



MI PORK SAMPLER

China Tariff on U.S. Pork Now Tops 60 Percent; American Pork Producers Face Financial Crisis

As of early July, U.S. pork producers are facing punitive tariffs of 62 percent on exports to China, a market that represented 17 percent of total U.S. exports by value in 2017.

China announced a new 25 percent tariff in response to U.S. action under Section 301 of the Trade Act of 1974. That tariff is on top of the 25 percent punitive duty levied by China in early April in response to U.S. action under Section 232 of The Trade Expansion Act of 1962. U.S. pork already had a 12 percent tariff on exports to China. (The country also has a 13 percent value-added tax on most agricultural imports.)

Combined with Mexico, which also placed a punitive tariff on U.S. pork – it was 10 percent from June 5 until it rose to 20 percent – 40 percent of total American pork exports now are under retaliatory tariffs, threatening the livelihoods of thousands of U.S. pig farmers.

Iowa State University economists calculated that from

early March, when rumors of China's initial retaliatory tariff were circulating, through May producers lost \$18 per hog, or more than \$2 billion on an annualized basis.

"We now face large financial losses and contraction because of escalating trade disputes. That means less income for pork producers and, ultimately, some of them going out of business," said Jim Heimerl, president of the National Pork Producers Council and a hog farmer from Johnstown, Ohio.

"America's pig farmers and their families are patriots who are demonstrating enormous commitment to the greater good of our country as they shoulder a disproportionate share of trade retaliation against the United States," added Heimerl. "We need these trade disputes to end."

Tariffs on American products make them less competitive on the international market.



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With questions, contact MPPA at 517-853-3782 or schmitt@mipork.org.





Capital Update

SPRONK FEATURED AT FARM FOUNDATION EVENT ON GENE EDITING

Gene editing holds significant promise for U.S. agriculture and the U.S. pork industry if an effective and risk-based regulatory approach is taken, said NPPC Past President Randy Spronk recently at a Farm Foundation forum on the topic. Spronk joined fellow panelists Mitch Abrahamsen, executive vice president/chief commercial & scientific officer at Recombinetics; Karen Carr, partner at Arent Fox, LLP; and Kevin Diehl, leader of global regulatory seed platform at Corteva, to discuss technology and the opportunities it provides. NPPC is advocating for gene editing regulatory oversight to be moved from the FDA to USDA's Animal and Plant Health Inspection Service (APHIS). APHIS, which already regulates gene editing in plants, can ensure proper and risk-based regulatory review under the Animal Health Protection Act. Regulation of gene editing in animals by the FDA as an "animal drug" is not appropriate or practicable.

EPA SIGNS RULES TO ALIGN EMISSIONS REGULATIONS WITH FARM ACT

Environmental Protection Agency (EPA) Acting Administrator Andrew Wheeler this week signed a farm emissions reporting rule to comply with those outlined in the Fair Agricultural Reporting Method (FARM) Act signed into law in March 2018. The rule changes exempt U.S. pork producers and other livestock farmers from reporting emissions generated from the routine handling of manure. In addition, the EPA removed the outdated definitions of "farm" and "animal waste" from its regulations and added revised versions of these terms to align with the FARM Act. NPPC, as a supporter of the FARM Act, applauds the agency's changes.

HOUSE LAWMAKERS INTRODUCE NEW AG GUEST WORKER BILL

Bipartisan legislation, supported by NPPC, to replace the seasonal H-2A agricultural visa with a year-round agricultural guest worker visa was introduced in the U.S. House. NPPC and more than 200 other agricultural organizations support the "AG and Legal Workforce Act" (H.R. 6417), which is similar to legislation approved by the House Judiciary Committee last fall. The bill would allow 450,000 foreign workers under a new H-2C visa, including 40,000 for packing plants, to remain in United States for up to three years. The number of visas would automatically increase in any year the cap is reached. The bill also would require all U.S. employers to use the federal E-Verify program, a web-based system that allows employers to confirm the eligibility of employees to work in the United States. The new visa would be under the purview of the U.S. Department of Agriculture rather than the Labor Department.

HOUSE PASSES ADUFA AND AGDUFA PROGRAMS

The U.S. House passed by voice vote legislation reauthorizing the Animal Drug User Fee Act (ADUFA) and the Animal Generic Drug User Fee Act (AGDUFA). The legislation authorizes the U.S. Food and Drug Administration to collect from animal health companies fees for reviewing animal drug applications, thereby supplementing the agency's budget for the rigorous appraisal of animal drugs. The measure, passed by the House Energy and Commerce Committee in May, includes a new provision that expands FDA authority for conditional approval of new animal drugs, addressing serious and life-threatening unmet medical needs for major animal species. Conditional approval allows an animal drug to be available for use before all necessary data for approval is collected but after the drug is deemed effective and safe for use.



Pork Checkoff

New Study Finds Lean Red Meat Can Support Heart Health

According to new research published in the American Journal of Clinical Nutrition, and funded by the Pork Checkoff, finds following a Mediterranean-style eating pattern that incorporates lean red meat can reduce cardiovascular disease risk factors.

