



The Pork Industry

More Than Just the Other White Meat

Pork Management Conference
Nashville, TN June 16, 2011

- 
- Pork Industry is very different than it was 25 years ago.



Customers are boss

- The difference is traceable to the power of our customers.
- Packers, grocers, restaurants and consumers.





In the late 1970s

- Americans became aware of the link between fat in their diet and health.
- We began changing our diet:
 - Between 1979 and 1985, demand for pork fell 4 percent per year.
 - Sales of chicken surged.
 - Hogs were too fat!



Change or lose the industry

- America's changing diet helped to spark a transition in our industry – a transition that continues today and into the future.



An On-Going Transition in the Pork Industry

- New science, new technology and new management practices.
- Much of the science has come from land grant universities. (University of Kentucky)
- We've applied the available science to produce lean, nutritious pork - efficiently.
- Pork: The Other White Meat.

New USDA study shows:

- Pork tenderloin is as lean as skinless chicken breast.
- The six most common pork cuts are 16% leaner than 15 yrs ago.
- Saturated fat has dropped 27%.

USDA, University of Wisconsin-Madison,
University of Maryland





50 Years Ago

Most farms raised a little of everything,
including a few pigs.

Today, pigs are raised indoors with the new technology emphasizing animal comfort.



Raising 1/3 more pigs per sow per year than 25 years ago

New technology developed specialized barns



Breeding, Gestation, Farrowing, Nursery Finishing

New technology improves buildings (clean environmentally controlled) All in all out units.



New science improves genetics (leaner pigs)



Some believe pigs should be raised outside? Pigs might disagree on this day.





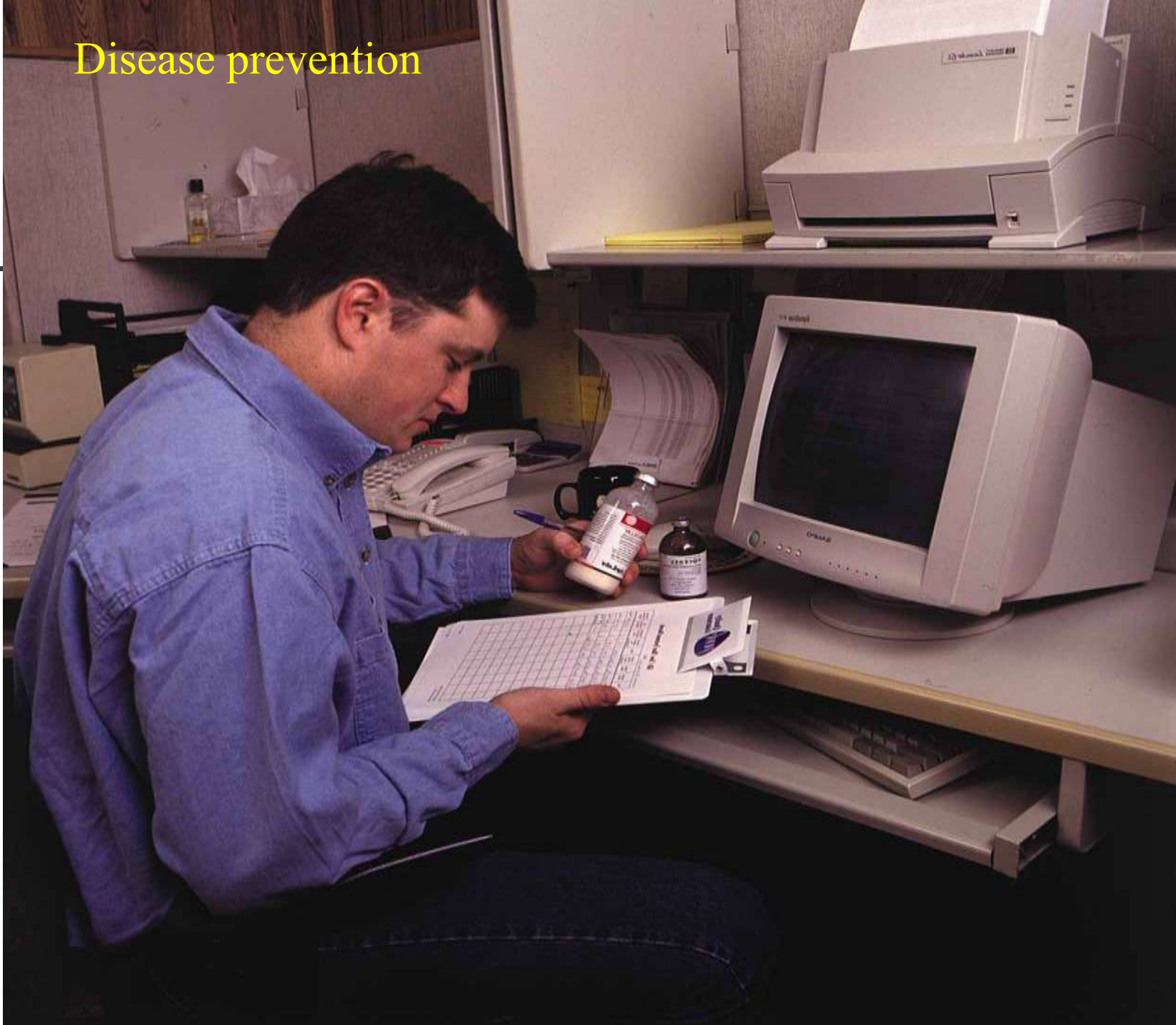
**FOR REDUCTION
OF DISEASE
TRANSMISSION**

**NO ENTRANCE
WITHOUT
AUTHORIZATION**

MINNESOTA
Pork Board

Disease prevention

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The Most Powerful Tools in Changing our products are:

- **Genetics** - consistently breeding animals with the optimum traits. (not too lean or fat)
- **Nutrition** - feeding herds a prescribed diet, controlling nutrients and proteins.



