Swine Educators Conference

A National Pork Board Update

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Vice President – Producer and Industry Relations
Overview

• Driving Demand Against a Strong Headwind

• A New Consumer Movement

• Defining A New Standard of Professionalism

• Pork Checkoff FY 2012 Budget Directions
Monthly U.S. Pork Retail Values

Source: USDA/ERS; dollars per pound with thanks to Erin Borror, USMEF
New Pork Target

Mostly Medium/Heavy Fresh Pork Eaters

- Confident preparing >2 cuts
- Positive about pork, cooking, life
- Enjoy all fresh cuts

28% of U.S. Households

68% of all Fresh Pork Consumed At Home

50% of all Fresh Pork Consumed Away From Home
But,

*the Good News Doesn’t Stop There!*
USDA Temperature Announcement Results
1,326 traditional and 6,572 social media placements, 103 million impressions
A New Consumer Movement

The US Farmers & Ranchers Alliance
Our Audience’s Truth

When influencers hear the words about “American agriculture,” they think about…

mass production
expensive food
GMOs
animal cruelty
imported meat
struggling farmers
organic farming
too many subsidies
greed
factory farming
pesticides
big business

* Size of word corresponds to how many times the topic was mentioned across all 3 influencer sessions
Basic Framework

• Campaign to address consumer attitudes toward agriculture
• Coalition of willing partners from across the food chain
• Commitment to specific, measurable, goals & objectives centered around changing consumer perceptions
U.S. Farmers and Ranchers Alliance

Affiliates (51) as of August, 2011 (not all shown here)

- American Egg Board
- American Farm Bureau Federation*
- American National CattleWomen
- American Sheep Industry
- American Soybean Association
- American Sugar Alliance
- AAPE
- CBB/Beef Checkoff*
- Federation of State Beef Councils*
- Illinois Farm Bureau
- Illinois Soybean Association*
- Iowa Soybean Association*
- Minnesota Soybean R & P Council*
- Nat. Association of Wheat Growers
- Nat. Cattlemen’s Beef Association*
- National Corn Growers Association*
- National Cotton Council
- National Milk Producers Federation*
- Nebraska Soybean Board*
- National Pork Board*
- National Pork Producers Council*
- Pennsylvania Farm Bureau
- Southern Peanut Farmers Federation
- United Egg Producers*
- United Fresh Produce Association
- USA Rice Federation
- United Sorghum Checkoff Board
- United Soybean Board*
- U.S. Poultry & Egg Association*
- U.S. Grains Council
- U.S. Soybean Federation
- Western Growers

*Board Participants
As Farmers and Ranchers, We’ve Raised Pretty Much Everything. Except Our Voices.

U.S. Farmers & Ranchers Alliance™
The Six Phases

PHASE 1
Farmers & Ranchers Activation
Late June to Early August

PHASE 2
Public Launch
August

PHASE 3
Town Hall Conversation
August to September

PHASE 4
Myth Busters
October to Ongoing

PHASE 5
Call to Action
November to Ongoing

PHASE 6
Cultural Integrations
2012 to Ongoing
The Need for Greater Professionalism
Dear Decision-Makers,
I was shocked and horrified by the animal abuse recently documented on hidden camera by Mercy For Animals at one of your pork suppliers – Iowa Select Farms. Meat from these abused animals is currently being sold in your stores under the Swift brand pork. I am disgusted to see how pregnant pigs are kept locked in narrow, metal gestation crates barely larger than their own bodies. In such intensive and unrelenting confinement, these intelligent and social animals are unable to even turn around, lie down comfortably, walk, or engage in other basic behaviors. These restrictive crates are so cruel that a growing number of states have moved to ban them. It’s time that your grocery chain becomes a leader on animal welfare issues by adopting strict policies and oversight to prevent this unnecessary animal abuse. Please make the compassionate and socially responsible choice to immediately enact a company-wide policy prohibiting the sale of pork from suppliers that confine pigs in cruel and inhumane gestation crates. Thank you for your time and consideration.
Situation

- Need for education
- Limited options for employees to learn the “why” about “what” is involved in pork production
- Limited options for students to consider swine production as a career option
- “Farm kid pool” has dried up
- Industry Structure continues to change
  - Number of people
  - Distribution of people
- Image issues- Nationally recognized standards of production knowledge and successful work experience in swine production do not exist
Actions

• Create a Professional in Swine Management Training & Certification Program
• With USPCE—develop & support Swine Science On-Line—a multi-state college curriculum for the swine industry
• Disseminate HR Tool Kit to Owners & Managers bringing new employees on-board
• Create an action plan to begin addressing swine worker safety in a more concerted manner
Pork Checkoff Budget
<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td></td>
<td>Forecast</td>
<td>Budget</td>
</tr>
<tr>
<td>Checkoff Revenue</td>
<td>79,200</td>
<td>78,395</td>
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<tr>
<td>Interest Income</td>
<td>500</td>
<td>500</td>
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<tr>
<td>Miscellaneous</td>
<td>1,527</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>81,227</strong></td>
<td><strong>78,895</strong></td>
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<tr>
<td>Return to State</td>
<td><strong>(15,840)</strong></td>
<td><strong>(15,679)</strong></td>
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<tr>
<td>Net Available</td>
<td>65,387</td>
<td>63,216</td>
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<tr>
<td>Forecast Adjustment</td>
<td></td>
<td>679</td>
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<tr>
<td>Supplement Requests</td>
<td>(7,621)</td>
<td>(69,300)</td>
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<tr>
<td><strong>National Spending</strong></td>
<td>(63,413)</td>
<td></td>
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<tr>
<td><strong>Surplus / (Deficit)</strong></td>
<td>(4,968)</td>
<td>(6,084)</td>
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<tr>
<td><strong>Beginning Cash Reserve</strong></td>
<td>23,343</td>
<td>18,375</td>
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<tr>
<td><strong>Designated Transfer</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Ending Cash Reserve</strong></td>
<td><strong>18,375</strong></td>
<td><strong>12,291</strong></td>
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Key Drivers for FY 2012

• Continuing Momentum of Brand Campaign
  – Pork. Be Inspired Brand Launch showing early signs of success in motivating target audience.
  – Temperature announcement & Fall Promotion will help sustain momentum during late 2011
  – Opportunities exist to capture market share from chicken and beef as those industries struggle with economy & feed supply
Key Drivers for FY 2012

- Consumer attitudes toward production agriculture continue to be major budget focus
  - We Care efforts focusing more heavily on food chain outreach and engagement.
  - US Farmers & Ranchers Alliance kicking off nationwide consumer communication & engagement program
  - New & continuing efforts underway to define sustainability, enhance professionalism, and improve worker safety.
Key Drivers for FY 2012

• New goals have re-defined Animal Science research efforts
  – Multi-disciplinary approach to sow productivity involves animal science, animal welfare, and environmental scientists
  – Systems-approach offers results that can be more useful, and more readily available, on-farm.
  – Measureable goal creates new benchmark for evaluating research progress
Key Drivers for FY 2012

• Food chain customer attitudes on animal welfare and Quality Assurance will be major factors affecting pork industry freedom to operate
  – Latest videos demonstrate customer/consumer confusion around modern industry practice.
  – Additional outreach/communication built into FY2012 budget to reach key food industry decision-makers.
  – Continuing efforts in 2012 to increase PQA/TQA participation and verify compliance
  – Program revisions will be completed in 2012
Speaking of PQA......

- Thank-you!
- Not where we want to be in Site Assessments
- We need your help to identify the gaps
- Survey – we need you candid feedback