A Glimpse of the U.S. and Michigan Pork Industries

House Agriculture Committee

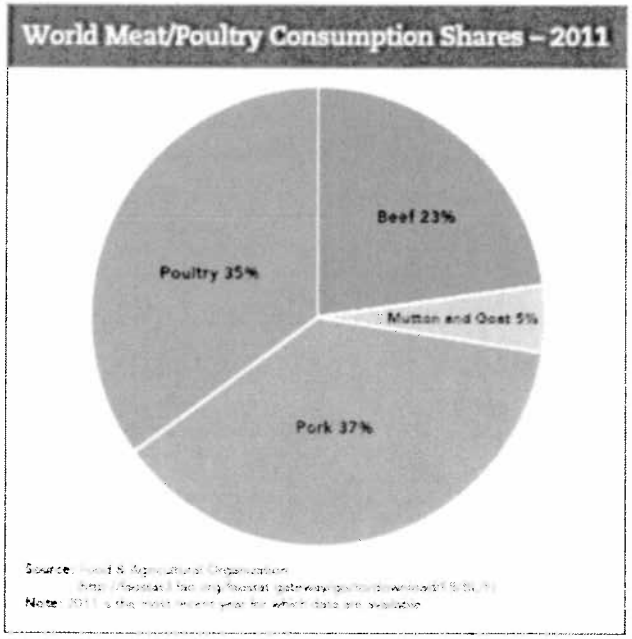
Sam Hines

Executive Vice President

Michigan Pork Producers Association

February 25, 2015

MICHIGAN PORK PRODUCERS ASSOCIATION



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Top 10 Pork-Producing Countries – 2013

		Thousand Metric Tons
1	China	55,620
2	EU-27	22,390
3	United States	10,530
4	Brazil	3,280
5	Russia	2,400
6	Vietnam	2,220
7	Canada	1,820
8	Philippines	1,350
9	Japan	1,309
10	Mexico	1,281

Source: USDA Foreign Agricultural Service

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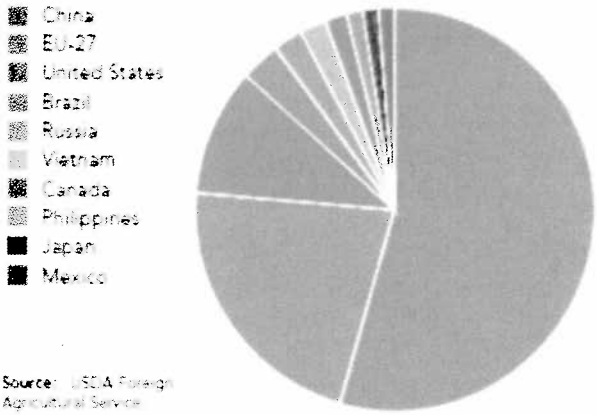
Top 10 Pork-Producing Countries – 2013



Source: USDA Foreign Agricultural Service

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State Rankings by Hogs and Pigs Inventory – 2013

