

"Delivering Lastng Value to Support all Segments of the California Sheep Industry"

NEWS AT A GLANCE

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Congratulations

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JAN-FEB 2023

HERD theNews!

President's Message

Dear CWGA Membership,

Well, I had forgotten what this specific shade of green looked like, and how much I missed seeing it! That's the situation here in the Valley, but I know this rain has been a bit more troublesome for you up north. Either way, as



livestock producers and affiliates, the landscape in California has changed for this year in more ways than one. As many of us prepare to market our annual harvests, what we know for sure is there will some change from last year. Let's make the best of it!

I attended ASI in Ft. Worth, Texas this month and represented California's vote at the ASI meeting. It was nice to see some familiar California faces. Overall, I think the convention was excellent. Presentations and topics seem to have shifted a bit into some very relevant arenas including the very real Ethnic Market where we heard from two separate businesspeople working out of San Angelo, Texas moving both live and processed lamb and goat mostly to the East. In my opinion, the Ethnic trade has been fairly elusive and not clearly understood by our traditional market participants and this was very helpful. Secondly, many presentations seem to share common threads including climate change and bringing awareness to our role in things like carbon sequestration, consumer awareness, carbon markets, and healthy soils. In so many ways, we are a perfect fit.

Lastly, I wanted to share that California now has a refreshing and well represented presence at ASI. Joe Pozzi was nominated and elected by unanimous vote of the ASI Board of Directors to serve as an Officer of the American Sheep Industry. Joe will begin his service as Secretary/Treasurer and likely transition up through the Officer rotation over the next 8 years, eventually serving as President of ASI. Also, Ryan Indart was nominated and elected by unanimous vote to serve as Region 8 Director which includes, CA, OR, WA and HI. As such, he will have a seat on the Board of Directors. Congratulations to you both and thank you for your willingness to serve and represent California and our industry issues at the National level. It is great to know that California will be heard and led by two very competent and committed members of our industry!

The next ASI convention will be held in Denver, CO from January $10^{\rm th}$ - $13^{\rm th}$. Mark your calendars. There is something there for everyone and the networking is invaluable, not to mention a great time!

Sadly, we recently lost a treasured member of our association. Jane Patton, Wes's wife, passed away on December 12, 2022. We will always be grateful for Jane's contributions to our association, in particular our annual auctions at convention. Not to mention the staunch support she has provided to Wes in his contributions to our association. Our condolences to Wes and his dear family at his difficult time. Jane will be missed.

Andrée Soares

CONGRATULATIONS!



JOE POZZI

Newly elected Secretary/Treasurer of ASI



RYAN INDART

Newly elected ASI Region 8 Representative

CWGA NEWS



RAM SALE UPDATE Schedule of Events

Saturday, April 15, 2023

9:00 am Buyer Check-In & Ram Preview

9:30 am Trade Show

11:30 am Complimentary BBQ Lamb Lunch

1:00 pm 103rd Annual California Ram Sale

ALB Releases FY22 Report and New Strategic Plan

The past year has been challenging for the U.S. Lamb industry, between price inflation, labor challenges and the economic downturn, added to the lingering Covid pandemic. The American Lamb Board (ALB) released its FY22 Annual Report to inform Mandatory Lamb Checkoff stakeholders of its work to mitigate the effects of outside forces and take advantage of opportunities.

"Even though many challenges are out of our control, it's critical that we keep driving forward as hard as we can to promote American Lamb and the US Sheep Industry," said Peter Camino, ALB chairman. "During this past tough year, your American Lamb Board worked to support our loyal American Lamb retail and foodservice customers and invest in programs and strategies that can strengthen our long-term competitiveness. Making American Lamb the preferred choice of consumers, chefs and retailers is at the core of your American Lamb Checkoff's promotion, information and research programs."

The focus now turns to FY23 and beyond.

"As the American Lamb industry looks to the future, there are several areas for opportunity," according to Camino. To embrace those opportunities, ALB has announced an <u>ambitious strategic plan</u> for the next five years, including increasing demand for American Lamb by 5% and taking 5% market share from lamb imports by the end of 2028.

To that end, ALB has identified three primary goals:

- Marketing: Grow consumer demand for American Lamb
- Research, Education & Innovation: Optimize/prioritize research and education efforts to improve product quality and consistency, increase productivity and grow the year-round supply of American Lamb
- ♦ Industry Services: Expand awareness, understanding, engagement and involvement of stakeholders in the American Lamb Checkoff

The American Lamb Board (ALB) is an industry-funded national research, promotion and information checkoff program that works on behalf of all American commercial and seedstock producers, feeders, direct marketers and processors to build awareness and demand for American Lamb. Funding is through mandatory assessments paid by all industry segments. The board is appointed by the Secretary of Agriculture and represents all industry sectors, geographic regions and sizes of production. The work of the ALB is overseen by USDA and supported by staff in Denver, Colorado.

ALB's annual budget averages about \$2.5 million. Almost two-thirds of funds are devoted to American Lamb promotion. By law, the Board's expenditures for administration are limited to 10% or less of projected revenues. The board was established in 2002. More information is at LambResourceCenter.com.



ALB UPDATE

American Lamb Anticipating Meat Trends For 2023



DENVER, Colo. — "As we look toward a new year, understanding the overarching trends happening in five key areas can help you anticipate your customers' needs and keep meat in the mix," according to the new report from Midan Marketing, 2023 Meat Trends to Watch.