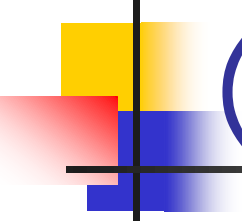
What about the environment?

- Crops
- Grains
- Livestock
- Nutrients

Farmers are the Original Recyclers







The Era of Specialization (small farmer?)

- Specialization allows ever increasing operational efficiencies.
- Options - contracting
 - Start to finish in one-operation
 - Specialized operations
 - Breeding/weaning
 - Feeding to market weight
 - Specialized markets -- especially for restaurants
 - Buy Local - Kentucky Proud

Pork and the Rural Economy

- Pork Industry consumes 10% of the total US corn crop - 1.4 billion bushels.
- Pork Industry consumes roughly 10% of the US soybean crop - 283 million bushels.



Economic Impact Of A Typical New Facility

- 21 New Jobs
- 19 Indirect Jobs
- \$1,000,000 in new income for workers and businesses



Source: Iowa State Community & Economic Impacts of Iowa Hog Industry

Economic Impact Of A Typical New Facility

- \$27,000 in new property taxes
- \$65,000 in additional state tax revenues



Source: Iowa State Community & Economic Impacts of Iowa Hog Industry

Economic Development

- One-third of our industry's employees hold college degrees.



Economic Impact & Exports

Global meat consumption
(2005-2008 average):

- 38 percent pork
- 32 percent poultry
- 25 percent beef/veal
- 5 percent sheep

U.S. Meat Export Federation
U.N. Food and Agriculture Organization



Economic Impact & Exports

Export Dollars

- 1986 - \$2.00/Animal
- 2008 - \$42.00/Animal

U.S. Meat Export Federation

Total Pork Exports 2008

- \$4.9 Billion

U.S. Meat Export Federation





No doubt, the changes in our industry have created confusion.

■ PAST

- Farmers raised some of everything.
- Pigs were raised outside.
- Animals were fat.

■ TODAY

- Farmers generally specialize.
- Pigs are typically raised in barns.
- Animals are leaner.



Issues Our Industry Faces

- Animal Well-being - Raising animals indoors is misunderstood.



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- Environment – Our approach of recycling is misunderstood.



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- Animal Well-being - Raising animals indoors is misunderstood.
- Environment – Our approach of recycling is misunderstood.
- Odor Control - In general, is misunderstood.



WE CARE About

- Producing safe and nutritious food
- Protecting the well-being of our animals
- Protecting the public health
- Providing a safe workplace
- Making our community a better place
- Safeguarding the land we all live on





One last request

- Sausage for breakfast
- Ham sandwich for lunch
- Pork chops for dinner

- Thank you - Questions



Environmental & Animal Rights Activist Groups

- Intelligent
- Well funded
- Effective
- Take the most appalling act and paint it as the norm.
- Always reacting to a crisis and backing up again and again
- Government over reacts and we get more regulation in name of fairness and consumer protection.
- Agriculture is playing defense and losing.



Our predicament

- Evolution of the livestock industry based on science, common sense, and attention to animal comfort has lead us to these facilities, genetics, and management schemes.
- Today methods are the best available. We are to the point that doing our job the best ever may not be acceptable to the public.



Dr Temple Grandin

- Continue to play defense poorly and we are losing
- Play offense – **educate the public**
 - video cameras in cow pastures, weaning lots, farrowing houses, finishing barns, free stall barns, layer houses, on U tube

A crisis? or a **New direction**

Could the influence of the activists groups be positive?

- Research for building design and working facilities
- Research animal behavior selection for docile animals (less fighting, less crazies)
- Research improved management practices
- 20 years from now



Speaker Cores – Play Offense

Speaker cores telling the agriculture story (Operation Main Street) (Operation Hometown Outreach)

- 60 commodity groups with speaker teams
- University Ag students to other student groups
- FFA and 4H to elementary, middle schools and other student groups
- KDA, Extension to Chamber, Rotary, Kiwanis, Jaycee's



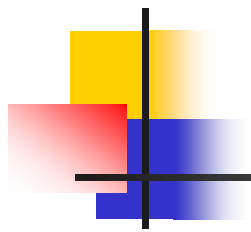
Play Offense

- The activist groups are not being effective because they are **correct** but because they are **loud**!
- Agriculture must go on offense with a positive factual story about how we do what we do and that we are doing it the best ever.
- Farmers are great stewards of the land and animal comfort is the best ever in history.
- We have played defense quietly hoping it would just go away and we are losing.
- Now it time to play offense. We need this Operation Main Street everywhere!!



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