	State	Production (Mil. Lbs. Live Weight)	Marketings (Mil. Head Live Weight)	Value of Production ($1,000)	Cash Receipts ($1,000)	Marketings (1,000 head)	Inventory as of Dec. 1, 2013 (1,000 head)
1	Iowa	10,660,075	11,232,124	6,569,669	7,524,685	42,484	20,500
2	North Carolina	3,064,339	4,080,941	2,830,026	2,857,035	17,047	8,700
3	Minnesota	3,909,753	3,054,222	2,509,743	2,851,388	18,415	8,000
4	Illinois	2,620,410	2,082,774	1,447,959	1,566,373	12,122	4,650
5	Indiana	1,648,744	1,703,663	1,059,637	1,186,750	7,682	3,750
6	Nebraska	1,176,722	1,173,633	844,671	852,744	6,930	3,100
7	Missouri	1,306,138	1,330,070	957,455	1,024,537	8,196	2,850
8	Ohio	1,096,992	1,091,309	723,512	749,564	4,116	2,240
9	Oklahoma	1,379,273	1,485,441	951,122	994,095	8,131	2,010
10	Kansas	901,099	959,190	602,548	649,574	3,784	1,770
11	South Dakota	702,313	737,135	506,702	554,747	4,152	1,210
12	Pennsylvania	496,092	511,520	327,648	354,165	2,100	1,110
13	Michigan		571,196	384,550	384,506	402,399	2,000	1,070
14	Utah	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
15	Colorado	258,047	272,197	206,040	217,874	2,750	690
16	Texas	266,806	301,830	184,105	209,067	1,828	610
17	Mississippi	181,205	171,227	125,919	119,530	878	500
18	Kentucky	175,926	181,600	135,674	122,507	737	520
19	Wisconsin	169,474	175,073	130,563	138,171	888	305
20	Virginia	69,967	75,980	43,367	52,728	327	260
21	South Carolina	46,781	48,947	30,709	33,988	256	245
22	Tennessee	90,811	90,565	59,575	60,321	568	180
23	Arizona	82,405	84,375	57,499	58,809	338	175
24	Montana	84,479	87,038	61,995	63,628	464	166
25	Georgia	81,359	90,679	55,757	63,993	634	141
26	North Dakota	51,642	57,543	32,400	38,866	308	135
27	Arkansas	100,830	108,211	64,519	106,856	1,139	115
28	California	47,708	56,420	21,269	30,161	244	95
29	Wyoming	124,572	124,160	89,154	88,852	731	90
30	Alabama	60,198	70,098	41,163	48,746	441	85
31	New York	24,581	26,074	16,618	17,836	132	66
32	Idaho & Washington	45,656	45,827	31,294	32,031	184	62
33	Delaware-Maryland	15,114	15,438	9,215	11,407	79	28
34	New England [1]	10,745	10,594	7,109	7,374	49	25
35	Florida	3,489	3,770	2,293	2,871	28	15
36	Hawaii	4,062	3,264	2,831	2,275	14	12
37	New Jersey	1,664	2,132	589	1,594	25	9
38	Oregon	3,034	3,351	2,122	2,367	15	9
39	Louisiana	1,520	1,365	1,002	907	7	6
40	West Virginia	1,772	1,375	1,295	1,023	8	5
41	Nevada	1,298	1,268	926	1,372	9	2
42	New Mexico	593	705	472	586	3	1
43	Alaska	374	275	261	192	1	1
	United States	32,221,975	33,363,143	21,408,909	23,421,057	152,726	66,025

Source: Meat Animal Production, Disposition and Income (PDIC), NASS, April 2014.
Adjustments made for changes in inventory and for shipments.
[1] Includes custom slaughter for new England farms where produced and other not elsewhere included, and includes other farm sales within the state.
Includes adjustment for large inventory gain of 2 million equivalent hogs and for shipments. A header pig.
Includes custom slaughter for new England farms where produced and other not elsewhere included, and includes other farm sales within the state.
New England includes Maine, Massachusetts, Vermont, New Hampshire, Connecticut and Rhode Island.

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America's Top 100 Pig Counties – 2012

Rank	State	County	Inventory	Rank	State	County	Inventory
1	North Carolina	Sampson	1,858,801	51	Minnesota	Nicollet	268,339
2	North Carolina	Duplin	1,703,926	52	Minnesota	Pipestone	267,997
3	Oklahoma	Texas	1,204,559	53	Ohio	Mercer	261,389
4	Iowa	Sioux	1,174,751	54	Iowa	Clayton	261,084
5	Iowa	Washington	986,774	55	Kansas	Morton	n/a*
6	Minnesota	Martin	812,229	56	Texas	Hartford	n/a*
7	Iowa	Plymouth	744,433	57	Indiana	Carroll	259,898
8	Iowa	Linn	726,739	58	Iowa	Fayette	256,162
9	Iowa	Hardin	720,009	59	Michigan	Allegan	252,080
10	Utah	Beaver	n/a*	60	Minnesota	Faribault	249,759
11	North Carolina	Bladen	684,749	61	Minnesota	Jackson	245,947
12	Iowa	Hamilton	643,587	62	Minnesota	Waseca	243,998
13	North Carolina	Wayne	637,491	63	Illinois	Pike	243,801
14	Iowa	Kossuth	609,437	64	Iowa	Hancock	241,272
15	Iowa	Carroll	557,955	65	Iowa	Black Hawk	240,820
16	Minnesota	Blue Earth	558,283	66	Illinois	De Kalb	239,548
17	Iowa	Franklin	549,893	67	Iowa	Pottawattamie	238,703
18	North Carolina	Greene	519,578	68	Ohio	Darke	237,184
19	Iowa	O Brien	497,223	69	Iowa	Livingston	236,426
20	Iowa	Wright	485,196	70	Oklahoma	Beaver	n/a*
21	Iowa	Poly Ratio	484,236	71	Minnesota	Cottonwood	235,236
22	Iowa	Buena Vista	438,572	72	Iowa	Chickasaw	235,147
23	Iowa	Sac	432,048	73	Iowa	Mitchell	224,247
24	Missouri	Mercer	n/a*	74	North Carolina	Pitt	224,133
25	Missouri	Harrison	419,427	75	Kansas	Meade	n/a*
26	Colorado	Weld	n/a*	76	Minnesota	Brown	218,763
27	Iowa	Butler	414,395	77	Missouri	Putnam	n/a*
28	Iowa	Buchanan	373,782	78	Iowa	Scotia	216,571
29	Iowa	Hancock	370,668	79	Iowa	Jasper	209,309
30	North Carolina	Wilson	366,159	80	North Carolina	Pender	203,675
31	Iowa	Dallas	363,437	81	Iowa	Greene	202,217
32	Pennsylvania	Lancaster	359,505	82	Iowa	Cedar	200,665
33	Iowa	Calhoun	359,506	83	Iowa	Grundy	199,917
34	Missouri	Sullivan	358,146	84	Indiana	Adams	199,447
35	Iowa	Osceola	354,928	85	Kansas	Nemaha	197,430
36	Minnesota	Nicollet	350,950	86	Iowa	Hamilton	197,113
37	Minnesota	Freeborn	324,537	87	Iowa	Bremer	195,273
38	Minnesota	Nobles	323,679	88	North Dakota	Wolf	192,232
39	North Carolina	Onslow	321,871	89	Iowa	Emmet	191,852
40	North Carolina	Robeson	320,291	90	Minnesota	Stevens	184,865
41	Texas	Ochiltree	n/a*	91	Illinois	Henderson	186,679
42	North Carolina	Columbus	317,711	92	Iowa	Webster	185,586
43	Iowa	Crawford	315,477	93	Illinois	Jasper	184,472
44	Nebraska	Platte	308,358	94	Minnesota	Watonwan	183,618
45	Iowa	Mahaska	301,296	95	Iowa	Monroe	181,749
46	Iowa	Appanoose	294,362	96	Iowa	Clay	181,608
47	Minnesota	Rock	291,435	97	Minnesota	Redwood	179,716
48	North Carolina	Lenoir	287,383	98	Nebraska	Boone	179,153
49	Iowa	Cherokee	282,316	99	Indiana	Randolph	177,605
50	Minnesota	Renville	280,941	100	Indiana	Clinton	174,185