"There are challenges ahead for the American Lamb industry, yet there are absolutely opportunities. But the entire industry will need to make changes to improve our competitiveness and profitability," said Peter Camino, American Lamb Board (ALB) chairman.

The Midan 2023 Meat Trends report is summarized below. A full copy of the <u>report is available here</u>.

Economic Pressures: At the meat case, while many are seeking less expensive cuts and are more open to experimenting in the kitchen, others are trading up to premium meats at retail in lieu of dining out. During recessions, consumers tend to become loyal to brands/products that match their personal values, the Midan report notes. Lamb has seen retail sales increase and ALB has responded by increasing recipes and cookery education.

Sustainability: As this issue continues to trend, it also continues to evolve. There are more definitions of this one topic than most of us can count. It's critical for products and businesses to talk to customers about their sustainability efforts. Every effort adds up to something shoppers want to hear. Remember, economic struggles cause consumers to lean into brands/products that match their values. When it comes to the meat case, most consumers define sustainably raised meat by properties related to animal welfare. But in 2023, Midan expects to see some of the first "sustainable" or "carbon zero" meat products hit retail, which could help expand how consumers define sustainably raised meat. ALB has closely watched how this issue influences consumers. In the upcoming months, ALB will be releasing results of its research at Michigan State University on industry sustainability, and mitigation strategies for 5 production styles. The checkoff board has already begun messaging to consumers about the benefits sheep have on the environment.

Health & Well-being: Nearly four in 10 consumers who ate red meat more frequently in 2022 say it's because they are trying to consume more protein. Simple ingredients and clean labels continue to interest consumers. Meat department consumers are showing less interest in plant-based meat alternatives, reports Midan.

Convenience: Snacks are back, with many desiring high protein options. Historically, meat snacks have been predominantly beef, but new products are expanding consumers' options. Because of economic pressures, 62% of shoppers report opting for large snacks instead of meals – this number is even higher among Generation Z where a full 75% are replacing meals with snacks.

In recent years, retail sales of value-added meats have increased. Current economic pressures combined with Millennials' and Gen Z's desire for discovery is creating a perfect opening for this category, says Midan.

Technology: While much of the technology is supposed to make shopping easier and more convenient, it's also attempting to create experiences that shoppers will be excited to try. H-E-B, Kroger and Amazon all have in-store shopping carts that act as tills, letting customers skip pulling out items at checkout.

-American Lamb Board

AMERICAN LAMB BOARD MEMBERS

The U.S. Department of Agriculture (USDA) today announced the appointment of four members to each serve three-year terms on the American Lamb Board. The terms begin January 2023 and end January 2026.

Newly appointed members are:

Jeff Ebert, Saint George, Kansas – Producer (100 or less head)

Gary Visintainer, Craig, Colorado - Producer (Greater than 500 head)

Don Hawk, Danville, Ohio - Feeder (At Large)

Karissa Isaacs, Milliken, Colorado – First Handler

The four appointed board members join nine other ALB members:

- · Andrew Allman, Gill, CO, (first term, 2022-2025)
- · Travis Anderson, Brownsville, OR, (first term, 2020-2023)
- · Carlos Barba, Naperville, IL, (first term, 2021-2024)
- · Peter Camino, Buffalo, WY, current chairman (second term, 2018-2024)
- · Mike Duff, Blackfoot, ID (first term, 2021-2024)
- · David Fisher, Sonora, TX (first term, 2022-2025)
- Dave McEwen, Galata, MT (first term, 2021-2024)
- · Jimmy Parker, Vinemont, AL (first term, 2022-2025)
- · Steve Schreier, Tracy, MN (first term, 2022-2025)
- · Sally Scholle, Littlestown, PA, current secretary (second term, 2018-2024)

MPR Lamb Data: This week: 2,300 Last Week: 2,600 Last Year: 2,400 Wooled and shorn lambs 43-163 lbs, range \$130.00-300.00, wt. avg \$ 133.42. up \$1.66 this week.

<u>Direct Slaughter Lambs</u> – Demand light to moderate, supplies moderate, increasing volume available in feedlots each week due to normal seasonal fall placements. **Wooled & Shorn**: <u>Midwestern states</u> – 3,000 head on formula basis. <u>Mountain States</u>: 5,000 head on formula basis. <u>West Coast</u> – 4,000 head formula basis.

Trading slow again this week, demand light to moderate. Weather continues to play a major role in the sheep industry across the US – from snow and cold temperatures in western states, to ice storms, snow and cold temperatures across the Midwest, with rain into the east coast areas. All those disrupting the normal marketing and processing of lambs from production to consumption. In a zoom call this week, CA producers expressed their concern than new crop bids on lambs were \$50.00-75.00 per head less than their production costs. Other areas expressing the same comments with regard to current prices and their increasing costs of production, which may result in a reduction of domestic sheep numbers in the US in the future. **Note – NASS annual sheep inventory in this report below.**

