Dear Fellow Pork Producers,

Accountability, trust and social responsibility serve as the foundation for what the Pork Checkoff has been doing on behalf of pork producers. During 2008, the Checkoff harnessed its resources to best position the pork industry for domestic and international competitiveness and profitability.

Understanding that profitability was a key challenge for all producers in 2008, the Pork Checkoff’s Swine Nutritional Efficiency program worked to prioritize research focused on assisting producers to reduce or optimize feed costs. In addition, the Checkoff compiled a list of management tips and resources to assist producers in identifying opportunities to increase efficiencies and reduce costs.

Even though producers were facing tough times, they also realized the importance of demonstrating to consumers that producers share their values concerning the well-being of animals, the environment and the importance of contributing to the local community. In March, Pork Act Delegates overwhelmingly approved a Statement of Ethical Principles. It is just one part of the Responsible Pork Initiative, a coordinated effort of the National Pork Board and National Pork Producers Council to earn the trust of the pork industry’s customers as well as regulators and consumers.

Connecting with consumers was another highlight of 2008. The Other White Meat® Tour was launched to celebrate pork’s positive benefits with consumers through cooking demonstrations, product sampling and one-on-one interactions. A total of 615,400 consumers interacted with pork producers and staff at the events, and a total of 347,300 pork loin samples were distributed. Internationally, U.S. Pork exports set a record for the 17th consecutive year in quantity and value.

In late December, Hormel Foods announced that as of Dec. 31, 2009, all pigs that the company purchases will be raised by pork producers and their employees who are certified in Pork Quality Assurance Plus® (PQA Plus®). Hormel suppliers also will have completed well-being assessments on their farms and have Transport Quality Assurance® certification. The National Pork Board applauds their commitment to our programs. As leaders in our industry, I challenge you to go beyond the educational and training component of PQA Plus and conduct an on-farm site evaluation to achieve PQA Plus site status.

As we continue to meet challenges head-on in 2009, we must remain positive. The National Pork Board approved several new ideas for the budget this year – ideas that will keep the pork industry focused on the challenges facing pork producers. You can find additional information about the Pork Checkoff and about specific programs on the Internet at pork.org or by calling the Pork Checkoff Service Center at (800) 456-PORK.

Your Pork Checkoff investment continues to be at work for you in promotion, research and consumer information programs.

Thank you.

Steve Weaver
President of the National Pork Board
Pork Producer from Elk Grove, California
**Mission Statement**

The National Pork Board harnesses the resources of all producers to capture opportunity, address challenges and satisfy customers.

**Purpose**

The National Pork Board contributes to the success of all pork producers by managing issues related to research, education and product promotion and by establishing U.S. Pork as the preferred protein worldwide.
The competitive advantage for U.S. pork

The nutritional efficiency consortium awarded a total of $783,328 to 11 research projects. These research projects focus on feed conversion and nutritional utilization that will provide maximum impact to the industry.

Public health issues were a hot topic in 2008. Projects addressing the priorities of emerging zoonotic agents, including methicillin-resistant *Staphylococcus aureus* (MRSA), *Clostridium difficile* and norovirus were funded. The information from these projects is being used as part of the communications strategy to address consumer concerns about the safety of U.S. pork.

Through the Checkoff’s PRRS (Porcine Reproductive and Respiratory Syndrome) Initiative and the United States Department of Agriculture (USDA), university researchers and Extension personnel, animal health companies, state and federal government agencies, swine veterinarians and producers are working together to map out a plan to successfully manage and eliminate PRRS from U.S. swine farms. In 2008, the Checkoff funded 15 PRRS proposals that addressed immunology, epidemiology and ecology and diagnostics.

The Pork Checkoff is working to stay on top of emerging issues that may affect the pork industry. Monthly issue management team meetings were held to share information and discuss emerging issues. Also, an informed futurist panel comprising of key retailers, nutritionists, food safety experts, veterinarians, food banks, international welfare experts and allied industry met once in 2008. The feedback from the informed futurist panel was integrated into the 2009 strategic plan.
Critical Issue 2

The safeguard and expansion of international markets

The Swine ID Plan is essential for supporting rapid containment and eradication of potential highly contagious swine diseases and will enable appropriate continued movement and marketing of animals during disease outbreaks. In 2008, premises registration and implementation of the Swine ID Plan was promoted to pork producers and allied industry. The pork industry has over 78 percent of estimated swine premises registered.

In 2008, U.S. Pork broke export records for the 17th consecutive year.

The Pork Checkoff together with other pork industry representatives collaborated with USDA to develop science-based, practical industry standards that will be incorporated into the official Trichinae Certification program. A survey of producers and veterinarians was completed in 2008 to assess the benefits of Trichinae certification. Materials are being developed using the information from that survey in preparation for the program launch. Trichinae certification will open up new export markets for U.S. Pork.
Domestic pork expenditures

The Other White Meat® Tour crisscrossed the country in 2008 and stopped at 23 high-traffic consumer events that reached a large percent of the Checkoff’s target audience – females 25-49 years old who have children at home. The purpose of the tour was to celebrate pork’s positive benefits including versatility, flavor, healthfulness and value among mass numbers of target consumers.