Source: Hogs Count, [illegible]

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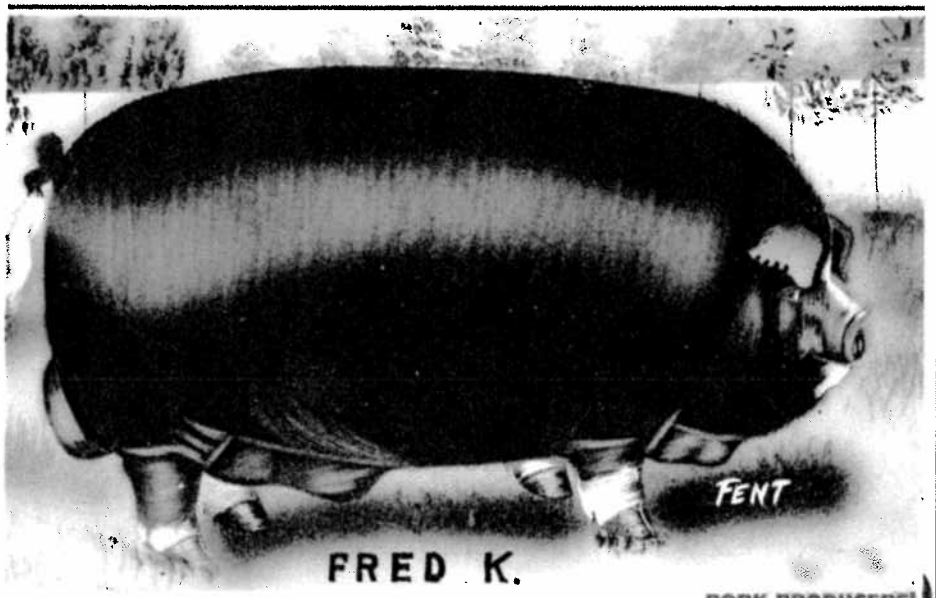
1900's Hog