The study compared Mediterranean-style eating patterns with red meat intake from the typical amount, 3 ounces per day, to a lower intake amount, 3 ounces twice per week. The research showed that consuming up to 18 ounces of lean red meat per week lowered cholesterol and lowered blood pressure while following the Mediterranean-style eating pattern.

“Participants’ LDL cholesterol, which is one of the strongest predictors we have to predict the development of cardiovascular disease, improved with typical but not lower red meat intake,” said Lauren E. O’Connor, lead author and a student at Purdue University. “Overall, heart health indicators improved with both Mediterranean-style eating pattern.”

The 41 study participants, 28 females and 13 males, completed the three-phase study. In the first phase, each participant consumed a Mediterranean-style eating pattern containing three ounces per day of lean red meat for a five-week period. The next phase also lasted five weeks and the participants returned to their regular eating pattern. In the third phase, the participants consumed a Mediterranean-style eating pattern with less red meat- only three ounces twice per week. The order of the typical and lower red meat consumption phases were randomly assigned.

The study concluded that adults who are overweight or moderately obese may improve multiple cardiometabolic disease risk factors by adopting a Mediterranean-style eating pattern with or without reductions in red meat intake when red meats are lean and unprocessed.

Eight cuts of pork meet the USDA’s guidelines for “lean,” and the popular pork tenderloin, also used in the study, has the same amount of fat as a skinless chicken breast.

For recipes incorporating lean pork into Mediterranean-style meals, including Mediterranean Pork Kabobs and Herb-Crusted Mediterranean Pork Tenderloin, visit www.yummly.com/page/pork.

Pork Checkoff Announces #RealPigFarming Student Social Forces

The Pork Checkoff has selected 12 college students to represent the #RealPigFarming Student Social Forces team this year. Candidates were selected based on their involvement in the pork industry and their strong communication skills. The team will be active from July through December.

“Social media is ingrained in young people’s lives,” said Claire Masker, communications director for the Pork Checkoff. “It’s an easy tool for them to use in sharing their insights and inspiration about an industry that they are so proud to be a part of. With so many diverse social media channels available to them, they each have an opportunity to share their passion for pig farming with their followers.”

The 2018 class of Social Forces include:

Abbie Greer, The Ohio State Agricultural Technical Institute; Caitlyn Wileman, Iowa State University; Haley Fischer, Northwest Missouri State University; Jenna Siegel, Lincoln Land Community College; Logan Fullerton, University of Missouri; Mackenzie Wille, Oregon State University; Madeline McGarry, Iowa State University; Mati Abner, Texas A&M University; Meghan Clancy, Texas A&M University; Shelby Veum, Iowa State University; Wade Hutchens, Illinois State University; Whitney Whitaker, Kansas State University

“Consumers continue to have questions about how pigs are raised, and pig farmers know the answers better than anyone else,” said Masker. “The Pork Checkoff’s social media outreach program helps real farmers share their real stories with consumers through #RealPigFarming.”

The hashtag (#) before RealPigFarming helps people search social media posts with the same phrase, making it easier for them to follow conversations.

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Taste of Elegance

NPPC Statement on
Farmer Aid Package

NPPC Statement on Farmer Aid Package

The National Pork Producers Council commends President Trump for taking steps to provide much-needed relief to American farmers in the crosshairs of global trade retaliation. The following statement may be attributed to NPPC President Jim Heimerl, a pork producer from Johnstown, Ohio.

“President Trump has said he has the back of U.S. farmers and today demonstrated this commitment with an aid package to sustain American agriculture cutoff from critical export markets as his administration works to realign U.S. global trade policy.

“U.S. pork, which began the year in expansion mode to capitalize on unprecedented global demand, now faces punitive tariffs on 40 percent of its exports. The restrictions we face in critical markets such as Mexico and China – our top two export markets by volume last year – have placed American pig farmers and their families in dire financial straits. We thank the president for taking immediate action.

“While we recognize the complexities of resetting U.S. trade policy, we hope that U.S. pork will soon regain the chance to compete on a level playing field in markets around the globe. We have established

valuable international trading relationships that have helped offset the U.S. trade deficit and fueled America’s rural economy.”

U.S. Pork Depends on Exports

The following facts and figures reflect U.S. pork’s critical dependence on exports:

- Over the past 10 years, the United States, on average, has been the top exporter of pork in the world; it is the globe’s lowest-cost producer of pork.
- U.S. pork producers last year shipped more than 26 percent of total production, worth almost \$6.5 billion, to foreign destinations.
- Exports added \$53.47 to the average price – \$147 – producers received for each hog marketed last year.
- Pork exports helped support about 550,000 mostly rural jobs, including 110,000 jobs tied directly to exports.
- Based on export success and unprecedented demand for its product, the U.S. pork industry is currently on pace to expand production over the next two years by eight percent.