

# CAPITAL PORK REPORT

February-March | 2016 Annual Report

“The National Pork Producers Council won a number of important victories for pork producers in 2016.”

## NPPC's significant successes last year:

- Fought GIPSA Rule.
- Developed Farm Fire Code.
- Laid Groundwork For FMD Vaccine Bank.
- Opposed Organic Livestock Production Rule.
- Defended Pork. The Other White Meat.
- Passed Uniform Food Labeling Bill.
- Backed Antibiotic Resistance Recommendations.
- Convinced Dock Workers, Port Owners To Begin Early Contract Talks.
- Gained Market Access To South Africa.
- Helped Develop International Guidance On Preventing Salmonella In Pork.
- Argued Against Waters of the United States Rule.

## U.S. Pork Industry's 2016 Successes



Working with members of Congress, executive branch officials, representatives of foreign nations and other agriculture industry groups, NPPC advanced proposals beneficial to the U.S. pork industry and helped stop ones that would have been detrimental to pork producers.

The organization – and dozens of its producer members – made hundreds of visits to congressional offices to educate lawmakers and their staff on important pork industry issues. NPPC also attended dozens of political fundraisers and coalition meetings; held briefings for lawmakers on critical matters, including the antibiotics issue; and generally made producers' voices heard on important issues affecting the pork industry through testimony, comments and letters.

While the U.S. pork industry will face many legislative and regulatory challenges in the coming year, NPPC again will work to protect the livelihoods of America's pork producers.

#### National Office

10676 Justin Drive  
Urbandale, IA 50322  
p: (515) 278-8012  
f: (515) 278-8014  
www.nppc.org

#### Washington Public Policy Center

122 C Street, N.W., Suite 875  
Washington, D.C. 20001  
p: (202) 347-3600  
f: (202) 347-5265

#### Board of Directors Officers

##### President

John Weber - Dysart, IA

##### President-Elect

Ken Maschhoff - Carlyle, IL

##### Vice President

Jim Heimerl, Johnstown, OH

#### Board Members

Kent Bang - Omaha, NE  
Cory Bollum - Austin, MN  
Phil Borgic - Nokomis, IL  
Jim Compart - Nicollet, MN  
David Herring - Lillington, NC  
Bill Kessler - Mexico, MO  
Dale Reicks - Lawler, IA  
Howard (AV) Roth - Wauzeka, WI  
Jen Sorenson, Ankeny, IA  
Kraig Westerbeek - Warsaw, NC  
Terry Wolters - Pipestone, MN

#### Chief Executive Officer

Neil Dierks - Urbandale, IA

#### Past Presidents

Dr. Ron Prestage - Camden, SC  
Dr. Howard Hill - Cambridge, IA  
Randy Spronk - Edgerton, MN  
RC Hunt - Wilson, NC  
Doug Wolf - Lancaster, WI  
Sam Carney - Adair, IA  
Don Butler - Clinton, NC  
Bryan Black - Canal Winchester, OH  
Jill Appell - Altona, IL  
Joy Philippi - Bruning, NE  
Don Buhl - Tyler, MN  
Keith Berry - Green Castle, IN

**Neil Dierks**  
NPPC CEO



**John Weber**  
NPPC President



“Success is no accident. It is hard work, perseverance, learning, studying, sacrifice and most of all, love of what you are doing or learning to do.”

— *Legendary soccer player Pele*

## A Successful Year For Producers

Last year was a challenging one for the U.S. pork industry, both in terms of making money – as is typical – and advancing its public-policy priorities. Getting things done in Washington was a little difficult in 2016 given it was a presidential election year.

As happens every year, the NPPC staff in Des Moines and Washington, D.C., along with state association and producer leaders, spent thousands of hours working on your behalf, working to protect your livelihood. That work included traveling thousands of miles to visit farms throughout the country and talking with producers, attending meetings to develop industry positions, meeting with retailer and food service executives to discuss issues, lobbying members of Congress and executive branch officials, participating in dozens of policy meetings as part of various coalitions and working with representatives of foreign nations and other agricultural industry groups. NPPC testified before congressional committees four times during the year.

All of those efforts helped advance proposals beneficial to the U.S. pork industry, stop ones that would have been detrimental to pork producers and communicate to the public, policymakers and the press U.S. pork producers' priorities.

