The National Pork Producers Council in 2013 worked to advance the agenda of the U.S. pork industry, scoring several successes and making progress on other matters of importance to pork producers.

As the year came to a close, NPPC was working to keep provisions important to the pork industry in the Farm Bill. (The bill was signed into law Feb. 7, 2014.) The organization also worked during the year to keep detrimental provisions out of the Farm Bill; weighed in on immigration reform and tax policy; addressed a report critical of modern food-animal production; defended at the state and federal levels producers’ ability to use sow housing that’s best for their animals; and pushed for funding of critical agricultural programs.

NPPC also addressed environment and energy (See Pages 10-11) and animal health issues (See Pages 6-7) and worked on a number of trade matters (See Pages 8-9).

On the Farm Bill, NPPC got included in the House-passed measure language to address the Country-of-Origin Labeling (COOL) law, which threatens to prompt trade retaliation from Canada and Mexico; to prevent the U.S. Department of Agriculture from writing rules related to private contracts between producers and packers; and to prohibit states from imposing their agricultural laws on other states. It got included in the legislation approved by both houses of Congress a measure to bar the U.S. Environmental Protection Agency from releasing to third parties the personal data of farmers. (All of those provisions continued on page 4)
“Declare victory and depart the field.”
~ George Aiken

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leave it to a farmer to be short, to the point and practical. American farmer and former governor and U.S. senator from Vermont George Aiken, suggesting that the United States declare victory in Vietnam and bring home the troops, just as easily could have been offering advice to the National Pork Producers Council after a year like 2013.

Hundreds of hours spent lobbying members of Congress and executive branch officials, dozens of meetings as part of various coalitions and work with other agriculture industry groups to advance proposals beneficial to the U.S. pork industry and to stop ones that would be detrimental to pork producers didn’t exactly translate into a laundry list of successes. But for what we were able to accomplish last year, NPPC claims victory and leaves to fight another day.

Of course, every day of every year NPPC fights on your behalf to get reasonable legislation and regulation, to open new and expand existing export markets and to protect the livelihoods of America’s pork producers. In 2013, we weighed in on a host of issues, from antibiotics and the Farm Bill to environmental regulations and free trade matters.

And we did have our successes, which you can read about in the pages of this Annual Report. (Although given the continuing gridlock in Congress, budget “sequestration,” a government shutdown and the nearly all-consuming Farm Bill, it’s a wonder any legislative business got done last year.)

Our biggest success was keeping out of the Farm Bill the “Egg Products Inspection Act Amendments,” a provision backed by the Humane Society of the United States that would have codified in federal law the size of laying hen cages. That measure would have set a “dangerous precedent” for allowing the federal bureaucrats to regulate on-farm production practices, including animal housing.

One of our biggest – and ongoing – challenges last year was the outbreak

continued on page 3
of Porcine Epidemic Diarrhea Virus (PEDV), which first was identified in May. NPPC worked, and continues to work, closely with the U.S. Department of Agriculture to investigate, monitor and deal with the disease, which remains an issue for hundreds of producers.

We also worked more than ever at the state level, weighing in on the sow housing issue in a number of Northeast states. (We stopped several stall ban proposals.)

In addition to our legislative and regulatory efforts, NPPC in 2013 began reaching out to “non-traditional” groups, talking about pork industry issues with the Congressional Black Caucus and the Congressional Hispanic Caucus, whose members represent constituencies that eat a lot of our product. We’ll continue that dialogue in 2014.

NPPC’s political action committee, PorkPAC, last year raised a record amount of funds, which will be used to help elect for congressional office candidates whose views represent the interests of U.S. pork producers.

Finally, we continued to show our commitment to continuous improvement and to the ethical principles embodied in the We Care program, instituting the See It? Stop It! program that encourages pork producers and their workers to immediately report any animal abuse or neglect.

With your continued support and involvement, next year NPPC once again can depart the field and declare victory.
NPPC Successes Scored On Farm Bill, Ag Funding, State Stall Bans

continued from cover

which includes $20 million for feral swine control – a significant increase over fiscal 2013 – and $404 million for construction of the National Bio- and Agro-Defense Facility in Manhattan, Kan., to replace Plum Island in New York.

The spending bill also continues the prohibition on USDA from implementing regulations related to contracts in the livestock and poultry industries and expresses the sense of Congress that the May 2013 COOL rule USDA issued does not meet U.S. trade obligations under the World Trade Organization.

