



MPPA Lenders Meeting

NPPC Update

The power of your national and state organizations working together on your behalf



Secure and guide industry research funding

Enhance domestic and global demand

Provide producer information and education

Deliver proactive issues management

Funding
.40/\$100



Develop and defend export markets

Fight for reasonable legislation/regulation

Inform and educate legislators

Amplify the producer voice with lawmakers

Counter misinformation and activists

Voluntary Investment

.10/\$100



40%



NATIONAL

PORK

PRODUCERS
COUNCIL

**The Global Voice
for the U.S. Pork
Industry**



*Fighting for
reasonable
legislation and
regulation*



*Developing
revenue and
marketing
opportunities*



*Protecting
your
livelihood*

Issues

- Legislative/Regulatory Update
- Trade Policy/Export Market
- Animal Welfare Issues

Legislative/Regulatory Issues

- Two Non-Ambulatory Petitions
 - HSUS & Farm Sanctuary Petitions to Stop Non-Ambulatory Veal Calves/Livestock Entering the Food Supply
 - Petition would ban “fatigued” pigs
 - Waiting for response from USDA
- End-Point Cooking Temperature
 - Push for New End-Point Cooking Temperature – 145 degrees
 - Research Shows 145 Degrees Plus 3-Minute Hold Time Promotes Food Safety and Better Quality
 - USDA approved

Legislative/Regulatory Issues

- Chesapeake Bay TMDL
 - Mandates states to meet Ag nutrient reductions
- Mississippi Watershed Initiative and Gulf of Mexico Task Force
- 2008 CAFO Rule vacated
 - New CAFO Rule coming?

Legislative/Regulatory Issues

- CAFO Rule – Vacated
 - Major victory for agriculture
 - Uncertainty for new rule

Legislative/Regulatory Issues

- Proposed GIPSA Rule
 - 16,000 comments from pork
 - 66,000 total comments
 - Waiting on cost benefit analysis
 - We will see what happens?

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Legislative/Regulatory Issues

– Biofuels

- Corn based Tax Credit and Import Tariff extended one year
- Working on “off ramp” in the event of a short crop

Legislative/Regulatory Issues

- Blenders Tax Credit and Import Tariff set to expire 12/31/11
- RFS stays until 2014
- Feed availability still a concern

Developing revenue and market opportunities



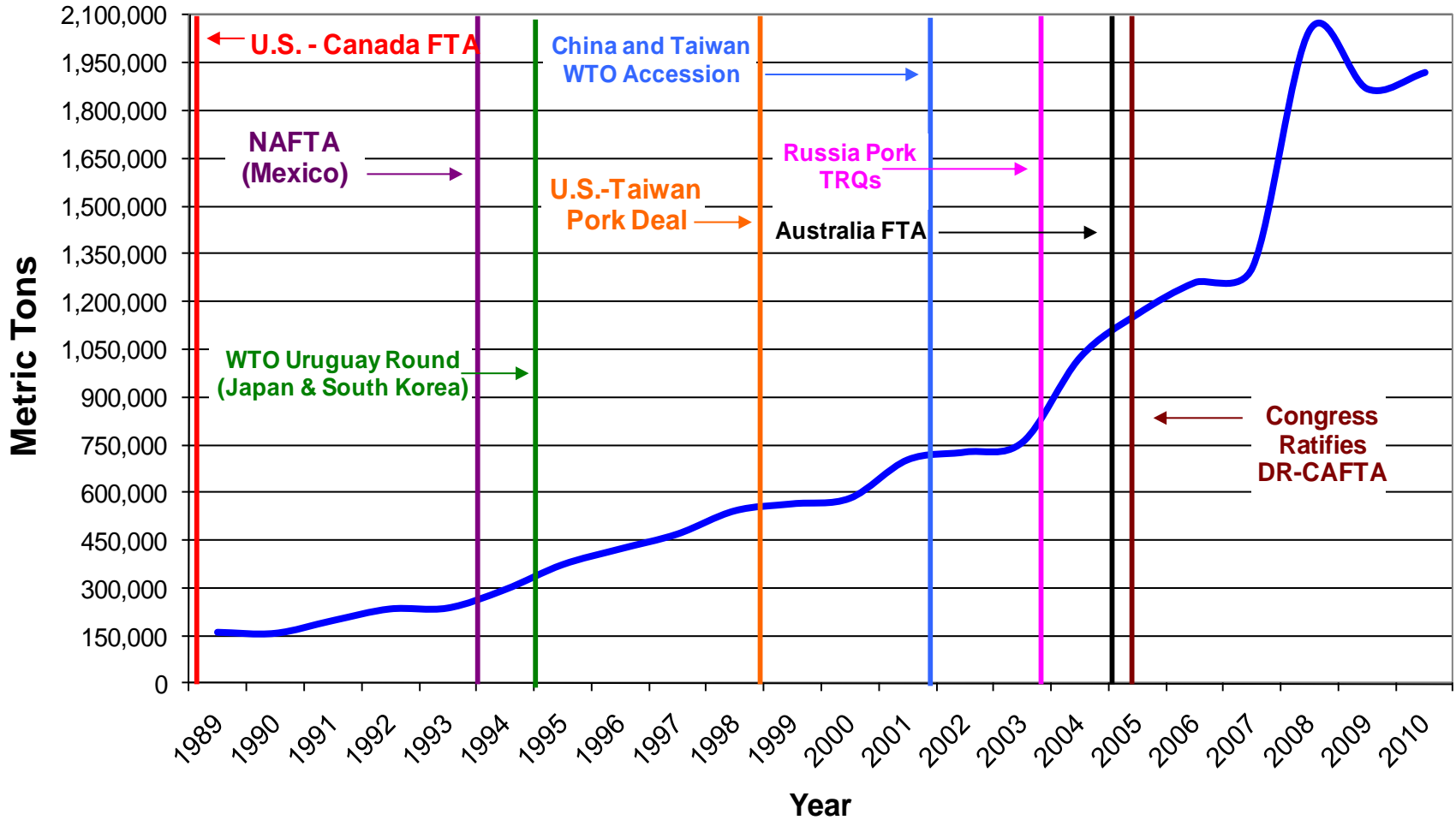
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U.S. Pork Exports