Auction Trading Slaughter Lambs: Choice - Prime 1-3 (wts and classes combined): PA – **2,490 head.** Ewes unevenly steady, Wool lambs weak, hair lambs strong. Wool lambs: 21 - 42# - 260.12; 8 - 54# - 262.00; 92 - 48 - 66# - 241.38; 48 - 75# - 209.67; 127 - 82# - 198.05; 162 - 96# - 184.03; 291 - 109# - 168.25; 18 - 161# - 130.00. Hair lambs: 8 - 35# - 225.0; 8 - 49# - 305.00; 14 - 54# - 269.09; $121 \ 0 \ 63\# - 248.74$; 127 - 77# - 204.62; 124 - 82# - 188.91; 20 - 94# - 193.75; 108 - 112# - 166.67. **TX - no report due to rain and ice conditions**

SD - SX Falls Regional: 361 head Light receipts due to artic temperatures. Ewes steady to firm. Lambs mostly steady. Wool lambs: 2 – 80# - 160.00; 205 – 141# - 131.32; 27 – 1503 – 127.00; 7 – 161# - 105.49. Hair lambs: 42 – 48# - 190.00; 2 – 75# - 180.0; 36 – 115# - 121.00. **IA - Kalona: 715 head**. ewes unevenly steady, lambs \$10.00-40.00 higher, most advance on 30-60 lbs:

<u>Wool lambs</u>: 15 – 31# - 310.00; 33 – 46# - 205.45; 81 – 56# - 290.39; 51 – 65# - 244.88; 51 – 73# - 212.52; 92 – 83# - 222.10; 11 – 95# -206.98; 59 – 114# - 180.47; 27 – 121# - 186.00. <u>Hair lambs</u>: 18 – 57# - 250.25; 13 – 67# - 230.00; 42 – 78# - 170.00; 8 – 85# - 200.00; 25 – 120# - 152.59. **CO – Ft. Collins**: **193 head.** Ewes unevenly steady, lambs steady in light test. <u>Wool lambs</u>: 2-65# - 212/50; 28 – 94# - 232.87; 3 – 105# - 220.00; 23 – 125# - 153.65. <u>Hair lambs</u>: 42 – 48# - 190.00; 2 – 75# - 180.0; 36 – 115# - 121.00.

<u>Direct feeder lambs:</u> Trading at a standstill in most areas due to winter weather and limited seasonal supplies.

Replacement Sheep – For Sale – **NE** – 1,053 head of Merino ewes (Campbell - Hansmire genetics): 250 2's; 228 3's; 146 4's; 137 5's. (98 have lost tags, so do not know age without mouthing). Body condition good, avg 165-170 lbs, 19-20 micron wool of long staple length, high yielding. Wormed 3 times in 2022, had anti- abortion vac and 5 way too. On pasture but getting distillers and wet corn to supplement pasture. Reputation Hamp X Suffolk bucks turned in on Nov 22, which were all semen tested before turnout. Clean up bucks are reputation Merino's. 5 Achbash guard dogs available. Ewes available after 45 days of breeding. 12 Black face rams available as well as the whiteface rams (5 yrs old). Call – Jim Jenkins 308-440-7999 for additional information.

<u>Territory Wool Sales</u> –all warehouses reporting largest inventories of wool on hand in several years, as well as increased on farm storage. Demand domestically remains light. Inventories included 1-3 years of wool in some areas. Growers encouraged to take advantages of the \$.40 current LDP on greasy basis wool at this time.

	CME Corn Settlement Prices – mixed this week					
Mar 23	May 23	July 23	Sept 23	Dec. 23	Mar 24	
	May 24	July24	Dec 24			
\$6.77 -06	\$6.75 -05	\$6.65 -01	\$6.10 +07	\$5.96 +09	\$6.06 +09	\$6.06
\$6.05 +30	\$5.54 -11					

USDA - AMS, Market News Reports

Monthly Colorado Feedlot Inventory: As of Feb 1, 2023 lambs on feed totaled 128,155 head (down 20 %) from Jan 1,2023 of 161,000 head, and down 28% from a year ago in Feb. Still appears to be an ample supply of lambs available at this time.

<u>USDA Wool Reports</u> No domestic wool sales reported this week. Demand light for heavy supplies of old crop woo.

In Australia this week, the Eastern Market Indicator was up 18 cents at 1356 cents per Kg clean from the sale a week ago. A total of 38,516 bales were offered with sales of 93.4 percent. The Australian exchange rate was stronger by .0049 at .7051 percent of the U.S. dollar. Australian wool prices are quoted US Dollar per pound, delivered, Charleston, South Carolina. The current freight rate is .15 cents per pound clean. Schlumberger Dry formula is used for yield determination.

The 75-85 percent of Australia price range can be used as an estimated value of clean domestic prices FOB the warehouse and gross producer. These are estimated domestic values and may vary depending on current market conditions, yield, strength, length, colored fiber content, poly contamination, and other quality factors.