NPPC also lobbied USDA to ensure that federal meat inspectors were kept on the job during the partial government shutdown last year. (Early indications from the agency were that the inspectors would be deemed “non-essential” and would be furloughed for up to 14 days, action that would have closed packing plants.) NPPC and other livestock groups and poultry organizations asked Agriculture Secretary Tom Vilsack to recognize meat inspectors as “essential” workers.

Pork Reporting Begins

Thanks to NPPC’s efforts, in April, USDA’s Agriculture Marketing Service (AMS) began issuing mandatory and voluntary wholesale pork reports, and its Foreign Agriculture Service began publishing reports on U.S. pork exports. NPPC was instrumental in getting the reports added to the Livestock Mandatory Price Reporting law during that statute’s 2010 reauthorization.

NPPC participated in a negotiated rulemaking committee that created the framework for the wholesale pork reporting system, which requires meat packers to submit the price of each sale, quantity and other characteristics, such as the type of sale, item description and destination of the product.

Immigration Reform Sought

NPPC was part of the Food Manufacturers Immigration Coalition that pushed for legislation that would establish a stable farm workforce. The coalition backed a measure sponsored by
House Judiciary Chairman Bob Goodlatte, R-Va. – the “Agricultural Guestworker Act” – to replace the existing temporary, seasonal worker program. The bill would modernize and streamline the current agricultural guest worker program and would be administered by USDA.

The organization also spearheaded agriculture’s efforts on a change in tax policy that could have had negative consequences for many farmers. NPPC signed onto a letter to Congress, provided written testimony and had farmers weigh in on a proposal that would require operations that have gross receipts of $10 million or more to switch from using cash accounting to accrual accounting; current law requires the accrual method for operations of $25 million or more.

NPPC helped convince a U.S. bankruptcy judge to approve a bankruptcy deal for commodities futures trading firm MF Global that returns all funds to its former clients. MF Global lost $1.6 billion from customer accounts, including 30-40 percent of all pork producers. NPPC urged the trustee overseeing MF Global’s bankruptcy to provide safeguards and protections for customers, and early in 2013 NPPC submitted comments to the Commodity Futures Trading Commission on a proposed rule designed to provide more protection for customer funds in futures accounts.

**Sow Housing Defended**

On another issue involving HSUS, NPPC continued to defend pork producers’ ability to use housing systems that are best for the well-being of their animals. The animal-rights group has coerced a number of food companies and restaurant chains into demanding that their pork suppliers abandon individual sow housing systems.

The organization also fought against legislation at the state level to ban the use of sow stalls, beating back measures in Connecticut, New Hampshire, New Jersey, New York and Vermont.

The New Jersey General Assembly approved a bill to outlaw stalls, but Gov. Chris Christie vetoed it, and the Assembly decided not to attempt to override the veto. NPPC Chief Veterinarian Liz Wagstrom testified before the New Jersey Agriculture and Natural Resources Assembly Committee against the measure, which was strongly supported by HSUS.

NPPC also led the food-animal industry’s response to a 2013 report critical of modern farm animal production from the Center for a Livable Future, a part of the Johns Hopkins University Bloomberg School of Public Health.

**New Report Refuted**

The Center for a Livable Future was part of the PEW Commission on Industrial Farm Animal Production that released a 2008 report that called for phasing out certain production practices, banning certain animal antibiotics and placing new restrictions on the use of manure; it said large animal feeding operations are bad for rural economies. The 2013 report was an update of the earlier report.

In its response – “What the Center for a Livable Future, Pew Commission & Others Aren’t Telling You About Food Production” – the animal agriculture industry detailed the progress the beef, dairy, poultry and swine industries have made over at least the past five years in animal care, continuous improvement, responsible antibiotics usage, food safety and environmental sustainability.

Finally, in 2013 NPPC began to build relationships with “non-traditional” constituencies, reaching out to members of Congress from urban and suburban areas of the country and to lawmakers in the Congressional Black Caucus and the Congressional Hispanic Caucus.
The National Pork Producers Council worked with the National Pork Board and the American Association of Swine Veterinarians to create guidelines for reducing the risk of Porcine Epidemic Diarrhea Virus (PEDV), which wreaked havoc on producers’ animals last year.

First identified in the United States in May, PEDV has caused significant losses to producers in – at press time – 23 states, with mortality rates in young pigs of up to 100 percent. The new guidelines stress a renewed focus on biosecurity at all stages of the production process, including during transportation of hogs.