Through those efforts and your support,



we were able to secure several victories for producers, including on stopping the imposition of stringent water-quality standards in the Mississippi River Basin, on setting up a Foot-and-Mouth Disease vaccine bank, on fighting the controversial Waters of the United States Rule and on opening South Africa's market to U.S. pork exports.

Also in 2016, we continued to communicate with and to educate companies throughout the pork chain about the pork industry's commitment to continuous improvement and to the ethical principles embodied in the industry's We Care program, which affirm that producers do the right things on their farms every day.

Additionally, NPPC reached out to lawmakers whose views represent the interests of U.S. pork producers, supporting them in their re-election bids. Our political action committee, PorkPAC, was very successful in the 2016 elections. (See the story on Page 3.)

Much of what we accomplished in 2016 laid the groundwork for what we hope will be many successes in 2017. And with hard work, perseverance, sacrifice and a love for what you are doing – working with your animals, giving back to your communities and producing the safest, most wholesome food in the world – we will have many successes in the coming year.





## PORKPAC HAS SUCCESSFUL 2016

The political action committee of the National Pork Producers Council, PorkPAC, had a tremendous success rate in 2016, with 98 percent of the candidates to whom it contributed winning their November election.

PorkPAC disbursed nearly \$427,000 over the two-year election cycle, supporting 26 Democrat and 68 Republican candidates in 29 states; 91 of those 94 candidates won their races.

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 congressional office.

### For more information

call NPPC's PorkPAC,  
(202) 347-3600.

# Social Media Continues To Play Important Role For NPPC

**N**PPC continued to utilize social media as an effective tool to quickly communicate information, with 2016 being a very successful social media year for the organization.

## NPPC'S FOLLOWERS

A major accomplishment for the year was the dramatic increase in NPPC's follower networks. NPPC's audience grew significantly on Facebook, from 17,000 to more than 55,000, through low-cost strategic advertising campaigns.



**"Like" NPPC on Facebook -**

[www.facebook.com/nationalporkproducerscouncil](http://www.facebook.com/nationalporkproducerscouncil)



**Follow on Twitter at -**

<https://twitter.com/NPPC>

The organization also saw an increase in followers on Twitter, from 6,500 to nearly 9,000.

The new followers helped increase NPPC's engagement rates and spread its message across new territory.

NPPC used its social media network, for example, to generate opposition to the U.S. Department of Agriculture's new animal welfare standards for the National Organic Program. Using compelling and informative graphics and messaging, popular Facebook and Twitter posts reached more than 40,000 social media users. The campaign helped generate 2,565 comments to USDA.

## ONLINE ADVERTISING

In addition to social media, NPPC utilized online advertising as a way to advocate on behalf of the U.S. pork industry. It sponsored the popular "Morning Trade" newsletter from Politico, for example, to push out its message on trade, gaining 33,250 impressions and almost 800 link clicks.

## PASS THE PORK

Another highlight of the year was a September "Pass the Pork" tour for 10 prominent food and lifestyle bloggers. NPPC teamed with the National Pork Board and the Minnesota Pork Producers Association to give the bloggers a closer look at the pork industry from farm to plate. The influential bloggers, with a combined reach of more than 882,000 followers, earned a total number of almost 2 million impressions from a combination of Facebook, Twitter, Instagram and blogs.



### Felfies

Farmer selfies, dubbed "felfies," are quick internet favorites. It's no wonder: Who can resist industrious farmers sharing their stories and posing with cute animals?



# 2016 U.S. Pork Industry Victories

“In 2016, the National Pork Producers Council was able to secure a number of victories for pork producers. Here are some of the wins in the Agriculture & Industry area: ”

## GIPSA RULE

NPPC raised in congressional testimony and in lobbying visits with lawmakers concerns



about the USDA Grain Inspection, Packers and Stockyards Administration reproposing parts of a regulation related to the buying and selling of livestock, known as the GIPSA Rule, which first was proposed in 2010 to implement provisions included in the 2008 Farm Bill.

While USDA in late December

issued an interim final rule to broaden the scope of the Packers and Stockyards Act (PSA) of 1921 – one of three regulations in the Farmer Fair Practices Rules – NPPC’s opposition helped prompt the new Trump administration to place a hold on the regulation and others still in the rulemaking process.