		Clean Del Price	Change from	75-85 Percent
Micron	US Grade	in U.S. Dollars	Previous Sale	of Australia
17	> 80s	7.65	+ .04	5.74-6.50
18	80s	6.59	01	4.94-5.60
19	70-80s	5.63	+ .05	4.22-4.78
20	64-70s	5.13	+ .07	3.85-4.36
21	64s	4.84	+ .08	3.63-4.11
22	62s	4.59	+ .00	3.44-3.90
23	60-62s	4.30		3.22-3.65
24	60s	3.36	+ .33	2.52-2.86
25	58s	2.67	01	2.00-2.27
26	56-58s	1.90	18	1.42-1.61
28	54s	1.25	+ .02	0.93-1.06
30	50s	1.10	+ .00	0.83-0.94
32	46-48s	0.92	+ .00	0.69-0.78

Weekly Retail Lamb Report - For the week the Lamb and Veal retail activity index was sharply higher, feature rate 1.10% higher, and the special rate was steady. **Lamb and Veal Cuts both reported sharply higher**. For the week Roast ads were sharply higher, and Chop ads were 71.70% higher. Lamb features offered more ad space for Shoulder Round Bone Chops, Boneless Leg and Leg Shank/Butt. Veal cuts showed more ad space for Shoulder Rib Chops, Loin Chops and Leg Cutlets

Weekly Lamb Carcass Cut Out Value (Friday) \$465.58 (corrected up \$1.86 from previous week). This week's \$461.41, down \$ 4.17.

Weekly Summary of MPR Lamb Carcasses: 02/03/2023

HOT WEIGHT	HEAD	% TOTAL 4,157 TOTAL HEAD
45 # & Down	298	7.2 Wkly Weighted Avg \$360.51 , down \$4.95
45-55 #	241	5.8
55-65	585	14.1
65-75 #	1098	26.4
75-85 #	657	16.4
85 # & up	1,288	31.0

<u>USDA - NASS</u> - Annual Sheep Inventory Report All sheep and lambs in the U.S. on January 1, 2023 totaled 5.02 million head, down 1 percent from 2022. Breeding sheep inventory at 3.67 million head on January 1, 2023, decreased 1 percent from 3.71 million head on January 1, 2022. Ewes one year old and older, at 2.87 million head, were 1 percent below last year. Market sheep and lambs on January 1, 2023 totaled 1.36 million head, unchanged from January 1, 2022. Market lambs comprised 94 percent of the total market inventory. Market sheep comprised the remaining 6 percent of total market inventory. The 2022 lamb crop of 3.11 million head was down 2 percent from 2021. The 2022 lambing rate was 107 lambs per 100 ewes one year old and older on January 1, 2022, unchanged from 2021. Shorn wool production in the United States during 2022 was 22.2 million pounds, down 1 percent from 2021. Sheep and lambs shorn totaled 3.17 million head, down 1 percent from 2021. The average price paid for wool sold in 2022 was \$1.53 per pound for a total value of 33.9 million dollars, down 11 percent from **38.2 million dollars in 2021**. Sheep death loss during 2022 totaled 205,000 head, up 3 percent from 2021. Lamb death loss increased 3 percent from 365,000 head to 375,000 head in 2022.

<u>Insfall Canada Lamb Plant News -</u> A Quebec company that is an emerging powerhouse in the meat sector has struck a deal to purchase the Alberta lamb processing plant and large feedlot of the defunct North American Lamb Company. "They seem to run a fair-sized conglomerate of businesses related to agriculture and the livestock industry," said Neil Narfason, an official with Ernst & Young who is a court-appointed monitor overseeing the sale. "They're a known name in the industry for sure." However, most consumers, even in the markets it serves, probably don't know the **Préval Ag name**. The company has sales of more than \$720 million annually, but much of that is under the brand names of companies it has either created or acquired. It's run by three brothers who began by starting a veal farm and have since grown the company into the largest integrated veal and lamb supplier in North America with three dozen divisions including beef, poultry, vegetables, field crops, grain processing, and transport. A spokesperson said the company would have no comment until the purchase — Préval Ag's first in Western Canada — officially closes. The sale to two newly created divisions of Préval Ag, WestFine Meats and West Excelamb, is slated to be completed on Jan. 27, Narfason said. Préval AG, headquartered in Saint-Hyacinthe (just east of Montreal), has more than 1,400 employees, many working for companies it has acquired. Its products include veal, lamb and beef sold under brands such as Famille Fontaine and Catelli Brothers as well as market vegetables and grain. The company was founded by Fabien Fontaine, who was joined by his brothers Donald and Alexandre.



CALIFORNIA MAKE IT WITH WOOL CONTEST CONGRATULATIONS TO OUR 2022 WINNERS



From left: Adult Winner - Jennifer Serr, Alameda

Junior Winner - Olivia Frenette, Linden - Top 10 National MIWW

Pre-Teen Winner - Kevin Vlach, Leona Valley

Senior Winner - Rebekah Kasperson, Palmdale



Jennifer Serr, the California Adult Winner has placed third in the National MIWW Contest.

Jennifer sent her outfit, a video of herself modeling the outfit and photos of the outfit to the Michigan State Director where her outfit and the other Adult Category entries were evaluated by a panel of judges.

Jennifer created a vintage Coco Channel inspired dress and jacket. She used many of Chanel's sewing techniques to tailor her outfit made of a cream and black plaid boucle wool. She added black and cream silk fabric for the dress front inset and collar.

The Junior and Senior winners will compete at the 2023 ASI Convention in Fort Worth, Texas.

Introducing A New Alert For Fire Season

New App Makes Its Debut

The wildfire season across the Western states has continued to grow over the years. However, according to USDA, the idea of a "season" is no longer an accurate description and instead, "The Forest Service is shifting to the concept of a fire year." Because of this, farmers and ranchers are in need of the newest technology and accuracy for wildfires.