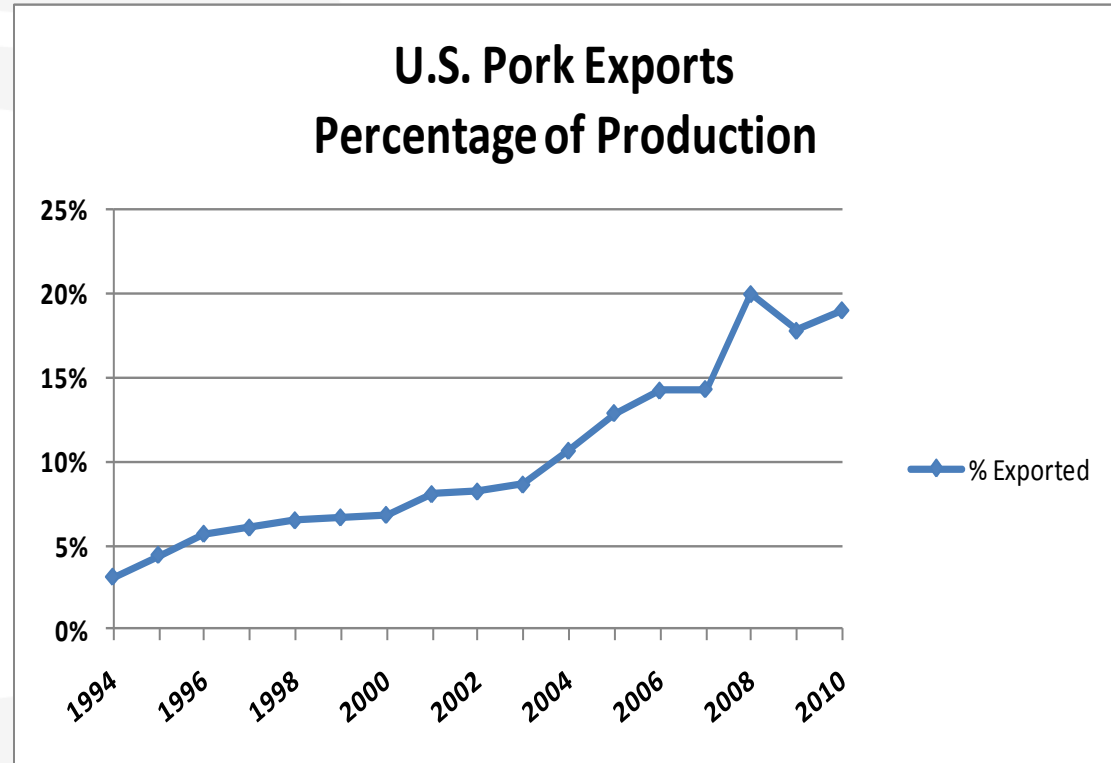


U.S. Pork Exports

2010 Estimated
Percent Exported: 19.01%
Export Value per Hog*: \$56.89

*Average hog price was about \$74.80

Source: Dr. Dermot Hayes ISU



Export Market/Trade Policy (Jan thru May)

