



STRATEGIC INVESTMENT PROGRAM

Q&A

What is the Strategic Investment Program?

It is the primary source of funds for the National Pork Producers Council (NPPC). These funds are used to strengthen NPPC's mission to enhance and defend opportunities for U.S. pork producers at home and abroad. Pork producers participate by voluntarily investing a percentage of the sales of each market hog sold. A portion of this investment is distributed as unrestricted funds to the state organizations, allowing them to respond to threats on a local basis.

Investors benefit from NPPC's actions in the following areas:

Fighting for reasonable legislation and regulation — NPPC keeps costly regulation in check by connecting lawmakers and regulators with the reality of the U.S. pork industry.

Developing revenue and market opportunities — NPPC develops revenue opportunities for investors and aggressively defends investor interests in trade negotiations, increasing export market access for U.S. pork.

Protecting your livelihood — NPPC proactively addresses issues of industry and consumer concern, such as food safety, environmental protection and animal health and welfare.

Why was the Strategic Investment Program started?

Voted into action in 2002 by producer delegates, the program was originally called the Producer Consent program. The program was started to ensure that adequate funding is available for critical programs focused on public policy, including legislative and regulatory issues management, as well as trade issues. Now called the Strategic Investment Program (SIP), the program also ensures that adequate funding is available for state organizations to support their members on local legislative and regulatory issues.

What unique benefits do investors receive?

As an investor, you will have a voice in NPPC policy development. As the pork industry becomes more complex, producers and allied industry are faced with more critical issues than ever before. Investors in the Strategic Investment Program are provided resources to help them take action on issues that threaten their freedom to operate responsibly.

Who are investors?

Investors are producers of all types and sizes, representing 43 states. This unified investment allows NPPC and its state affiliates to act with one voice and effectively utilize these resources.

What is the standard investment?

Investors voluntarily invest 10 cents per \$100 of market value.





How do I begin investing?

Pig owners

Sign up by completing the Strategic Investment Program (SIP) Market Sales enrollment form provided by your SIP sales representative (call 515-278-8012) or printing the form from our website, www.nppc.org, under the JOIN NPPC tab. Return the form to NPPC or your state pork organization. After you complete and submit the form, there are three methods for investing:

Point-of-sale: When you complete your enrollment form, please indicate where you are currently marketing your pigs. Your enrollment is confidentially communicated with the appropriate packer/market. All major packers of market animals, sows, etc. are set up to deduct this investment at the point of sale and send the funds to NPPC.

Direct remit to NPPC: Send a Strategic Investment Program check for all the hogs marketed (market hogs, sows, feeder pigs, or seedstock) for a specified period of time directly to NPPC.

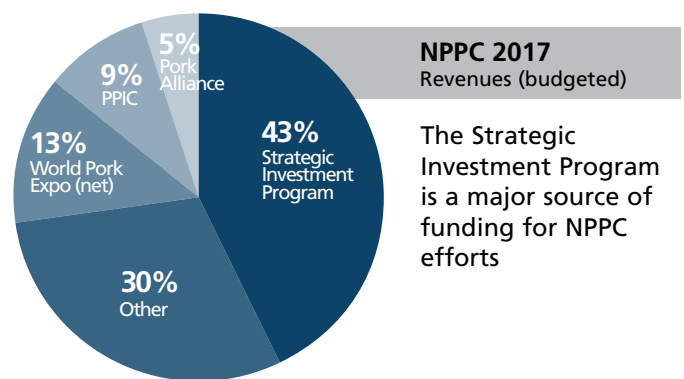
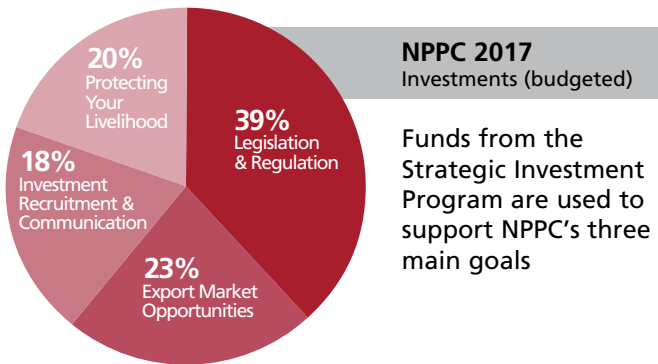
Direct remit to your state organization: Send a Strategic Investment Program check for all the hogs marketed (market hogs, sows, feeder pigs, or seedstock) for a specified period of time directly to your state organization.

Growers/Employees

Direct remit to NPPC: Please fill out the grower/employee form found at www.nppc.org under the JOIN NPPC tab, and directly submit your investment to NPPC.

All funds that are collected either from the point-of-sale or direct remitted to NPPC or the state organization are split — 60% to NPPC, 40% to the state organization.

How are program funds used?



How does the program help on a local and state level?

When you enroll in the Strategic Investment Program, your investment is split: 40% with your state organization, 60% with NPPC. State affiliates spend these unrestricted funds as directed by the members and leadership of their organization.

Do Strategic Investment Program funds duplicate mandatory checkoff funding?

No. By law, checkoff dollars cannot be used for public policy or lobbying.

Strategic Investment Program funds, managed by the National Pork Producers Council, are unrestricted and can be utilized to address legislation, regulatory policy and trade policy as directed by your state and national leadership.

Mandatory checkoff funds, managed by the National Pork Board, are used for demand enhancement, educational and research activities.

