

From the American Lamb Board ...

Your Checkoff. Your Vote.

Sheep producers, feeders and first handlers will decide whether to continue the Lamb Promotion, Research, and Information Order, more commonly known as the American Lamb Checkoff Program. The four week voting period will begin on January 31, 2005 and end on February 28, 2005. The referendum will be conducted at local county USDA Farm Service Agency (FSA) offices. You can determine the location of your county FSA office by contacting the State FSA office, or through an online search of FSA's web site at www.fsa.usda.gov/pas/default.asp.

Ballots (Form LS-86) may be requested in person, by fax or by mail, during the voting period, from the county FSA offices and via the Internet (www.ams.usda.gov/lsg/mpb/rp-lamb.htm). Ballots must be returned in-person, by fax or by mail, to the appropriate local county FSA offices. Your vote is considered valid only when your completed and signed ballot, Form LS-86, accompanied by supporting documentation demonstrating your eligibility, is returned to the appropriate FSA office prior to the close of the work day on the final day of the voting period.

Under the Lamb Checkoff Program, the term "lamb" is defined as "any ovine animal of any age, including ewes and rams."

The final referendum rules were issued by USDA on December 27, 2004. For more information on the referendum procedures, please refer to the following USDA web site: www.ams.usda.gov/lsg/mpb/rp-lamb.htm.

The following are some common questions and answers that you may have about the referendum and the Lamb Checkoff Program.

Why are we having this referendum?

The Order provides that a referendum be conducted within 3 years after the program is launched to determine if the Lamb Checkoff Program should continue. The "delayed" referendum is designed to allow contributors to see programs funded with contributors' assessments and determine if the checkoff is working for them. For the program to continue, it must be approved by a majority of those persons voting who also represent a majority of the volume of lamb produced, fed or slaughtered. Both, the number of persons voting and the volume of lambs voted, must be a majority in favor of the Lamb Checkoff in order for it to continue. If the continuation of the Lamb Checkoff is not

approved in the referendum, USDA will begin the process of terminating the program. The referendum vote does not affect the assessment rate.

Who can vote in the referendum?

Anyone who was or is a lamb (sheep) producer, feeder or first handler or authorized representative engaged in the production, feeding, or slaughter of lambs during the period from January 1, 2004 through December 31, 2004 is eligible to vote in the referendum. Anyone voting must provide documentation that they were engaged in the production, feeding, or slaughtering of lambs from January 1, 2004 through December 31, 2004. Voting in the referendum is voluntary.

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What does the referendum ballot look like?

The proposed lamb referendum ballot is Form LS-86 and can be accessed via the USDA/Agricultural Marketing Service Web site at:

<http://www.ams.usda.gov/lsg/mpb/rp-lamb.htm>.

You will complete a ballot voting “yes” if you wish to continue the Lamb Checkoff, or “no” if you do not wish to continue the Lamb Checkoff. You will also vote your volume, either as a producer, feeder or first handler.

Volume Voting for Producers and Seedstock Producers

Producers and seedstock producers will vote the total number of domestic lambs owned and produced during the 2004 calendar year.

Volume Voting for Feeders

Feeders will vote the total number of lambs owned and fed to slaughter weight during the 2004 calendar year.

Volume Voting for First Handlers

First handlers will vote the total number of lambs slaughtered during the 2004 calendar year.

Voting Multiple Volumes

If you are:

- a producer and a feeder, or
- a producer and a first handler, or
- a feeder and a first handler, or
- if you engage in all three, and you operate under a single organizational/legal structure, then you can vote the number of animals owned at each stage of production. Even if you vote more than one volume amount,

you will still have only one “yes” or “no” vote, as a single organization, on continuing the Lamb Checkoff.

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When will the results of this referendum be available?

Results will likely be announced about 60 days after the voting period ends by the USDA.

Will I receive my request for refund?

Refund requests from the American Lamb Board have been less than 5 percent of the total annual collections. These requests will be honored by the Board regardless of the outcome of this referendum. The Board will initiate payment of refund requests, or pay a pro rata share, within 90 days after the results of the referendum are announced. If continuation of the program is approved, future refund requests will not be included in the program.

Why was the Lamb Checkoff Program started?

All segments of the domestic industry, believing it was critical to increase demand for and expand the market share of American Lamb, requested that USDA create the Lamb Checkoff Program pursuant to the Commodity Promotion, Research and Information Act of 1996. A sheep industry task force, representing all industry segments, recommended to USDA that funds be collected from each segment: producers, feeders, and packers.

When did assessment collection begin?

Collection of assessments began on July 1, 2002. The annual budget for the American Lamb Board is approximately \$2.3 million. Administrative costs are limited to a maximum of 10 percent of collections in any fiscal year.

Who decides how assessment funds are spent?

The 13-member Board is comprised of six producers, three packers or first handlers, three feeders and one seedstock producer. The Board, which administers the program, is appointed by the U.S. Secretary of Agriculture. The Board meets at least three times per year to establish goals and budgets for new programs and to evaluate the success of work completed. Board members serve voluntarily and are not paid for their time. Board policies are implemented by a three member staff in Denver, Colorado. USDA has oversight responsibilities of the program’s administration and all activities funded with checkoff dollars must comply with the Act and the Order and be approved by USDA before any activity can begin.

What are the goals of the Lamb Checkoff Program?

The Lamb Checkoff Program is designed to expand market share of American Lamb and foster an opportunity for prosperity for all its contributors by:

- Increasing demand by getting people to ask for American Lamb year-round.
- Branding American Lamb as the preferred choice in the marketplace.
- Differentiating American Lamb from competitors with “10,000 Miles Fresher” and “American Lamb from American Land” advertising campaigns.
- Minimizing volatility of seasonal product sales through targeted promotions.
- Promoting to encourage use of the whole lamb – using all cuts.
- Leveraging and expanding American Lamb Board resources through cooperative relationships with marketing partners.

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