- Currently about 23% of production
- 17% above 2010 (volume)
- 25% above 2010 (value)

Export Market/Trade Policy (Jan thru October)

- Key Markets
 - Japan up 18%
 - Mexico even
 - Korea up 148 %
 - Hong Kong/China up 38%

Export Market/Trade Policy

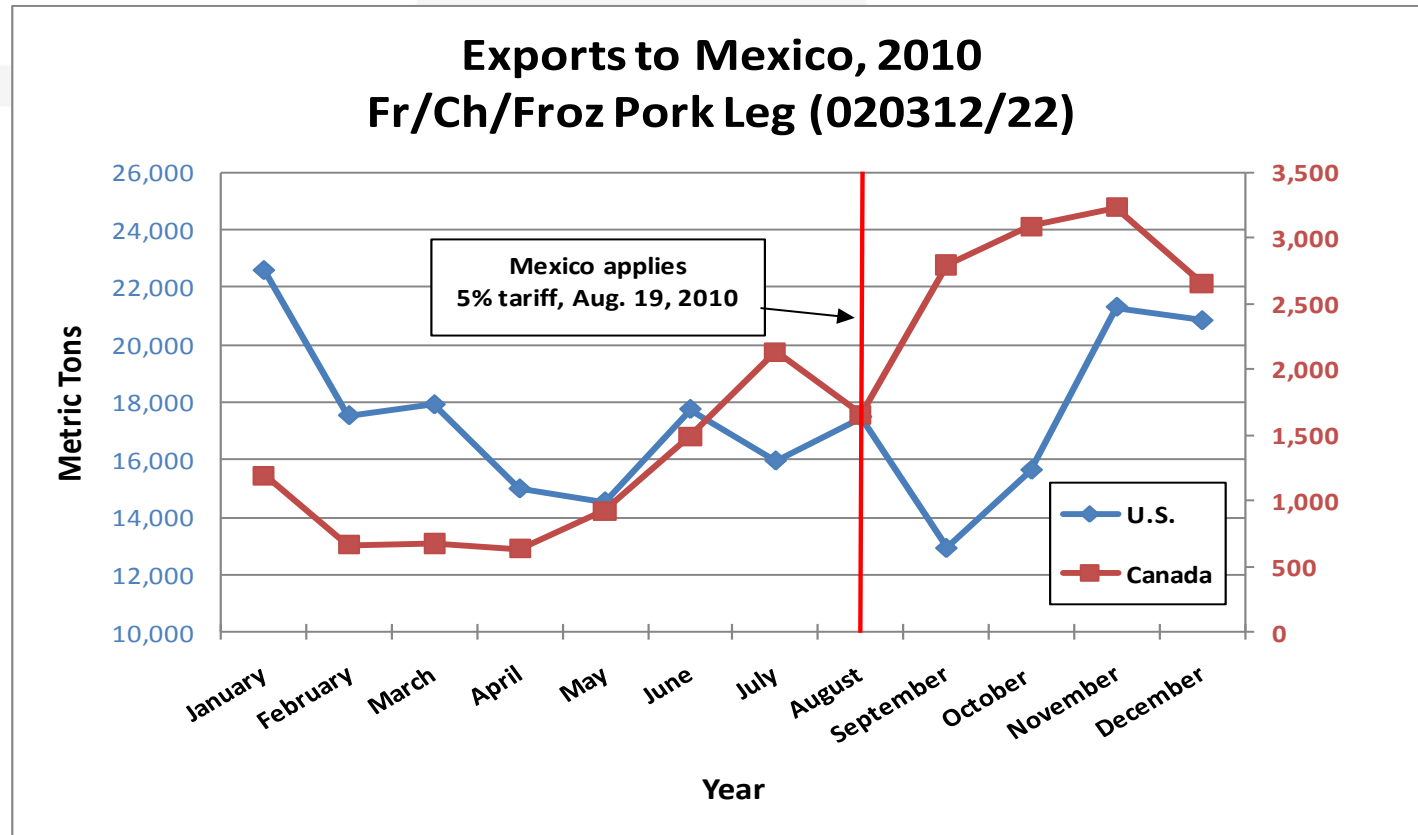
- Korea Free Trade Agreement is critical...worth \$10
- Columbia Free Trade Agreement ...worth \$1.15
- Panama Free Trade Agreement ...worth \$0.30