The interim final GIPSA rule deems “unfair, unjustly discriminatory or deceptive practices” and “undue or unreasonable preferences or advantages” per se violations (meaning inherently illegal) of the PSA even if such actions didn’t harm competition or cause competitive injury, prerequisites for winning PSA cases.

An update of a study commissioned by NPPC and conducted by Informa Economics of the

### proposed 2010 GIPSA Rule

found it would cost today’s pork industry more than

**\$420 million**  
annually

with the majority of the costs related to PSA lawsuits brought under the interim final rule’s elimination of the harm to competition requirement.

Last year, NPPC urged lawmakers through the fiscal 2017 spending measure to prohibit USDA from finalizing the Farmer Fair Practices Rules and to approve stand-alone legislation or add language to the next Farm Bill that would stop the agency from issuing similar regulations in the future.



## MANDATORY PRICE REPORTING RULE

NPPC also made sure that the USDA rule implementing new provisions of the Livestock Mandatory Price Reporting law works for pork producers.

The organization submitted comments on the regulation on a new negotiated formula purchase category, which provides market participants with more specific information about buyer and seller interactions and better represents the market in which producers function. The rule also requires inclusion of late-day hog purchases in the following day’s reports, which better represents the subsequent day’s market conditions and increases the volume of barrows and gilts shown in daily morning and afternoon purchase reports.

## ONLINE, ELECTRONIC BUYING, SELLING OF LIVESTOCK



Treatment of Electronic Sales of Livestock Act of 2016, which Congress approved in late September.

The measure clarifies that the Packers and

NPPC also weighed in on legislation related to the online and electronic buying and selling of livestock, supporting the Clarification of

Stockyards Act requirements apply to any person engaged in buying and selling livestock in commerce through online, video or other electronic methods.

Additionally, the law specifies that funds for purchasing livestock may be transferred to the account of a seller by electronic funds transfer such as ACH – an electronic network for financial transactions – to meet prompt payment requirements.







## FARM FIRE CODE

Stopping efforts by the Humane Society of the United States (HSUS) to impose animal welfare language to them, NPPC in 2016 developed a comprehensive model building fire code for livestock farms, which it submitted to the National Fire Protection Association.

The NFPA is a standard-setting organization, and its uniform codes and standards are widely utilized by state and local governments to set building and fire codes, by insurance companies as minimum standards to maintain coverage and by international organizations.

HSUS in 2012 convinced the NFPA to amend its standards for animal housing facilities to require fire sprinkler systems in newly constructed and some existing facilities. The revised fire code also included animal welfare standards such as sizes for animal pens.

NPPC filed a successful appeal to the revisions, which would have covered all barns and any other facilities where animals are kept or confined. The organization in 2013 secured a seat on the NFPA's Animal Housing Technical Committee, working to develop a practical fire code for livestock operations.

## SHIPPING CONTAINER WEIGHT REPORTING

As part of the Agriculture Transportation Coalition, NPPC offered a common sense way for shippers to meet new international container weight requirements, an approach largely adopted by the U.S. Federal Maritime Commission (FMC) in late June.

The FMC approved the Port Operations and Safety Discussion Agreement, which allows six operating port authorities located on the U.S. Atlantic and Gulf coasts to take the weight of a container determined at a terminal gate and report it to an ocean carrier.

The agreement gives shippers a flexible approach to meeting U.N. International Maritime

Organization (IMO) requirements for determining container weights that took effect July 1. The IMO amended the Safety of Life at Sea protocols to require that the weight of a loaded container – the Verified Gross Mass (VGM) – be submitted to shippers.

The World Shipping Council and the Ocean Carrier Equipment Management Association issued a method of complying with the protocols in which an employee of a U.S. exporting company, including a farmer or food processor, would be liable for certifying the weight of an ocean carrier's container, calculating the VGM and sending that certifi-

cation to the ocean carrier.

The Agriculture Transportation Coalition proposed a "Rational Method" to meet the requirements in which exporters would provide cargo weights to carriers, which, in turn, would add the weight of their containers to determine the VGM and submit that weight to the marine terminal prior to containers being loaded on ships.