NPPC also worked closely with the U.S. Department of Agriculture to investigate and monitor the disease, which remains an issue for hundreds of producers.

Drug-Review Law Approved
In September, the Animal Drug User Fee Act (ADUFA), which helps get needed animal health products to market quicker, was expeditiously passed through both the House and Senate thanks in large part to the efforts of NPPC.

First enacted in 2003, ADUFA allows the U.S. Food and Drug Administration to collect fees from animal health companies for the review and approval of animal health products, including ones for farm animals and pets. The fees supplement the agency’s annual congressionally-approved appropriations and have enabled FDA to dramatically reduce its review time for new animal drugs, bringing medications to market more quickly while maintaining high standards for safety and effectiveness.

NPPC worked to get ADUFA legislation approved without detrimental amendments. Opponents of modern livestock production had threatened to offer provisions to restrict from use in food-animal production certain antibiotics and to require reporting of on-farm uses of animal health products.

Guidance 213 Finalized
With final guidance set to take effect in late 2013, NPPC last year weighed in on the FDA proposal to phase out the use by the animal agriculture industry of certain antibiotics and to require more veterinary oversight of on-farm antibiotics use.

FDA’s Guidance 213 asks animal health companies to voluntarily remove growth promotion labels on antibiotics important to human healthcare and requires producers to obtain Veterinary Feed Directives (VFDs) for antibiotics added to animal feed.

Although it questioned the need for the guidance, NPPC worked with FDA to ensure the new regulations were workable for producers.

Hours-Of-Service Waiver Secured
NPPC, along with 13 other livestock, poultry and food organizations, in June petitioned the U.S. Department of Transportation’s Federal Motor Carrier Safety Administration (FMCSA) to give livestock haulers a 90-day waiver – it was granted – from complying with a rule that requires drivers to take a 30-minute break for every eight hours of service. NPPC subsequently requested a permanent exemption from the rule. (That request is still pending before the FMCSA.)

Last year, NPPC continued to add to its grassroots ranks, graduating another class from its Swine Veterinarian Public Policy Advocacy Program, which educates swine veterinarians about the public-policy and rega-
Reaffirming their strong commitment to animal care and well-being, the National Pork Producers Council, the National Pork Board, the U.S. dairy industry and the Center for Food Integrity – a not-for-profit corporation that builds consumer trust and confidence in today’s food system – last year launched an initiative to encourage the immediate reporting of animal abuse, neglect, mishandling or harm.

The See It? Stop It! initiative provides tools for farms to affirm that proper animal care is the responsibility of all employees and that animal abuse is not acceptable or tolerated; farm workers are encouraged to report abuse.

As a condition of employment, many pork operations require workers to sign policy documents that confirm their roles and responsibilities for animal care, including the reporting of any animal abuse they witness. Such policies usually include disciplinary action, including termination, for failure to report abuse.

The initiative is an adjunct to the pork industry’s “We Care” program, which promotes pork producers’ long-standing commitment to responsible pork production and to continuous improvement in animal care, handling and transportation. It also bolsters the Pork Quality Assurance (PQA) Plus® program, which outlines best practices for proper animal care, and the Transport Quality Assurance program, which certifies people who transport hogs in proper care and handling methods.

Related, in cooperation with Elanco Animal Health, the organization in 2013 held the first Swine Veterinarian Public Policy Advocacy Program Advanced Session, which covered traditional and social media training as well as an introduction to state issues and activities. NPPC will host two more sessions in 2014.

For more information about the See It? Stop It! initiative, including an employer checklist, guidance for integrating it into existing animal well-being programs, posters for use in barns and guidance on employee training, visit www.SeeItStopIt.org.
**U.S. Pork Trade Expanded Through NPPC Efforts**

The National Pork Producers Council had a successful year on the international trade front, with much progress made in eliminating non-science-based import barriers to U.S. pork.

For 2013, the U.S. pork industry sent more than $6 billion of product to foreign destinations. While that amount was down slightly from 2012, the industry saw increases in exports going to several important – and relatively new – markets, with sales to China and to countries in Central and South America rising. Japan remained the No. 1 market for U.S. pork exports, taking nearly $1.9 billion of product. Last year's pork exports, which accounted for 25.7 percent of total U.S. production, added almost $54 to the price producers received for each hog marketed.

Here are several important 2013 trade victories for U.S. pork producers.

