



# MIPORK SAMPLER

## Economic impact of Michigan pork industry significantly enhanced by new pork processing facility being built in Coldwater

“The United States pork industry represents a significant value-added activity in the agricultural economy and a major contributor to both the Michigan and United States economies,” says Sam Hines, Executive Vice President of Michigan Pork Producers Association. Nationwide, more than 68,000 pork producers marketed more than 112 million hogs in 2013; the most recent year for which data is available, and those animals provided total gross receipts of \$23.4 billion. Hines says the value of the 2 to 2.5 million pigs produced by Michigan hog farmers annually exceeds \$500 million. Although the hog industry in the United States has undergone rapid structural changes in recent years, total hog numbers have increased from a decade ago. Hines says Michigan hog numbers have remained constant in recent years while some of the states in close proximity to Michigan have seen production numbers drop.

About 547,800 U.S. jobs are involved in various aspects of the pork industry, ranging from input suppliers to producers to processors and handlers as well as Main Street businesses that benefit from purchases by people in those industries. “An economic impact analysis of the Michigan pork industry conducted by Michigan State University

in 2013, showed that 10,800 pig-related jobs are attributable to the pork industry in the state,” Hines says. Overall, an estimated \$22.3 billion of personal income and \$39 billion of gross national product are supported by the U.S. hog industry.

The estimated \$23.4 billion of gross output, or sales, from pork production activity is linked directly to the states’ hog slaughtering and processing sectors. The total sales from the pork production and processing sectors support additional input purchases, spending on transportation and other services, as well as consumer-related purchases worth nearly \$122 billion of direct and indirect sales throughout the U.S. economy. Hines says the 2013 MSU analysis indicated that a major pork processing facility in the state could provide an estimated additional \$894.7 million in direct economic activity and \$1.728 billion in total economic activity. Hines points out that, since the study was done, Clemens Food Group, based in Hatfield, Pennsylvania, has partnered with several producer investors from Michigan, Ohio and Indiana to build a pork processing facility in Coldwater. Hines says the plant will be capable of processing more than 10,000 hogs daily and is expected to be operational in late 2017.

Additionally, exports also contribute significantly to the bottom line of each U.S. pork producer. U.S. exports of pork and pork products totaled 2.2 million metric tons in 2014, representing more than 26 percent of U.S. production, and those exports add more than \$62 to the value of each hog marketed. Exports supported about 110,000 jobs in the U.S. pork and allied industries.

The U.S. pork industry today provides 23 billion pounds of safe, wholesome and nutritious meat protein to consumers worldwide.



MPPA board members Harley Sietsema, Ed Reed, Fred Walcott, Pat Hunter and Joel Phelps break ground at the new location of the pork processing facility.



## Capital Update

### Delay Effective Date of “WOTUS” Rule, Say NPPC, Other Organizations

With the effective date of the “Waters of the United States” (WOTUS) rule set for Aug. 28 – just 60 days after it was finalized – NPPC recently joined the National Cattlemen’s Beef Association, the Public Lands Council, the United Egg Producers and the U.S. Poultry & Egg Association in calling on the U.S. Environmental Protection Agency and the U.S. Army Corps of Engineers to postpone implementation of the regulation.

The WOTUS rule is supposed to clarify the agencies’ authority under the Clean Water Act over various waters. Currently, that jurisdiction – based on several U.S. Supreme Court decisions – includes “navigable” waters and waters with a significant hydrologic connection to navigable waters. The new regulation would broaden that to include, among other water bodies, upstream waters and intermittent and ephemeral streams such as the kind farmers use for drainage and irrigation. It also would encompass lands adjacent to such waters. In a letter to EPA Administrator Gina McCarthy, NPPC and the other groups said complexities and uncertainties associated with the rule and the fact that there was little time for the regulated community to comply with it and for EPA and Corps of Engineers staff to be trained to interpret and implement it should prompt the delay.