Wildfire Aware is a new app for all devices that was developed in response to the 2020 Zogg Fire that started near the towns of Ono and Igo in Northern California. These remote towns are located in areas where cell service is intermittent and wireless internet is the main form of communication. Individuals in the town were alerted to the fire by friends and neighbors before getting an alert from the California Department of Forestry and Fire Protection (CAL FIRE).

According to individuals who experienced the fire, alerts or announcements for evacuations came too late, and it was only because of Facebook groups and phone calls that much of the two neighboring towns were able to escape in time.

Rachael Brady is the founder of The Analytical Moose and the creator of the Wildfire Aware app. As the granddaughter of a family affected by the Zogg Fire, she chose to take action after seeing the effects of the wildfire across her home community, and she began working towards the development of Wildfire Aware.

The Analytical Moose provides geographical information system (GIS) consulting services and drone imagery to its customers. Brady developed the app based upon her previous experience working with CAL FIRE as a communications operator and research data specialist. Working on GIS increased her understanding of using the technology and encouraged her to pursue her master's degree in GIS. Now, within her own business, she uses her expertise in GIS software coupled with drone technology to view wildfires as they develop.

"I was talking to everyone in the community and assisting with drone footage for lawsuits and insurance claims that develop after the wildfire, and it showed that there was a large need for some type of alerting service about wildfires," Brady said. "There are all sorts of systems for agencies but nothing for the public—especially outside of California."

The app was developed by software engineers, with Brady focusing on aspects that individuals said were important during the wildfire experience. After launching in October, the work put into the software is now available to the public.

Wildfire Aware currently has three types of notifications. The first type is "New Fire" notifications that "arrive within minutes of a wildland fire being dispatched." The app claims to not filter fire notifications and sends them as soon as firefighters are dispatched.

The second is "Multiple Day Fire" notifications that are sent "when the fire perimeter is updated (usually in the morning and evening) for ongoing fires that have encroached on notification areas." The final notification type is National Weather Service notifications that pertain to weather conditions developed due to wildfires, such as mudslides and flooding.

The app was displayed at the California/Nevada joint Cattlemen's Convention in early December as a soft launch and to explain its uses in phase one. Phase two is scheduled to launch at the beginning of 2023 and the final phase will be launched by the end of 2023. Phase two is the integration of satellite wildfire detection, Brady said. "We are in talks with a couple companies to develop integration of their technology and instead of waiting until a fire is dispatched, being able to detect it and alert from the satellite ahead of official chatter," she said.

Phase three is focused on "being able to put on a map the general direction and rate of spread on a fire," Brady said. "With our cone of confidence, we could tell the projection, speed and where it's headed." The Wildfire Aware app focuses on increasing the ability for the public to have as much time to prepare for a wildfire as possible. "Those extra five minutes are imperative," Brady said—one of the motivating factors leading to the app's creation.

Notification customizations are available within the app, one of the features that no other public detection software has available. The reason is so farmers and ranchers could pinpoint multiple different locations within their operation. This could range from summer pasture to different farm locations to ensure that the public has the best and quickest access to information. Wildfire Aware is available on all devices and is continuing to develop for the needs of the public. It is available in all states and alerts are available for anywhere in the nation as fire prone areas continue to develop. More information about the application can be found at https://www.wildfireaware.ai - Article by Chloe Fowler, WLJ Correspondent

CA Rule Banning Older Trucks Is a Challenge For Agriculture

As of Jan. 1, under a newly implemented state rule, large trucks and buses made before 2010 are prohibited from operating in California. The rule, which includes restrictions on the big rigs that transport much of the state's agricultural produce, is the final phase in a set of clean air regulations passed by the California Air Resources Board (CARB) in 2008.

The rule applies to diesel vehicles that weigh at least 14,000 pounds. At the close of the year, CARB estimated that around 70,000 big rigs, or roughly 10% of the state's commercial trucks, were not in compliance with the rule.

The Air Resources Board created the regulation because newer engines are better at filtering out toxic particulates. According to state regulators, big rigs emit more than half the vehicle-related pollution in California, even though they make up just 6% of the motor vehicles registered in the state.

In a memo released last year, CARB Deputy Executive Officer Craig Segall called the regulation one of the board's "biggest successes in protecting public health." However, as the final requirements of the rule go into effect, farmers and trucking company owners say it imposes a heavy burden, especially for small trucking businesses and agricultural producers using older trucks on a seasonal or part-time basis.

Business owners looking to replace noncompliant trucks with newer big rigs face a steep financial hill.

With the rule now in effect, the older trucks "have no resale value," said Katie Little, policy advocate for the California Farm Bureau. "The market is saturated with these old trucks, which you have to sell across state lines, so the resale value has really just dropped."

The next step, purchasing a newer big rig, has been complicated by pandemic-related supply chain issues that have created a monthslong backlog for new diesel trucks and inflated the market for used vehicles. To get a big rig made in 2010 or later, prices run anywhere from \$50,000 to around \$200,000. For the most part, large trucking companies have had time to transition their fleets, as they get enough use out of them for the investment in new trucks to pay off.

Those who have expressed the most concern about the rule, Little said, have been "smaller family farms that have a truck or two and use them during harvest season or planting season," but not year-round. "It's for part-time use, and the cost of investment (to get a new truck) is just really a heavy lift right now," she said.