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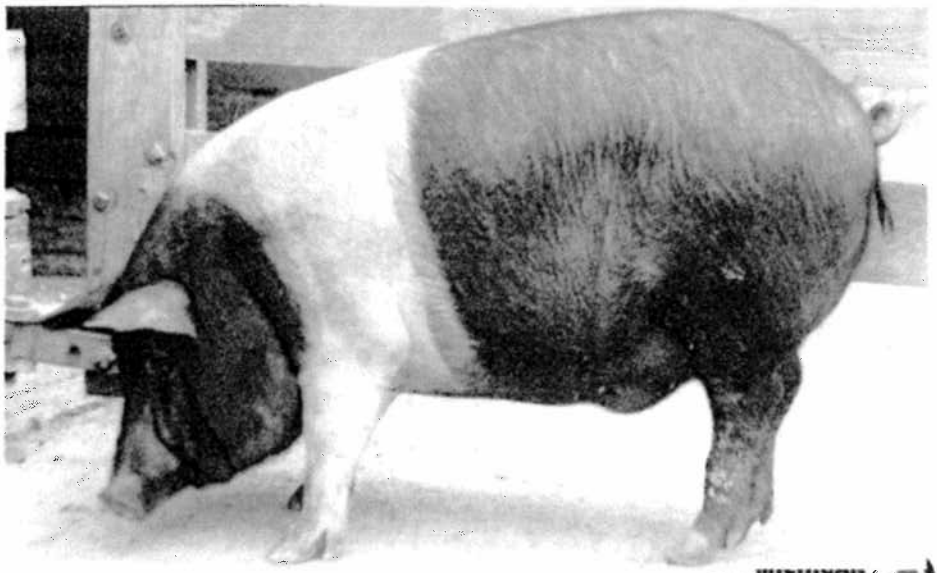
1940's Hog



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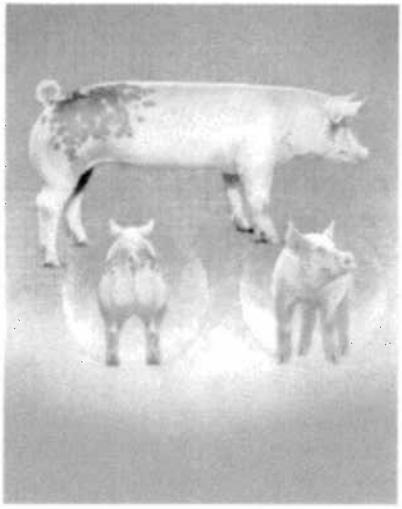
Current Market Hog - Symbol III



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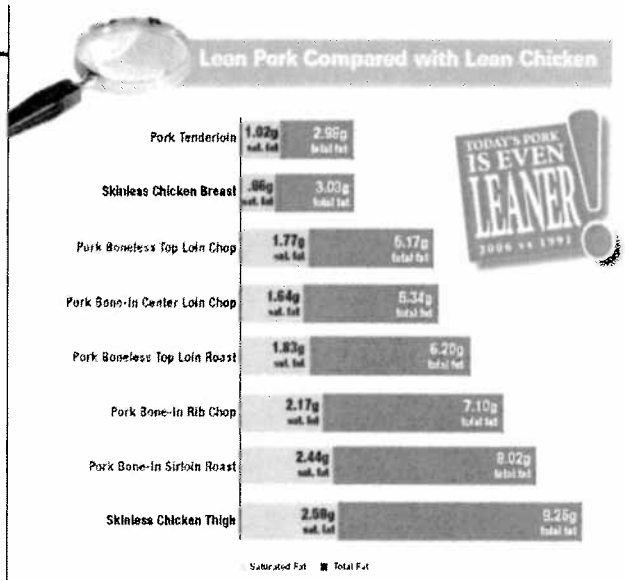

Based on 3-ounce cooked servings (roasted or broiled), visible fat trimmed after cooking.
Reference: US Department of Agriculture, Agriculture Research Service, 2006.

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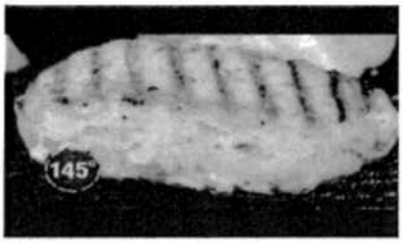
Leaner Pork = Less Cooking



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USDA Guidelines:

- 145° F = Medium Rare
- 165° F = Medium

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Typical Market Pig

Live weight (lbs.).....274.6
Carcass weight (lbs.).....207.5
Backfat, 10th rib (inches).....0.7
Loin-eye area (square inches).....7.8
Percent Lean.....54.8
Lean meat (lbs.).....113.7

