

*Addressing consumer demands for socially responsible pork production***National Pork Board Applauds Hormel Foods Commitment to PQA Plus®**

The National Pork Board recognizes Hormel Foods for its commitment to the Pork Quality Assurance Plus® (PQA Plus®) and Transport Quality Assurance® (TQA®) programs. Hormel Foods recently announced that all hogs purchased by Dec. 31, 2009, will be raised by pork producers and their employees who are certified in PQA Plus, have completed well-being assessments on their farms and have TQA certification.

“This action reaffirms pork producers’ commitment to the U.S. pork industry and its customers,” said Tim Bierman, a PQA Plus-certified pork producer from Larrabee, Iowa and National Pork Board member. “We are extremely pleased that Hormel Foods has joined in the pork industry’s effort to focus on the ‘We Care’ pork industry responsible pork initiative by requiring PQA Plus certification and site status.”

PQA Plus is a three-part process. It includes attending an educational and training session as well as an on-farm site evaluation to achieve PQA Plus site status. The program also includes a third component of random, statistically valid, third-party evaluation of program implementation. Results of those evaluations will show if the industry is improving its overall animal-care practices. There are over 20,000 pork producers who have been certified in PQA Plus to-date.

“We are also honored to fully support the pork industry’s new responsible pork initiative called ‘We Care,’” said Brian Stevens, director of pork procurement, Hormel Foods. “Pork producers do care about retaining the public trust and they demonstrate this by doing things right through their ethical principles. We are encouraging all pork producers to support this great pork industry initiative supported by the National Pork Producers Council and the National Pork Board.”

Bierman echoed Steven’s comments, “Producers’ belief in ethical principles and their participation in PQA Plus and the TQA program are proof of our commitment to producing safe pork and prioritizing the well-being of our animals and the development of our communities.”

Hormel Foods joins Hatfield Quality Meats of Hatfield, Pa. and Salmon Creek Farms Marketing Association and Independent Meat Company of Twin Falls, Idaho in showing their commitment of PQA Plus.

For more information, contact Erik Risa, ERisa@pork.org, 515-223-2642.

*Promoting teamwork within the pork industry***U.S. Hog Inventory Drops 2 Percent**

Liquidation in the U.S. hog industry is continuing, and smaller supplies should be supportive of prices by mid-2009. “Things will get better by Easter, perhaps, and I’m optimistic for this summer,” says John Lawrence, an ag economist at Iowa State University, who participated in a recent Pork Checkoff-funded ag media teleconference to discuss USDA’s latest Quarterly Hogs and Pigs Report.

The U.S. inventory of all hogs and pigs on Dec. 1 totaled 66.7 million head, down 2 percent from both Dec. 1, 2007 and Sept. 1, 2008. The breeding inventory, at 6.08 million head, was down 2 percent from last year but up slightly from the previous quarter. The market hog inventory, at 60.6 million head, was down 2 percent from both last year and last quarter.

The September-November 2008 pig crop, at 28.4 million head, was down 4 percent from 2007 but up 6 percent from 2006. Sows farrowing during this period totaled 2.99 million head, down 6 percent from 2007.

Based on Iowa-southern Minnesota live prices, Lawrence predicts first-quarter prices of \$43 to \$46, second quarter prices of \$57 to \$61, and third quarter prices of \$59 to \$63 for 2009.

U.S. hog producers intend to have 2.97 million sows farrow during the December 2008-February 2009 quarter, down 3 percent from the actual farrowings during the same period in 2008 but up 2 percent from 2007. Intended farrowings for March-May 2009, at 3.01 million sows, are down 2 percent from 2008 and down 1 percent from 2007.

“Although there’s still a lot of uncertainty, it looks like we’ll be moving into a period in 2009 where producers can cover variable costs more easily,” says Dale Durcholz, a senior livestock analyst with AgriVisor Services in Bloomington, Ill., who tends to be a little more defensive on third-quarter prices than Lawrence.

Supplies may be large enough by the end of the year, however, to put producers back in red ink, says Lawrence, who predicts Iowa-southern Minnesota live prices of \$45 to \$48 for the fourth quarter of 2009. In addition, there's a question of how strong U.S. pork exports will be the coming year, due to global economic challenges.

"On the domestic side, consumer spending for 2009 also presents many unknowns," says Lawrence, who notes that the production of competing meats, including beef, chicken and turkey, will drop in 2009. "All this adds more uncertainty to our forecast than we would normally see."

One of the biggest wildcards—the weather—could also influence pork producers' profitability in 2009. "With tight grain supplies, it won't take much of a weather problem this year to upset the apple cart on the feed side," Durcholz says.

For more information, contact Cindy Cunningham, CCunningham@pork.org, 515-223-2643.

Adding measurable value to U.S. Pork

Readers Connect with Pork Ads

Magazine readers have spoken, and they're taking action in response to Pork Checkoff-funded advertising that has caught their eye in major publications from *Family Circle* to *Gourmet*.

"The Pork Checkoff's national print campaign has benefited from reader surveys that many of the magazines have conducted throughout 2008," says Laurie Bever, director of consumer advertising for the Pork Checkoff. "The information shared from the magazines indicates our current advertising is getting noticed and resonating with our female consumer target audience."

Based on recent reader surveys:

- The "brand association" category ranked high (87 percent) for the Checkoff's "Pork & Jeans" ad among *Southern Living* magazine readers.
- Nearly three-fourths of *Gourmet* magazine readers surveyed (72 percent) recalled seeing the "Pork & Inkblot Tests" ad.
- A majority (71 percent) of *Family Circle* readers took action—including researching or purchasing pork—from the Checkoff's "Pork & Inkblot" ad, compared to 61 percent of all other advertisers in the magazine.

"These studies show that magazine readers are paying attention to our ads, and our goal is to drive them to our web site to get more information about pork," Bever says. "An additional 48,876 visits to a special Pork advertising Web site were generated by magazine readers who typed in the Web address from pork's print ads."

Pork has also been promoted through a number of online "Pork &" advertisements running on seven Web sites and search engines this year. These efforts have yielded good traffic to a Pork Checkoff Web site created specifically for the "Pork &" ads. The ads ran on AllRecipes.com, *Every Day with Rachael Ray*, the Grocery Shopping Network, Weight Watchers, *Real Simple*, Yahoo Instant Messaging and Google Search in 2008.

For April to the beginning of December, more than 35,900 conversions were recorded from pork's online ads to the Checkoff's special advertising Web site.

For more information, contact Laurie Bever, LBever@pork.org, 515-223-2629.

PORK CHECKOFF IN THE SPOTLIGHT

Checkoff Request for Referendum Update

The pork Request for Referendum period ran through Jan. 2, 2009. The Farm Service Agency (FSA) is compiling the results. It begins with the county FSA offices. The county FSA offices will be counting the forms it receives and notifying ineligible producers. By Jan. 27 all county FSA offices must submit the results to the state FSA office. On Jan. 30 the state FSA offices must submit the results to the National FSA office. The final results will be announced after Jan. 30 by the USDA.

For more information, contact Jim Meimann, JMeimann@pork.org, 515-223-2634.