Until this year, an agricultural exemption had allowed big rigs made before 2010 to run up to 10,000 miles per year. But that exemption ended as part of the final phase of the rule. People using noncompliant big rigs for agricultural purposes must now abide by a general 1,000-mile limit.

Tom Barcellos, owner of Barcellos Farms, a Tipton-based dairy farm and trucking company, has a fleet of 24 trucks, including six that were made before 2010. Under the 10,000-mile agricultural exemption, Barcellos could use his older trucks to haul feed between his two dairies 3 miles apart and haul silage from the field.

IAN-FEB 2023

Now, under the new limit, he may have little choice but to sell those trucks at a low price, as he can't get the work done while staying within the new limit. "The thousand miles is what's going to kill us," Barcellos said.

For some farmers, even just a 2,000-mile limit might be enough. But "unfortunately, the department is sticking hard and fast to their thousand-mile limit," Little said.

At the same time, Barcellos and other farmers with similar operations don't put enough miles on their trucks to make it worth investing in new ones that are compliant with CARB regulations.

"It's not going to generate enough income to pay its bills and warrant that kind of money," Barcellos said. "It's challenging for a lot of people."

The state has provided incentive programs and financial assistance to upgrade to newer diesel trucks, but the return on investment still doesn't add up for everyone. According to news reports, some business owners, including those shipping fresh produce in the Salinas Valley, have downscaled or left the trucking sector altogether rather than buy expensive new diesel trucks.

Trucking company owners are also weighing other challenges, including higher diesel prices and looming regulations aimed at further curtailing pollution and carbon emissions.

At the moment, CARB is considering a proposed regulation to phase out big rigs and other trucks with internal combustion engines and replace them with zero-emission vehicles, forcing some trucking companies to begin converting their fleets in 2024 and prohibiting the sale of all new fossil-fueled trucks by 2040. "It seems like these rules are all stacking up against each other, and farmers are going to have to make an investment now (in a newer diesel truck) and then make another large investment (in a zero-emission truck) when the electric vehicle rules come through," Little said. "It doesn't give our members a lot of time to recoup the costs of these regulations that seem to be bearing down on them." Business owners said the cost of abiding by the regulations will be borne by farmers and ultimately by consumers.

"Looking beyond myself, this is going to end up raising the rate in agriculture in general," Barcellos said. "No matter what it is—we haul (farm) equipment for other people—the rates are going up because of all the added costs." — Caleb Hampton, California Farm Bureau Ag Alert assistant editor



Research Could Simplify Process For Calculating Soil Carbon Credits

Study provides new insights for quantifying cropland carbon budgets and credits, two important metrics for mitigating climate change



Accurately calculating cropland carbon budgets and soil carbon credits is critical to assessing the climate change mitigation potential of agriculture as well as conservation practices. (NRCS Oregon, Flickr/Creative Commons; NRCS photo by Tracy Robillard)

CHAMPAIGN, Ill. — A study led by researchers at the Agroecosystem Sustainability Center (ASC) at the University of Illinois Urbana-Champaign provides new insights for quantifying cropland carbon budgets and soil carbon credits, two important metrics for mitigating climate change.

The results, outlined in a <u>paper published in the soil science journal Geoderma</u>, could simplify the process for calculating soil carbon credits, which reward farmers for conserving soil carbon through crop rotation, no-tillage, cover crops, and other conservation practices that improve soil health. The project was funded by the U.S. Department of Energy's Advanced Research Projects Agency-Energy (ARPA-E).

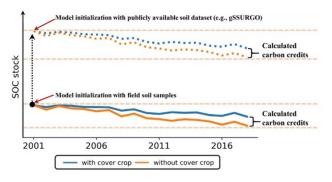


Illustration of soil carbon credits calculation based on process-based models. The uncertainty in the calculated carbon credits is much smaller than the uncertainty in the initial soil carbon stock. (Source: Geoderma)

Agricultural activity causes a significant amount of soil organic carbon (SOC) to be released into the atmosphere as carbon dioxide, a greenhouse gas that contributes to climate change. Several conservation practices have been suggested to help sequester that carbon in the soil, but their potential to enhance the total SOC in a soil profile, known as SOC stock, needs to be assessed locally.

Such assessments are key to the emerging agricultural carbon credit market. Accurately calculating cropland carbon budgets and soil carbon credits is critical to assessing the climate change mitigation potential of agriculture as well

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as conservation practices. Those calculations are sensitive to local soil and climatic conditions, especially the initial SOC stock used to initialize the calculation models. However, various uncertainties exist in SOC stock datasets, and it's unclear how that can affect cropland carbon budget and soil carbon credit calculations, according to lead author Wang Zhou, Research Scientist at the ASC and the Department of Natural Resources and Environmental Sciences (NRES) at Illinois.

In this study, researchers used an advanced and well-validated agroecosystem model, known as *ecosys*, to assess the impact of SOC stock uncertainty on cropland carbon budget and soil carbon credit calculation in corn-soybean rotation systems in the U.S. Midwest.