A 275-pound Live Pig
Produces a 208-Pound Carcass

Carcass Breakdown

Primal Cuts	Retail Pork*	Other Products	Carcass Total
Ham (50.7 lbs.)			
Cured ham	29.6		
Fresh ham	2.4		
Trimmings	6.0		
Skin, fat, bone		14.6	
Total	38.0	14.6	52.6
Loin (46.0 lbs.)			
Backribs	3.6		
Boneless loin	16.6		
Sirloin roast	6.4		
Tenderloin	2.1		
Trimmings	13.5		
Fat and bone		3.5	
Total	42.2	5.5	47.7
Side (28.1 lbs.)			
Cured bacon	16.0		
Spare ribs	7.9		
Trimmings	4.3		
Fat		1.0	
Total	28.1	1.0	29.2
Shoulder (21.4 lbs.)			
Blade steaks	6.3		
Blade roast	10.9		
Trimmings	2.2		
Fat		2.0	
Total	19.2	3.0	22.2
Picnic (21.6 lbs.)			
Boneless picnic meat	15.1		
Skin, fat, bone		6.3	
Total	16.1	6.3	22.4
Miscellaneous (32.2 lbs.)			
Jowls, feet, tail, neckbones, etc.	13.1		
Fat, skin, bone		18.3	
Shrink and loss		2.1	
Total	13.1	20.3	33.4
Total	156.7	50.8	207.5

* Retail cuts on remnibonelessbasis. Fully boneless would show lower retail weights.

Source: National Pork Board and Pork Producers Association

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Number of U.S. Hog Operations

Inventory (thousand head)			Operation Size						
			Number of Head in Inventory						
Year	Total	Avg. Per Operation	1 to 99	100 to 499	500+	1,000+	2,000+	5,000+	Total Operations
1977	56,539	87.39	504,013	120,989	21,998				647,000
1978	60,356	95.00	498,711	113,083	23,506				635,300
1979	67,318	103.05	501,688	124,116	27,436				653,240
1980	64,462	96.71	515,243	123,312	27,995				666,550
2011	66,361	960.36	49,400	5,100	14,600	12,200	8,800	3,300	69,100
2012	63,246	971.79	47,284	3,584	12,378	10,401	7,724	3,006	63,246

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Number of Operations by Size Group

Top 20 Hog Inventory States and United States, 2007 and 2012

State	Operations Having: 1 to 99 Head		100 to 499 Head		500 to 999 Head		1,000 to 1,999 Head		2,000 to 4,999 Head		5,000+ Head		Total	
	2007	2012	2007	2012	2007	2012	2007	2012	2007	2012	2007	2012	2007	2012
Michigan	2,138	1,865	240	108	104	43	67	67	100	68	42	47	2,691	2,198
United States	**52,521**	**47,284**	**7,114**	**3,584**	**3,588**	**1,977**	**4,013**	**2,677**	**5,356**	**4,718**	**2,850**	**3,006**	**75,442**	**63,246**

Source: USDA, Census of Agriculture, 2007 and 2012

Note: An operation is any farm having one or more hogs or pigs on hand at any time during the year.

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Percent of U.S. Hog Inventory by Operating Size, 1998-2012

	1-99 Head	100 to 499 Head	500 to 999 Head	1,000 to 1,999 Head	2,000 to 4,999 Head	5,000 to 9,999 Head	10,000 to 19,999 Head	20,000 to 49,999 Head	50,000+ Head
1998	2	10	11	11	12	7	7	5	37
2012	1	2	2	4	9	7	7	9	60

Source: USDA, Farms, Land in Farms and Livestock Operations, 1998-2011, 2012 Census of Agriculture

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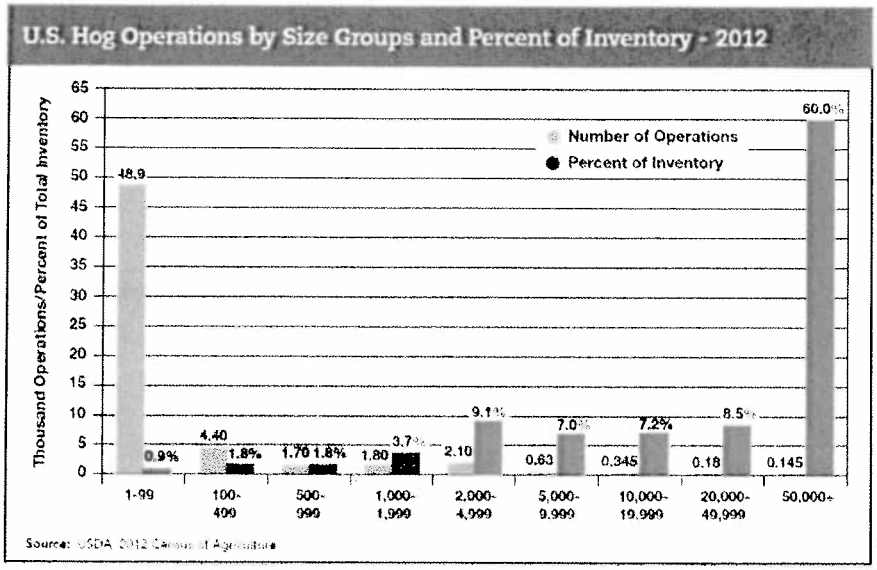