**COLOMBIA**

In an effort to boost U.S. pork exports, NPPC worked closely with U.S. and Colombian officials to remove unscientific and burdensome trichinae mitigation requirements in the South American country. Colombia decided to remove all trichinae risk-mitigation requirements on U.S. pork, which included testing and freezing of pork and pork products. Colombia now will recognize the United States as having “negligible risk” for trichinae and will require that all pigs whose meat is intended for export to Colombia be part of the Pork Quality Assurance Plus (PQA Plus) program.

NPPC will continue its efforts to remove trichinae mitigation requirements in Chile, Peru and Singapore as part of negotiations on the Trans-Pacific Partnership, as well as in other markets that maintain the barrier. The elimination of trichinae mitigation requirements will generate more U.S. pork exports. Iowa State University economist Dermot Hayes estimates that the removal of the trichinae testing requirement in conjunction with the full implementation of the U.S.-Colombia Free Trade Agreement will cause U.S. pork exports to Colombia to reach $160 million annually within 10 years. The removal of the trichinae mitigation requirement alone accounts for a sales increase of $50 million annually.

**CHILE**

In a big victory for America’s pork producers, Chile decided no action should be taken to limit pork imports, including those from the United States, after concluding an investigation on whether imports were harming domestic pork producers. Chile initiated a “safeguard” investigation in May 2013 on all imported frozen pork. The Chilean Pork Producers Association alleged that pork imports caused losses to its producers and called for a 14.3 percent additional duty on imported pork.

NPPC claimed the charges of harm were unfounded and pleaded the U.S. pork industry’s case. After an investigation, a Chilean commission decided that “safeguard” measures, such as additional duties, weren’t warranted. In 2012, Chile was the 12th most valuable export destination for U.S. pork products, totaling almost 17,000 metric tons valued at more than $42 million.

**NEW ZEALAND**

With the help of NPPC-nominated experts, New Zealand’s Supreme Court in December 2013 dismissed an appeal from the New Zealand Pork Industry Board (NZPork), allowing the importation from the United States of consumer-ready cuts of uncooked pork less than 3 kilograms.

NZPork had sought to restrict pork imports from countries with
porcine reproductive and respiratory syndrome (PRRS), including the United States. It appealed to the Supreme Court after the Court of Appeal and High Court decided in favor of a government risk assessment that would further liberalize market access for U.S. pork. The High Court found in favor of the New Zealand Ministry for Primary Industries and its Import Health Standard for pork products from countries with PRRS. There is a negligible risk of PRRS transmission from the legal importation of pork from countries with the disease, which does not pose a food-safety risk.

Thanks to the work of experts nominated by NPPC to the New Zealand Independent Working Group and the New Zealand PRRS Expert Working Group, scientific evidence was used to illustrate the minimal risk of spreading the virus from imported pork to New Zealand pigs. NPPC is also working to remove PRRS-related restrictions in Australia and South Africa.

VIETNAM

NPPC played a significant role in convincing Vietnam in September to lift its ban on “white offal.” Vietnam offers great potential for expanding U.S. pork exports, and although Vietnam currently has several non-tariff barriers that restrict U.S. pork imports, progress on eliminating them is being made.

NPPC will continue to work closely with U.S. and Vietnamese government officials to promote the adoption of science-based standards through the Trans-Pacific Partnership (TPP) negotiations. Iowa State University economist Dermot Hayes estimates that if Vietnamese import duties and its sanitary-phytosanitary restrictions are removed through a TPP agreement, U.S. pork exports would increase by hundreds of millions of dollars annually.

CODEX TRICHINAE STANDARD

With significant input from NPPC, the Codex Committee on Food Hygiene in November agreed to advance the “Proposed Draft Guidelines for Control of Specific Zoonotic Parasites in Meat for Trichinella spp.” to the Codex Commission for final adoption, which should happen in July 2014.

The draft includes a provision to accept a negligible-risk standard for trichinae based on establishing a compartment-based surveillance at the packing plant. The guidelines would allow the United States to demonstrate its negligible risk status. NPPC worked with experts to provide input into the draft trichinae guidelines.

TRANS-PACIFIC PARTNERSHIP

NPPC has been heavily involved in talks on the Trans-Pacific Partnership (TPP), a regional trade negotiation that includes the United States, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam, which account for a combined 40 percent of global GDP.