They found that high-accuracy SOC concentration measurements are needed to quantify a cropland carbon budget, but the current publicly available soil dataset is sufficient to accurately calculate carbon credits with low uncertainty. "This is a very important study that reveals counter-intuitive findings. Initial soil carbon data is very important for all the downstream carbon budget calculation. However, carbon credit measures the relative soil carbon difference between a new practice and a business-as-usual scenario. We find that the uncertainty of initial soil carbon data has limited impacts on the final calculated soil carbon credit," said ASC Founding Director Kaiyu Guan, Blue Waters Professor in NRES and the National Center for Supercomputing Applications (NCSA) at Illinois and lead of the DOE-funded SMARTFARM project at iSEE, which featured several coauthors on this paper.

The results indicate that expensive in-field soil sampling may not be required when focusing only on quantifying soil carbon credits from farm conservation practices – a major benefit for the agricultural carbon credit market.

"Uncertainty in SOC concentration measurements has a large impact on cropland carbon budget calculation, indicating novel approaches such as hyperspectral remote sensing are needed to estimate topsoil SOC concentration at large scale to reduce the uncertainty from interpolation. However, uncertainty in SOC concentration only has a slight impact on soil carbon credit calculation, suggesting solely focusing on quantifying soil carbon credit from additional management practices may not require extensive in-field soil sampling – an advantage considering its high cost," Zhou said.

"The approach in this study can be applied to other models and used to assess important uncertainties of the carbon sequestration potential of various conservative land management practices," said Bin Peng, the other primary author of the study and Senior Research Scientist at ASC and NRES.

The ASC was jointly established by the Institute for Sustainability, Energy and Environment (iSEE), the College of Agricultural, Consumer and Environmental Sciences (ACES), and the Office of the Vice Chancellor for Research and Innovation at Illinois.

Co-authors on the study included ASC Associate Director Andrew Margenot, Assistant Professor of Crop Sciences; DoKyoung Lee, Professor of Crop Sciences and ASC founding faculty member; Even DeLucia, Professor Emeritus of Plant Biology and ASC founding faculty member; Sheng Wang of ASC and NRES Research Assistant Professor; Ziqi Qin of ASC and graduate student in NRES; NRES Professor Michelle Wander; Jinyun Tang, Staff Scientist of the Earth and Environmental Sciences Area, Lawrence Berkeley National Laboratory; Zhenong Jin, Assistant Professor in the Department of Bioproducts and Biosystems Engineering, University of Minnesota; and Robert Grant, Professor in the Department of Renewable Resources, University of Alberta, Edmonton, Canada.

-Institute for Sustainability, Energy, and Environment University of Illinois at Urbana-Champaign

10 Questions to Ask Before Signing a Carbon Credit Contract

Agricultural law specialist offers considerations for landowners interested in selling carbon credits.

COLLEGE STATION, Texas — No two carbon credit contracts are written the same, and that is why Texas A&M AgriLife Extension Service agricultural law specialist Tiffany Lashmet, J.D., said there is a list of considerations she advises everyone to take before entering a carbon credit contract.

"That fine print is really important," Lashmet said. "Don't read the first paragraph, then the dollar amount, and be done."

She recommends all landowners seeking to enter into a carbon credit contract ask up front if the company is willing to negotiate, as this will save a lot of time and trouble. Similarly, she recommends finding a good attorney to look the contract over for you. These contracts have many details that need attention before signing any document.

Questions to answer before signing a carbon contract

- 1. Have you read the entire contract? Read all of it. Every contract includes details in the fine print that can be problematic.
- 2. What agricultural practices are required within this contract? For example, some contracts may mention no-till farming, reduced tillage, cover crops or regenerative grazing. Make sure you understand what is required to comply with the specific contract.

Similarly, watch for terms like "conservation practices" that are vague and undefined. Also, be aware that some contracts have "additionality clauses" that might prohibit producers from entering into the contract if they already have certain production practices in place for a certain period.

3. How will payments be structured? Do more than just look at the dollar amount. Understand if the payment is based on practice or outcome or if the structure is a flat per-acre fee or price per ton of carbon dioxide equivalent, CO2e. Know what is included in the measurements – carbon, carbon dioxide equivalent or greenhouse gases, for example.

Also, make sure you understand the potential for sequestration in your fields, as it can vary by locality. The national average is 0.6 ton of C02e per year; however, it is estimated to be 0.1 ton of C02e per year in some areas of Texas, such as the High Plains.

- 4. What is the term length of the contract? Are there any mentions of extensions? Look for a discussion of "permanence" that may require a producer to abstain from a certain activity for a set time. Explore what rights both you and the company have to terminate the contract, if desired.
- 5. How will the verification of carbon credits happen? For example, will confirmation be based on modeling or measurements? All contract participants should know when, where, how often, how many sites and who will be doing the measurements with what methods. On a similar note, find out who is responsible for paying for this verification.

Check for "no reversal" clauses that could cost you if the amount sequestered becomes lower instead of increases, and be aware of the factors in your area that may impact the amount you sequester. For example, drought can potentially reduce the amount of carbon sequestered in any given year.

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Are there any provisions for the landowner/producer to audit or appeal determinations or measurements?