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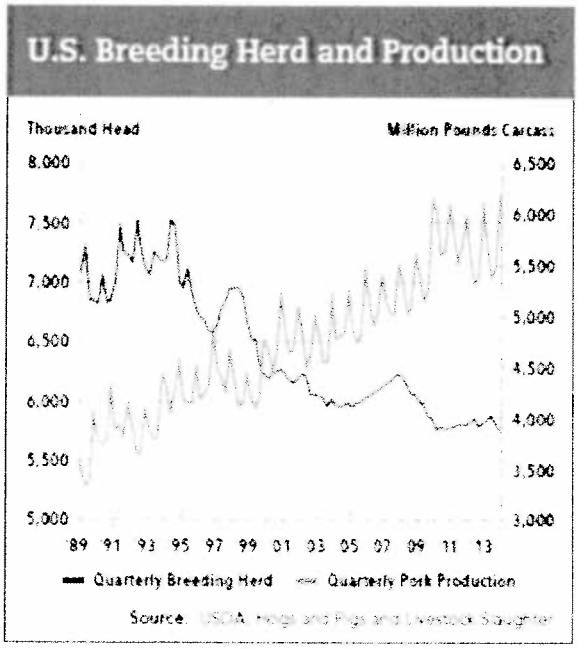

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U.S. Commercial Livestock Slaughter and Meat Production*

Year	Hog Slaughter (1,000 head)	Pork Production (million lbs.)	Cattle Slaughter (1,000 head)	Beef Production (million lbs.)	Chicken Slaughter (million head)	Chicken Production (million lbs.)	Turkey Slaughter (million head)	Turkey Production (million lbs.)
1960	79,036	13,905	25,224	14,374	1,534	3,699	71	948
1997	91,960	17,274	36,318	25,384	7,736	27,271	290	5,478
1998	101,029	19,010	35,465	25,653	7,838	27,963	273	5,281
2013	112,077	23,206	32,462	25,720	8,504	37,830	239	5,805

Source: USDA, Red Meat Yearbook and Poultry Yearbook, 2008; Livestock Slaughter and Poultry Slaughter, 2009-2013
*Pork and beef production are carcass weight. Chicken and turkey production are ready-to-cook weight.

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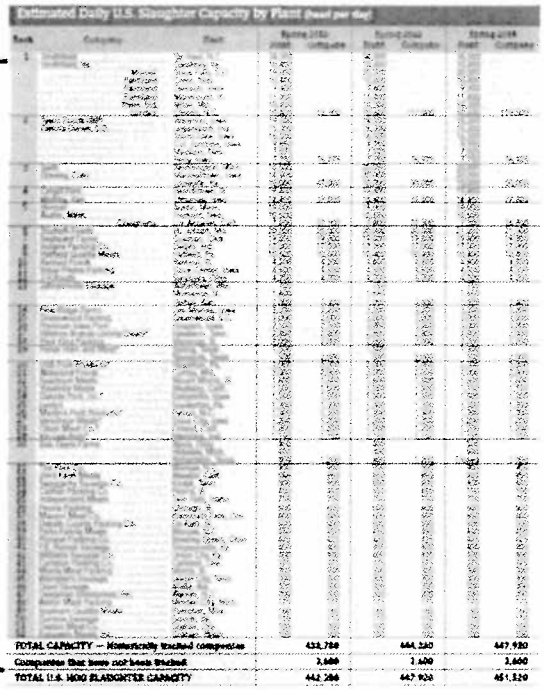
U.S. Packing Plant Closings — 1993-2013