“The regulated community needs to know how the Clean Water Act’s jurisdiction will be determined and assurances that such determinations will be made in a timely, predictable, and consistent manner,” said the organizations. They requested that the WOTUS rule’s effective date be delayed “until all relevant staff at the agencies have been adequately trained on implementation of the rule.”

### TPP Negotiations Continue

Trade ministers from United States and the 11 other countries in the Trans-Pacific Partnership negotiations failed to conclude an agreement at the recent meeting in Hawaii, but significant progress was made. The next round of talks has not yet been announced but is rumored to be in September. The TPP includes the United States, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam, which account for nearly 40 percent of global GDP. A final TPP agreement, with a good outcome for U.S. pork, could see exponential growth in U.S. pork exports to the TPP countries and generate 10,000 U.S. jobs tied to pork exports, according to Iowa State University economist Dermot Hayes. NPPC is reserving judgment on the TPP until it can review a final agreement but continues to assert that a good deal is imperative to the United States given that other countries are negotiating trade agreements in the Asia-Pacific region. This week, for example, the European Union struck a deal with Vietnam that will remove nearly all of the tariffs impeding the free flow of goods between the nations.

### Veterinarians named to ag secretary’s animal health advisory committee

Agriculture Secretary Tom Vilsack recently announced the members of the Secretary’s Advisory Committee on Animal Health.

The committee will provide outside perspectives on U.S. Department of Agriculture strategies, policies and programs to prevent, control and/or eradicate animal health diseases. The committee will also lead broader dialogue on public health concerns and stability of the livestock economics.

Among many others, Dr. Mark J. Engle, technical services manager, swine business unit, for Merck Animal Health from Missouri, Dr. Daniel L. Grooms, chairperson and professor of large animal clinical sciences at Michigan State University from Michigan and Dr. Elizabeth K. Wagstrom, chief veterinarian for National Pork Producers Council from Minnesota were named on the list. These individuals will serve on this committee through June 2017.



## Pork Checkoff

### Pork Continues to be the Fastest-Growing Protein in Foodservice

With a growth rate outpacing all other meats, pork continues to be the fastest-growing protein in foodservice since 2011. According to Technomic, Inc.'s 2015 Volumetric Assessment of Pork in Foodservice, pork's popularity in the food industry continues to grow.

The study showed that total pork sold through foodservice outlets reached a record 9.8 billion pounds, reflecting a volume increase of 533 million pounds over 2013 when the survey was last conducted. Gaining momentum, this number is slightly higher than the 462 million-pound growth experienced from 2011 to 2013. The 2.6 percent pork category increase in 2015 outpaced the protein growth average of 0.7 percent and the total foodservice industry growth of 1.2 percent.

"We are pleased to see the continued growth of pork in foodservice," said Derrick Sleezer, president of the National Pork Board and a producer from Cherokee, Iowa. "The volumetric study shows that even during a time period when we saw record-high pork prices and low inventories, pork continued to be the strongest performer in the foodservice industry, underscoring pork's growing popularity."

Since 2013, processed pork has driven growth of the total pork category, increasing by 2.8 percent on an annual basis and making up 78 percent of the total volume. Sales of fresh pork grew 2.0 percent. The four largest categories driving the pork category growth were bacon, processed ham, breakfast sausage and ribs. Sales of these products represented 65 percent of the carcass-weight equivalent. Other study highlights include:

- In categories where both uncooked and pre-cooked pork offerings

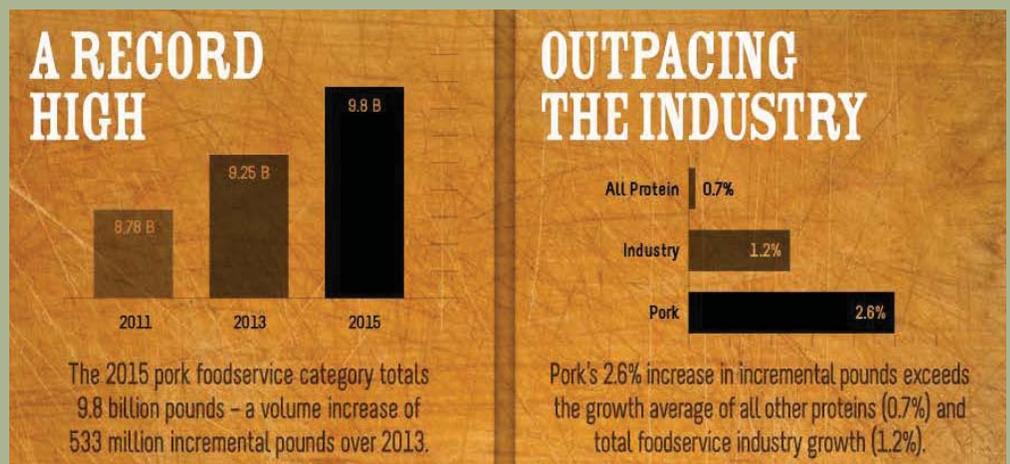
exist, uncooked pork grew at a slightly faster rate than pre-cooked pork over the past two years – 3.4 percent and 3.2 percent, respectively.

- In categories where bone-in and boneless pork were available, sales of both versions increased since 2013, with boneless pork growing at a slightly faster rate.

"Pork is a versatile protein that is being leveraged around the country by foodservice operators who want to deliver flavor, inspiration and innovation across their menus," Sleezer said. "Pork producers are proud to provide safe, wholesome products that can fit into any menu."

The study also showed that of the 28 pork product categories reviewed, 19 demonstrated positive sales growth. Carnita meat and pulled pork were the fastest growing categories, with a compound annual growth rate of 13.2 percent and 13.1 percent, respectively. Both of these categories almost doubled since 2013. Notable growth also was seen in Canadian bacon, bratwurst, shoulder/butt, prosciutto, pork hocks/shanks and chops. Bacon and processed ham use grew from 2013 to 2015 by 195 million pounds and 93 million pounds, respectively, and were the highest volume among all categories.

"When it comes to the three major foodservice day-parts, breakfast leads the way with pork gaining popularity at lunch and dinner," Sleezer said. "It's clear that pork is on the menu across all foodservice segments. Full-service and limited-service restaurants represent about two-thirds of all pork volume sold."



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Pork processing facility  
enhances local pork  
industry

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TPP Negotiations continue

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Pork is fastest growing  
protein source

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on-farm investment

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## Learn about protecting and improving your on-farm investment at Health Champion meetings

### Agenda:

- **Biosecurity:**  
*Keeping disease out of your herd*
- **Artificial insemination:**  
*Appropriate handling of semen and how to properly AI a sow*
- **Fixed-time insemination:**  
*Using Matrix and OvuGel®*
- **Feeding the sow:**  
*Proper Body Condition Score*
- **Saving the struggling piglet:**  
*Splay legs, ensuring colostrum intake, milk let-down, fixing ruptures and more!*
- **Over the counter medication:**  
*Changes are coming!*
- 

**Dinner provided at 6 p.m.**  
**Program to start at 6:30 p.m.**  
**Biosecurity kits for all attendees!**  
**Door prizes!**

**No cost for attending. RSVP to Emily Walker at  
walker@mipork.org or 517-853-3782.**

### Locations:

Lawrence  
Sept. 9, 6-8:30 p.m.  
Van Buren ISD and Tech  
Center  
250 South St.  
Lawrence, MI 49064

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Jackson  
Sept. 10, 6-8:30 p.m.  
Jackson County  
MSU Extension Office  
1715 Lansing Ave. #257  
Jackson, MI 49202

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Mt. Pleasant  
Sept. 15, 6-8:30 p.m.  
Isabella County  
MSU Extension Office  
200 N. Main St.  
Mt. Pleasant, MI 48858