- 6. What other uses can you make of the land? Does the contract restrict hunting, oil and gas production or wind or solar energy production if those concern your operation?
- 7. What penalties can be imposed on you? What triggers a penalty? Understanding the consequences and penalties that may be imposed if the contract is terminated early is critical.
- 8. How broad is the stacking prohibition? Nearly all contracts limit a producer's ability to enroll the same land in multiple carbon contracts. However, some contracts are written more broadly and may also exclude enrollment in government programs.
- 9. What data must you provide? Be aware that some contracts require you to provide extensive data on production, including fuel use, calving dates, birth weights, yields, pesticide application volumes, fire history, etc. Also, watch for blanket entry rights onto your property and permissions to fly drones anytime over your entire operation, not just over the property enrolled in the carbon contract.
- 10. Do you understand the legal considerations? All of the contracts will have a number of clauses related to technical legal issues. Know what it says about rights to assign the contract, attorney fee provisions, payment for negotiating and drafting the contract, choice of law, venue clauses, dispute resolution and class action waivers, and the scope of any waiver clauses.

Cotton planted into a corn field represents how producers are conserving nutrients and water with no-till practices, which could be a consideration in a carbon credit contract. (Texas A&M AgriLife photo)

Bottom line on carbon credit contract

There are a number of different companies offering contracts to producers across the country, from forest landowners to row-crop farmers to rangeland owners, Lashmet said. But every operation is unique, and every contract is different, meaning producers must carefully consider various factors before entering into an agreement.

"Put pencil to paper and determine if the likelihood of payment will be worth the practices you must do under the contract," Lashmet said. "It is critical to ensure

that the anticipated return exceeds the anticipated costs of switching to one of the qualifying carbon-friendly practices.

For further information or discussion, explore Lashmet's Ag Law in the Field podcast or her Texas Agriculture Law Blog on this subject.

-Kay Ledbetter Texas A&M AgriLife Communications

AFBF, John Deere Sign Right to Repair Memo

The American Farm Bureau Federation (AFBF) and John Deere signed a memorandum of understanding (MOU) on Jan. 8 that ensures farmers' and ranchers' right to repair their own farm equipment. The MOU, signed at the 2023 AFBF Convention in San Juan, Puerto Rico, is the culmination of several years of discussions between AFBF and John Deere. "AFBF is pleased to announce this agreement with John Deere. It addresses a long-running issue for farmers and ranchers when it comes to accessing tools, information and resources, while protecting John Deere's intellectual property rights and ensuring equipment safety," said AFBF President Zippy Duvall.

"A piece of equipment is a major investment. Farmers must have the freedom to choose where equipment is repaired, or to repair it themselves, to help control costs. The MOU commits John Deere to ensuring farmers and independent repair facilities have access to many of the tools and software needed to grow the food, fuel and fiber America's families rely on."

David Gilmore, John Deere senior vice president of Ag & Turf Sales & Marketing, said, "This agreement reaffirms the longstanding commitment Deere has made to ensure our customers have the diagnostic tools and information they need to make many repairs to their machines. We look forward to working alongside the American Farm Bureau and our customers in the months and years ahead to ensure farmers continue to have the tools and resources to diagnose, maintain and repair their equipment."

The MOU sets parameters and creates a mechanism to address farmers' concerns. John Deere commits to engaging with farmers and dealers to resolve issues when they arise and agrees to meet with AFBF at least twice per year to evaluate progress.

The agreement formalizes farmers' access to diagnostic and repair codes, as well as manuals (operator, parts, service) and product guides. It also ensures farmers will be able to purchase diagnostic tools directly from John Deere and receive assistance from the manufacturer when ordering parts and products.

The MOU has the potential to serve as a model for other manufacturers, and AFBF has already begun those discussions. — **AFBF**



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LAMB GYROS

INGREDIENTS

LAMB MARINADE

•2-3lb boneless American lamb leg (boneless shoulder also works)

Marinade

- •2 tbsp minced garlic about 2 cloves
- •1 lemon juice and zested
- •1 bunch Italian parsley chopped
- •1 tbsp sea salt
- •1 tsp red pepper flakes
- •2 tbsp dill chopped
- •1/2 cup olive oil

Lemon Hummus Sauce

- •1/2 cup hummus
- •1/4 cup olive oil, add more to desired consistency.
- •1 lemon juice about 1/4 cup
- •1 tsp dijon mustard
- •2 tsp sea salt
- •freshly cracked pepper

To make your gyro

- •Pita bread
- Tzatziki
- •Tomatoes
- •Red onion
- •Fresh Cucumber

DIRECTIONS

Trim excess fat off lamb, chop into two inch cubes, and set aside. Chop all herbs finely. In large bowl combine herbs, oil, seasonings, lemon juice and lemon zest. Add lamb chunks and marinate in an air tight container or ziplock bag. Let marinate for 30 min to overnight.

Place 5-6 cubes on a skewer and grill on high. about 8 minutes each side. Check internal temp of lamb to be at 145 when finished and remove from grill. Let rest minimum 3 minutes.

Hummus sauce instructions

Combine all ingredients in bowl and whisk. Add more or less olive oil to desired consistency.

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Upcoming Events

CWGA Board of Directors Meeting

March 8, 2023 Wool Growers Restaurant, Los Banos, CA

103rd Annual California Ram Sale

April 15, 2023 International Agri-Center, Tulare, CA

FOOTVAX UPDATE

We still have Footvax available to all CWGA members.

If you don't live in California, we can still provide you with Footvax vaccine, with your State Veterinarian's permission.

250 dose bottles—\$1.55 per dose

To order, please contact Susan at: 916-444-8122 or email - susan@woolgrowers.org

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