Company	Plant	Date Closed	Capacity
Swift	St. Joseph, Mo.	December 1993	10,000
Seaboard	Albert Lea, Minn.	February 1994	14,000
Thorn Apple Valley	Hyrum, Utah	1995	1,500
Reeves Packing	Ada, Okla.	1995	400
Worthington Pack	Worthington, Ind.	April 1996	4,700
Premium Pork	Moultrie, Ga.	April 1996	4,700
Ohio Packing Co.	Columbus, Ohio	April 1996	900
IBP	Council Bluffs, Iowa	April 1997	7,300
Dakota Pork	Huron, S.D.	August 1997	5,850
Thorn Apple Valley	Detroit, Mich.	July 1998	14,000
Fisher Packing	Louisville, Ky.	1998	3,000
Field Packing	Owensboro, Ky.	July 1999	1,200
AVA Pork	Shamokin, Pa.	February 2000	2,500
Farmland	Dubuque, Iowa	June 2000	11,000
Brown Packing	Little Rock, Ark.	June 2000	600
Fineberg Packing	Memphis, Tenn.	February 2001	500
Excel	Marshall, Mo.	July 2001	8,000
Mosby Packing Co.	Meridian, Miss.	July 2001	400
AMPAC/Iowa Pack	Chicago, Ill.	December 2001	3,600
Hormel	Rochelle, Ill.	January 2003	7,100
Metzger Foods	Paducah, Ky.	March 2003	250
Simeus Foods	Forest City, N.C.	October 2003	300
America's Family Farms	Alcester, S.D.	November 2003	600
BC Pork (Pork Packers Int'l)	Downs, Kan.	May 2004	1,500
Smithfield Foods	Smithfield, Va.	September 2005	7,800
Bryan Foods (Sara Lee)	West Point, Miss.	March 2006	6,200
Lowell Packing	Fitzgerald, Ga.	June 2008	350
John Morrell	Sioux City, Iowa	April 2010	14,000
Southern Pride Meats	Goldsboro, N.C.	June 2010	210
Bob Evans Farms	Galva, Ill.	August 2010	330
Bob Evans Farms	Bidwell, Ohio	July 2011	220
Southern Pride Meats	Goldsboro, N.C.	July 2011	210
Cloverleaf Foods	Minot, N.D.	June 2011	600
J.C. Potter	Durant, Okla.	July 2012	400
Odom's Tennessee Pride	Little Rock, Ark.	April 2012	400
Avco	Gadsen, Ala.	April 2012	210
Bob Evans Farms	Richardson, Texas	October 2013	400
TOTAL CAPACITY			**135,020**

Source: Paragon Economics, Inc.



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Estimated Daily U.S. Slaughter Capacity by Plant (head per day)

Rank	Company	Plant	Spring 2012 Plant	Spring 2012 Company	Spring 2013 Plant	Spring 2013 Company	Spring 2014 Plant	Spring 2014 Company
1	Smithfield	[illegible]	[illegible]		[illegible]		[illegible]	
	Smithfield, Va	Smithfield, Va	[illegible]		[illegible]		[illegible]	
		Monmouth	[illegible]		[illegible]		[illegible]	
		Farmland	[illegible]		[illegible]		[illegible]	
		Farmland	[illegible]		[illegible]		[illegible]	
		Farmland	[illegible]		[illegible]		[illegible]	
		Farmland	[illegible]		[illegible]		[illegible]	
		Farmland	[illegible]		[illegible]		[illegible]	
		Farmland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	Hatfield Quality Meats	Hatfield, Pa	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL CAPACITY -- Historically tracked companies	439,780	444,220	447,920
Companies that have not been tracked	2,600	3,600	3,600
TOTAL U.S. HOG SLAUGHTER CAPACITY	442,380	447,920	451,520

*2011 data used for 2012 year because companies delayed [illegible] data [illegible] years.
Source: Paragon Economics, Inc. and National Hog Farmer [illegible]

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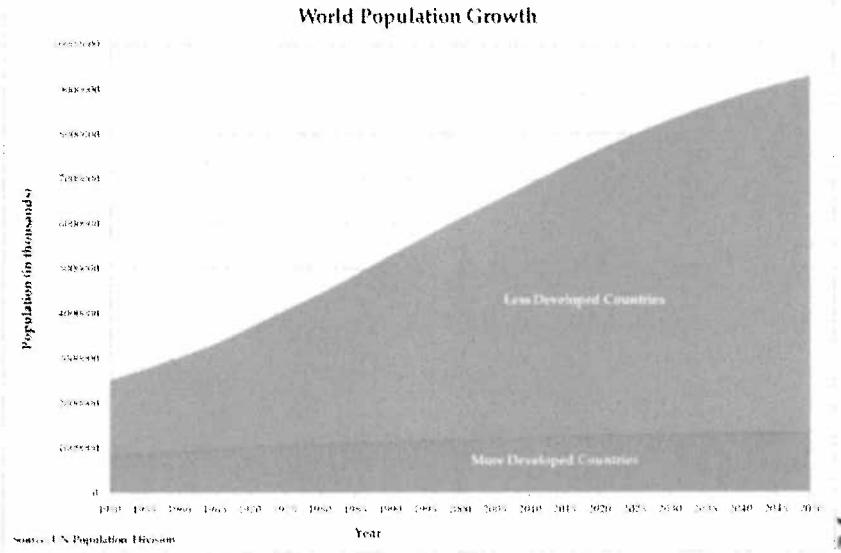

