONE thing has gone down except our lamb and wool prices. Our food chain is in trouble and needs HELP!

This is just a small outlook on a huge problem for our sheep industry.

Thank you,  
Clark Webster  
C&R FARMS  
702-600-2399

**Addendum continued**

David and Donna Buskohl  
7585 Highway 18  
Wyndmere, ND 58081

To whom it may concern,

This letter is to address our dire concerns with the future of the American lamb producers and lamb feeders primarily with the inundation of imported lamb. Buskohl Farms is a multigenerational sheep operation that started in 1970. Presently, Buskohl Farms has the capacity to supply 18,000 or more market lambs annually. As imports have negatively affected our American industry over time since our beginnings, the most detrimental changes have occurred for us over the past 5 years and will continue to worsen without intervention for producers and feeders of American lamb. This is due to lamb imports.

Prior to the last 5 years, Buskohl Farms was able to secure agreements with several lamb processing facilities for our market lambs. Without these agreements in place to market these lambs, it has been financially devastating to us as lamb feeders. If the lamb producers of the industry are unable to purchase lambs due to this, then that also takes out the lamb producers of the industry as they will not have outlets to sell their lambs. The processors have lost interest in offering agreements because they are able to get 70% or more of their supply from cheap, imported lamb.

Over the last few years, Buskohl Farms has only purchased approximately 15% of normal capacity because of imports overtaking our outlets for our lambs. Our over 50 years family operation is eroding away and the opportunity for our grandchildren will be nonexistent. We cannot stress enough how imperative timely action is given to this matter.

For the lamb industry in America to survive and thrive again, there needs to be tariffs and quotas on imported lamb. The lamb producers and lamb feeders of the United States of America have the tremendous desire and passion to continue this timeless tradition and service to our country and our families. American lamb and its whole industry is a vital part to our whole country and it is past time for our country to take care of its own.

Thank you for your consideration and future action with the negative impact of lamb imports.

David and Donna Buskohl  
701-640-5411