Japan is the top value export market for U.S. pork, accounting for almost $2 billion in 2012 sales. However, Japan is demanding in the TPP talks special treatment for its agricultural sector, including exclusions from the agreement or special protection of certain “sensitive” products. If the United States can’t reach an agreement with Japan that includes comprehensive liberalization in the agricultural sector, NPPC believes a TPP deal should be concluded without Japan.

According to Iowa State University economist Dermot Hayes, increased pork exports resulting from a TPP agreement that eliminates all tariffs and non-tariffs barriers and includes Japan would create more than 15,500 direct and indirect U.S. pork-related jobs.
In the environment and energy areas, the National Pork Producers Council spent most of 2013 grappling with the U.S. Environmental Protection Agency.

After EPA released early in the year the personal data of livestock producers to environmental groups, NPPC organized a response, voicing to the agency objections to the release and filing a lawsuit to prevent future releases.

EPA turned over raw data on farms in 30 states, including, in some instances, farmers’ home addresses, phone numbers and e-mail addresses as well as information on employees of the operations, to the Natural Resources Defense Council (NRDC), Earth Justice and the Pew Charitable Trusts under Freedom of Information Act requests the groups filed.

EPA gathered the information despite being forced in 2012 to drop a proposed Clean Water Act (CWA) data reporting rule for Concentrated Animal Feeding Operations (CAFOs) because of concerns about the privacy and biosecurity of family farms. The regulation was the result of a 2010 “sweetheart” deal the agency entered with environmental groups, including NRDC.

NPPC Objected To Data Releases
After objections from NPPC and other farm organizations, EPA requested that the environmental groups return the data but reissued it after redacting some of the information. The reissued data still contained some personal information on farmers. EPA then informed NPPC in late June of its intent to again release the information, which includes names, addresses and GPS coordinates of farms and personal contact information.

NPPC and the American Farm Bureau Federation in July filed a lawsuit in the U.S. District Court for the District of Minnesota against EPA over the data release. In response to the lawsuit, EPA suspended further data releases. (The case is still pending in the district court.)

E-Reporting Rule Withdrawn
In a related issue, NPPC developed comments and organized a coalition of other livestock groups in response to EPA’s proposed electronic reporting rule for livestock operations. The agency withdrew the proposal after objections from NPPC and the other groups.

The proposal would have required farmers with CWA permits, as well as the state agencies that manage the permits, to electronically submit the permit information and any associated reports to EPA for inclusion in a searchable web-based database. For farmers who do not discharge and do not need to obtain a federal permit, the proposed rule, nevertheless, would have required states to submit information associated with state permits or records of state inspections of the farms.

In its comments to EPA, NPPC objected to the so-called E-Reporting Rule because it could lead to unlawful dissemination of personal information about the country’s farmers. Agricultural and food organizations also raised concerns with the proposal’s provision to organize farmers’ personal information into a publicly available, searchable database. That would create a “system of records,” which must be protected from general disclosure under the Privacy Act, the organizations pointed out.

Suit Filed Over Water Standards
NPPC also managed agriculture’s opposition to EPA imposing restrictive water-quality standards on the Mississippi River watershed. It joined a lawsuit against EPA over the agency’s proposed Total Maximum Daily Loads (TMDLs) – amounts of various nutrients – for the seven-state Chesapeake Bay watershed, which NPPC feared would serve as a model for the Mississippi watershed and could be used to limit the size of farms and restrict the application of manure to cropland.
The political action committee of the National Pork Producers Council – PorkPAC – had a successful 2013, raising a record amount thanks to U.S. pork producers.

The PAC raised nearly $223,500 in 2013, an “off” election year. The amount was more than an 8 percent increase over 2012. PorkPAC disbursed during the year contributions to the campaigns of 82 candidates in 33 states, running for federal office in 2014.

PorkPAC was created in 1986 to educate and support candidates at the federal level whose views represent the interests of pork producers, processors and the U.S. pork industry. It allows NPPC members concerned with the future of the pork industry to contribute to worthy candidates for federal office.

For more information about NPPC’s PorkPAC, contact Bill Davis at 202-347-3600 or at davisw@nppc.org.
The National Pork Producers Council would like to thank the individuals and organizations who support our mission to be the global voice for the U.S. pork industry.

Because these groups invest their time and resources, NPPC can focus on identifying and addressing critical issues.

- Develop and defend export markets
- Fight for reasonable legislation and regulation
- Inform and educate legislators

NPPC encourages all of you to get involved TODAY to continue to strengthen our industry.