The results included:
- 347,300 pork loin samples distributed
- 216,700 recipe cards distributed
- 10,424 e-mail addresses obtained
- Over 1 million on-site impressions – number of consumers exposed to the event site and/or The Other White Meat brand
- 615,400 high-quality consumer interactions – consumers who interacted with the brand ambassadors and pork producers at the event site
- An average increase in pork sales of 17 percent compared with a year ago at participating retailers

Pork Checkoff-funded advertising caught readers’ attention in major publications from Family Circle to Gourmet magazine in 2008. Based on 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.

The magazine ads also produced an additional 48,876 visits to TheOtherWhiteMeat.com/PorkAnd Web site from readers who typed in the Web address from the print ads.
The trust and image of the industry and its products

In 2008, pork producers joined a growing number of leading U.S. businesses and industries when Pork Act Delegates overwhelmingly approved a Statement of Ethical Principles. The Statement of Ethical Principles addresses how pork producers approach their ethical responsibilities in six areas: food safety, animal well-being, the environment, public health, employee care and the community. The Statement of Ethical Principles is just one part of the Responsible Pork Initiative, a coordinated effort of the National Pork Board and National Pork Producers Council to earn the trust of the pork industry’s customers as well as regulators and consumers.

Pork Checkoff-funded research, conducted at Purdue University, found that timing of dietary protein intake affects feelings of fullness throughout the day. The study published in the *British Journal of Nutrition* concluded that when people ate high-quality protein foods, from sources such as eggs and lean Canadian bacon, for breakfast they had a greater sense of sustained fullness throughout the day compared with more protein being eaten at lunch or dinner. News about this study, provided by the Checkoff, reached 23 million consumers at a cost of $2.65 per thousand.

The Pork Industry Environmental Steward awards are designed to demonstrate how and what pork producers are doing every day on their farms. In 2008, the Checkoff received 16 applications and selected four award winners. The Environmental Stewards help educate both agriculture and non-agriculture audiences about modern environmental practices.

The 2008 Pork Industry Environmental Stewards are:
- Enterprise Nurseries of Madrid, Neb.
- Oetting Farms of Concordia, Mo.
- O’Neel Farms of Friend, Neb.
- Veldkamp Farms of Jasper, Minn.
The Pork Leadership Academy, a Checkoff-sponsored program, is a year-long leadership development program that educates pork producers about all areas of the Pork Checkoff. The Pork Leadership Academy has produced 132 excellent producer leaders and volunteers during the last six years.

To promote careers in the pork industry, the Checkoff developed a career brochure that touches on all the opportunities in pork production from gate to plate. A career pathway guide and production system organizational chart also was developed to showcase the vast career opportunities in the industry. Those interested in careers in the pork industry can also watch videos that the Checkoff created showcasing interviews with individuals holding a variety of positions within the pork industry.

The Checkoff developed four on-line, in-depth learning modules focusing on reacting to different scenarios. These scenarios cover everything from talking to your neighbors on tough industry issues to handling yourself in meetings to recruiting new leaders for the pork industry. In addition, six shorter modules that focus on topics such as parliamentary procedure, consensus building and preparing for meetings was developed. All of these modules will be used by leaders and staff at the state and national levels.

The Pork Checkoff, Pioneer Hi-Bred and PIC awarded 19 scholarships to college students around the United States. The 19 recipients were from 14 different colleges and seven different swine-related fields of study. The top candidate received a $10,000 stipend and the second candidate received $5,000 in a scholarship sponsored by Pioneer Hi-Bred, a DuPont business. The other 17 students received $2,500 each.
During 2008, pork producers invested $0.40 for each $100 value in hogs sold from January through December. The National Pork Board ended 2008 with gross revenues of 67.4 million, total spending of 62.1 million and a surplus of 5.3 million.

The National Pork Board allocates Pork Checkoff funds according to producer priorities determined through various methods. In 2008, 60 percent of the Checkoff funds were allocated for national promotion programs, 33 percent for national research and education programs and 7 percent for national consumer information programs.

The Pork Act mandates that a percentage of the Checkoff funds collected annually be returned to state pork producer associations for use in their own promotion, research and consumer information programs. The Pork Act Delegate Body determines the percentage of Pork Checkoff funds returned to each state. In 2008, state Pork Checkoff funding collectively represented about 20 percent of all market deductions.

### 2009 Program Dollars

- **Demand Enhancement**: 8.3
- **Foreign Market Development**: 5.7
- **Science and Technology**: 2.6
- **Communications**: 7.2
- **Producer Services**: 1.2
- **Pork Information Bureau**: 0.9
- **Marketing Resource Center**: 3.8
- **Swine Health**: 1.6
- **Animal Science**: 1.6
- **Animal Welfare**: 1.7
- **Pork Safety**: 2.1
- **Education Services**: 2.9
- **Support Relations**: 3.4
- **Administration**: 3.2
- **Management Oversight**: 1.6
- **The Other White Meat**: 1.9

**TOTAL: $57.2 Million**

*In Millions