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Adding measurable value to U.S. Pork

Easy Cooking Label Program Promotes Pork

An eye-catching label on packages of pork is proving to be a small but mighty tool to drive pork sales at major supermarket chains like Food Lion, Piggly Wiggly in South Carolina and Winn-Dixie in Florida.

"This is the year of the label in the Southeast," says Mike Walser, retail marketing manager, eastern division, for the Pork Checkoff, who noted that 276 high-volume stores in the U.S. military's Defense Commissary Agency (DeCA) are also interested in the on-pack labels. "Recent research has shown that labels increase retailers' sales by 6 to 10 percent, and we're glad to help retailers implement labeling programs for pork."

The Pork Checkoff has worked with Yerecic Label to design an "Easy Cooking" labeling program that's being implemented at the retail level. The on-pack, triangular-shaped corner labels can feature a pork recipe, a photo of the pork dish, cooking instructions, nutritional information and a coupon, in some cases. The label recipes can cover a variety of pork products, including roasts, chops, ground pork and more.

"On-pack recipe labels are the basic component of a successful meat case marketing program, because they offer an effective way to provide consumers with new mealtime solutions," Walser says.

To keep the labeling program fresh, the Pork Checkoff works with retailers to include new pork recipes on the labels as the seasons change. In addition, a color-coded system that clearly identifies pork products can be used to coordinate the appearance of the on-pack labels, in-store signage and advertisements, making it easier to consumers to shop the meat case.

"Once retailers implement a labeling program, they tend to stick with it, because it lays the foundation to build pork sales for the long run," Walser says.

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South Korean Restaurant Chain Specializes in Chilled U.S. Pork Skirt Meat

An innovative restaurant chain in Seoul, South Korea, is focusing on one chilled U.S. pork cut making it into an attraction for a trendy and successful operation.

A flavorful cut that is ideal for Korean-style tabletop barbecue, pork skirts are part of the St. Louis sparerib in the United States. In Korea, however, the growing chain of Nano Galmagi Korean barbecue restaurants has developed a winning dining concept in the past year built solely around skirt meat - selling 4.5 metric tons or nearly 10,000 pounds of pork skirts per week.

"I had noticed that Galmagi (pork skirt meat) grilling has a lot of potential, but the pork has to be chilled for better taste than what has been offered in other restaurants," said Daekeun Kim, vice president of Nano Galmagi, a 19-restaurant chain that opened its first storefront only 13 months ago. "So I tasted several types of chilled Galmagi, including Canadian pork, and discovered that the quality of U.S. pork was the best."

The growth of Nano Galmagi has been explosive, and company management already has three more stores under construction. They would build even more if they knew they had a secure supply of chilled U.S. skirt meat.

"Our customers tell us they are very thankful that Nano Galmagi is a great barbecue place with reasonable prices," said Kim. "We try to use only chilled U.S. skirt meat, but due to a shortage some of our stores have recently started using frozen U.S. skirt meat. The challenge is that our brand is strongly associated with using only chilled U.S. skirt meat rather than pork bellies or spare ribs for barbecue."

The inexpensive, casual grilling concept featured at Nano Galmagi has made it a favorite among young adults who gather around the table-top grills to socialize and for a delicious meal they prepare themselves. The average tab for a dinner for two is \$18.

Most of the Nano Galmagi restaurants are centered in Seoul and its metropolitan area, while Suwon City and Busan will be home to several of the soon-to-open stores.

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Spotlight Article

U.S. Pork Exports Post Solid Gains in May

U.S. pork exports continued a strong 2010 performance in May, according to statistics released by USDA and compiled by the U.S. Meat Export Federation (USMEF). For producers, the gain in export value per animal processed in May was impressive: \$53.10 per animal - nearly 30 percent higher than the \$40.90 recorded in May 2009.

May pork export value increased 22 percent over a year ago and 5 percent from April 2010, reaching \$419.3 million. Export volume of 162,865 metric tons (359 million pounds) was up 13 percent over last year and 4 percent from the previous month.

The pork industry is seeing a higher return per pound on its exports in 2010. The value of those exports hit \$1.9 billion for the first five months of 2010, a 5 percent increase over last year. At the same time, the volume of exports this year is 787,869 metric tons (1.7 billion pounds), essentially even with last year's pace.

Pork muscle cut exports are up 4 percent in volume and 9 percent in value over last year, while variety meat exports are down 13 percent and 14 percent, respectively.

Though well below last year's pace, the recent resumption of exports to Russia and China have begun to have a positive impact on the global results for U.S. Pork. Exports to Russia are still around 50 percent below the first five months of 2009 in volume, 24,386 metric tons or 53.8 million pounds, and value at \$55 million. But May results showed significant progress as exports returned to 88 percent of the volume and 97 percent of the value achieved in May 2009. The picture is similar in China, where the cumulative 2010 total is still quite small but May exports were down only 15 percent from one year ago and the value, \$10.2 million, was actually 31 percent higher.

Mexico continues to be the largest volume destination for U.S. Pork, increasing 7 percent in volume to 225,672 metric tons or 497.5 million pounds and 27 percent in value at \$401.5 million over the record pace established in 2009. May exports slowed slightly compared to the previous month, however, due in part to record-high ham prices.

Exports to Japan, by far the largest foreign market for U.S. Pork in terms of value, remain below last year's pace but are showing signs of recovery from the slump encountered in early 2010. May exports exceeded the year-ago level by 18 percent in both volume and value, raising the cumulative total to 180,326 metric tons or 397.5 million pounds, valued at \$671.2 million. For the year, pork exports to Japan remain down 6 percent in volume and 3 percent in value from 2009. Muscle cut exports to Japan are within 4 percent in volume and 2 percent in value of their 2009 pace, but variety meat exports are down by about one-third.

Pork exports to Hong Kong continued their strong momentum in May, with the cumulative 2010 total reaching 95,686 metric tons or nearly 211 million pounds, valued at \$135.2 million - an increase of 40 percent in volume and 24 percent in value. Hong Kong is a considerable bright spot for pork variety meat, with exports up 56 percent in volume and 44 percent in value. Muscle cut exports to Hong Kong also have increased in both volume at 23 percent and value at 11 percent, over the first five months of 2009.

Other market highlights include:

- Exports to Canada are up 15 percent in volume to 73,810 metric tons or 162.7 million pounds and 25 percent in value at \$246.5 million over January to May 2009. Through June, live hog imports from Canada were 16 percent smaller than last year at 2.79 million head. This is roughly one quarter of Canadian hog slaughter, compared to about 30 percent over the same period last year.
- The Philippines has emerged as a tremendous growth market for U.S. Pork, with volume nearly doubling over last year to 29,227 metric tons or 64.4 million pounds and value increasing by 119 percent to more than \$55 million. Despite a slowdown in Vietnam, exports to the ASEAN region have increased 57 percent in volume and 73 percent in value compared to the start of 2009.
- May exports to Central and South America were down slightly from April but the cumulative total increased 42 percent in volume to 25,264 metric tons or 55.7 million pounds and 46 percent in value to \$56.4 million over last year. The top markets of Honduras, Guatemala and Colombia all achieved significant growth.

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