Export Market/Trade Policy

- Mexican Trucking issue
 - Pork on retaliation list (August 2010)
 - 5% tariff on ham and shoulder
 - March 2011 agreement
 - Tariff is currently suspended
 - Goes away when first Mexican truck crosses the border



Mexican Trucking



- Due to the tariff placed on U.S. products in August 2010, Canada became more favorable as they have zero-tariff access to Mexico with their respective FTA
- Canada exports are low relative to U.S., but the sizable growth is of concern

Other Issues

- United Egg Producer/HSUS Agreement
 - 15/18 years to change production systems
 - Federal legislation
 - Ag precedent
- Mercy for Animal Video
 - Chain Partnership?

Questions?

Thank You



Ethanol vs. Feed Availability

- Current Feed Situation Precarious:
 - **March 1:** 18 Day Carryover of Corn
12 Day Carryover of Soybeans
 - March 31: Expect 92.2 Corn & 76.6 Soybeans
- NPPC Sent Letter to USDA Requesting:
 - Early, penalty-free CRP out; USDA= **NO**
 - Livestock Task Force to Review Policy
Options=**Maybe**
 - NPPC Met with Congressional Leaders
 - NPPC Met with Secretary Vilsack

Tax Credit and Tariff

- Blenders Credit & Import Tariff

- 12/31 Expiration
- Once Again “On the Ropes”
 - **Two Votes Went Against Renewal**
 - Coburn-Cardin Amendment Awaiting Vote in Senate
 - Rider to Defund E15 Passed: 285-136
 - Rider to Ban Federal Support of Ethanol Infrastructure Passed: 261-158

- Growth Energy Proposal

- 1 Year VEETC Extension @ \$0.36
- 1 Year Import Tariff Extension @ \$0.36
- 4 Year Ethanol Producer Credit @ \$0.25
 - MAJOR WTO VIOLATION
- *New: Use Subsidy for Blender Pumps and Pipeline*
- *New: “Glide Path” to Eliminate*
- *New: “Feed Neutrality” for all feeds to qualify for Advanced Standard*

- NPPC

- Pork Industry Economic Model (CARD, Iowa State)
- Crop Outlook Dictates Development of Safe Harbors and Risk Mgt Tools

Minimal Real Support

Ethanol Blend Rate – E15

- EPA Grants “Partial” Waiver to Produce 15 Percent Ethanol
 - Allowed: Cars and Light Trucks Newer than 2007
 - Allowed: Cars and Light Trucks Newer than 2000
 - Not Allowed: Cars Older than 2000, Motorcycles, Boats, etc.
- **CAA § 211 (f):** Administrator may grant a waiver if it “will not cause or contribute to a failure of ANY emission control device or system “
- NPPC & Livestock and Food Manufacturers File Suit Against EPA: EPA Decision Illegal Specifically Mentioned Adverse Impacts on Older Model Vehicles
- Ethanol Industry: Now pushing for E30 + “Feed Neutrality”



Adverse Effects

- ü Rise in corn and feed prices



US FARMERS & RANCHERS ALLIANCE



*National Agriculture
Image Campaign*



Participating Organizations

American Egg Board

American Farm Bureau Federation

American National CattleWomen

American Sheep Industry

American Soybean Association

American Sugar Alliance

Beef Checkoff

Federation of State Beef Councils

National Association of Wheat Growers

National Cattlemen's Beef Association

National Cotton Council

National Corn Growers Association

National Milk Producers Federation

National Pork Board

National Pork Producers Council

Southern Peanut Farmers Federation

U.S. Poultry and Egg Association

U.S. Grains Council

United Egg Producers

United Fresh Produce Association

United Soybean Board

U.S. Soybean Federation

Western Growers