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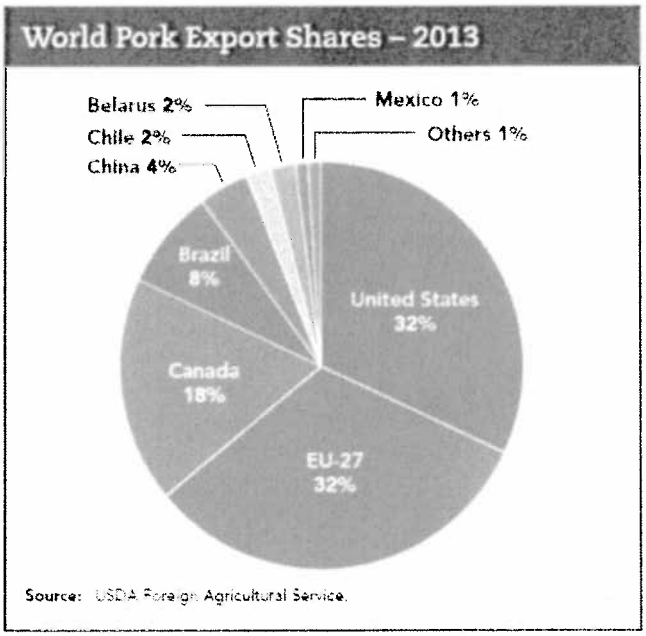

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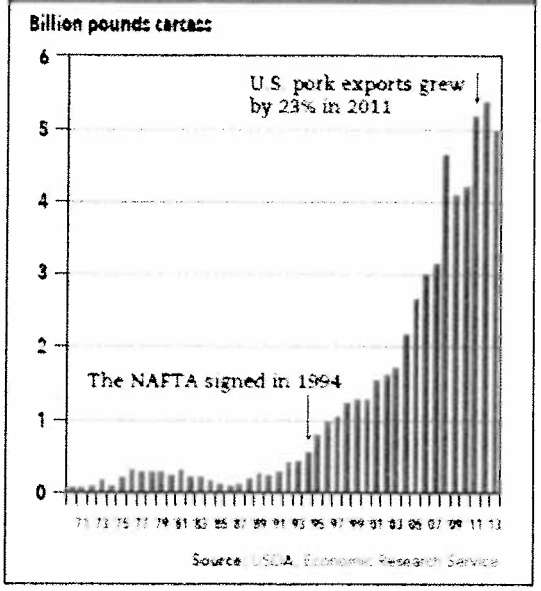
U.S. Pork Exports



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U.S. Pork Exports and Net Exports

	Million Lbs., Carcass Weight[1]			Thousand Metric Tons, Product Weight[2]		
	Imports	Exports	Net Exports	Imports	Exports	Net Exports
1989	895.8	268.3	-627.5	346.0	92.8	-253.1
1990	898.0	243.1	-654.9	348.7	82.2	-266.5
1991	774.9	289.8	-485.1	307.5	94.0	-213.5
1992	646.5	419.9	-225.7	258.2	140.3	-117.9
1993	740.3	446.4	-293.8	295.2	148.3	-146.9
1994	743.8	548.5	-195.3	296.7	177.4	-119.3
1995	664.3	787.5	123.2	268.9	263.8	-5.0
1996	619.7	969.9	350.2	251.8	306.5	54.7
1997	634.1	1,043.6	409.6	261.3	324.1	62.8
1998	705.4	1,230.1	524.7	289.6	399.9	110.3
1999	827.1	1,277.1	450.0	345.9	434.3	88.4
2013	879.4	4,992.3	4,112.9	346.6	1,436.3	1,089.6

Source: [1] USDA Economic Research Service
[2] USDA Foreign Agricultural Service

MICHIGAN PORK PRODUCERS ASSOCIATION

Top 10 Markets for U.S. Pork Exports in 2013

Pork Exports
(product weight)

	Partner	2013 Value $1,000	2013 Quantity Metric Tons
1	Mexico	979,113	461,873
2	Japan	1,842,287	410,578
3	Canada	820,695	210,204
4	China/Hong Kong	460,907	209,757
5	Korea, South	249,113	90,093
6	Australia	160,800	52,054
7	Philippines	91,569	35,364
8	Colombia	82,724	31,943
9	Honduras	51,477	21,531
10	Dominican Republic	41,973	18,124

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Top 10 Markets for U.S. Pork Exports in 2013

Pork Variety Meat Exports
(product weight)

		2013 Value $1,000	2013 Quantity Metric Tons
1	China/Hong Kong	392,131	192,337
2	Mexico	196,768	148,179
3	Canada	17,524	16,256
4	Philippines	18,974	14,327
5	Japan	35,126	14,085
6	Singapore	20,519	9,375
7	Korea, South	16,414	6,603
8	Taiwan	12,663	5,782
9	Chile	11,302	5,692
10	Panama	3,726	2,860

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Questions???

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