## PORK. THE OTHER WHITE MEAT

NPPC last year kept pressure on the U.S. Department of Agriculture to defend the purchase by the National Pork Board from NPPC of the Pork. The Other White Meat® trademarked assets.

NPPC sold to the  
Pork Board in 2006

**The Other White  
Meat® slogan and  
pork chop logo**

for approximately  
**\$35 million**

NPPC financed the purchase over 20 years, making the Pork Board's annual payment \$3 million. The purchase was approved by USDA, which oversees the federal Pork Checkoff program administered by the Pork Board.

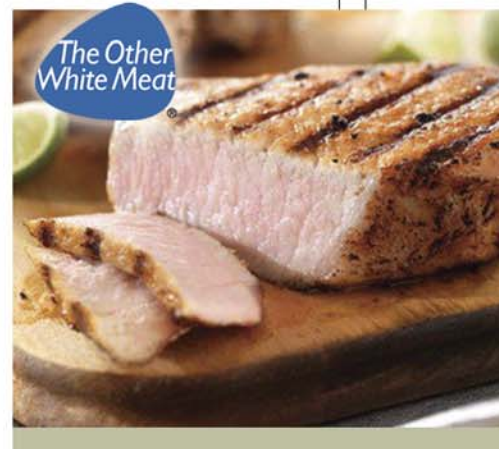
The Humane Society of the United States, a lone Iowa farmer and the Iowa Citizens for Community Improvement in 2012 filed a lawsuit against

USDA, seeking to have the sale rescinded.

Initially, USDA defended the purchase, and the U.S. District Court for the District of Columbia Circuit dismissed the HSUS lawsuit for lack of standing. A federal appeals court in August 2015 reinstated the suit, sending it back to the district court. But before any court proceedings on the merits of the suit, USDA entered into settlement talks with HSUS.

Last year, NPPC stepped in, demanding that the agriculture department fight the lawsuit. In March, at the National Pork Industry Forum (NPPC's annual meeting), producer delegates unanimous approved a resolution calling on USDA to defend the Pork Board's purchase of the trademarks.

NPPC then petitioned the district court to join the case,



a motion that was granted in May. After determining through a valuation study that the trademarks today are worth between \$113 million and \$132 million, USDA in April again agreed to defend the sale. (It recently filed a motion, asking the district court to dismiss the HSUS lawsuit.)

The case could be decided in 2017.

# NPPC Backed FMD Vaccine Bank, GMO Labeling, Swine Fever Vaccine; Fought Organic Animal Welfare Rule

“In the science and technology area, the National Pork Producers Council in 2016 was involved in a number of issues affecting pork producers, including ones dealing with protecting pigs from diseases and rules on organic production, food labeling and trichinae control.”

## FOOT-AND-MOUTH DISEASE

Citing the seriousness of the disease and the devastation it could cause the U.S. livestock industry, NPPC last year urged congressional lawmakers to make dealing with an outbreak of Foot-and-Mouth Disease (FMD) a priority. The organization testified on the topic before a subcommittee of the House Committee on Agriculture.

While FMD rarely infects humans and isn't a food safety issue, an outbreak in North America, which currently is free of it, could negatively affect meat exports and domestic meat sales.

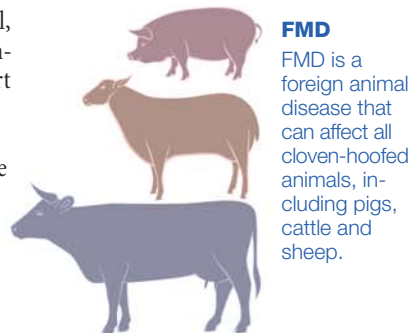


To deal with any foreign animal disease outbreak, the U.S. pork industry has been working with the U.S. Department of Agriculture on a “Secure Pork Supply” plan, which would enhance coordination and communication among

producers and federal, state and local government officials, support continuity of operations for producers and accelerate disease response. Part of that response would be vaccinating susceptible animals.

But, NPPC pointed out in its testimony, USDA's Animal and Plant Health Inspection Service (APHIS) doesn't have enough vaccine or the ability to obtain it to adequately deal with an FMD outbreak. It asked lawmakers to include in the next Farm Bill – hearings on which begin in 2017 – language requesting that APHIS contract for an offshore FMD vaccine bank that would provide vaccine antigen concentrate for all FMD strains currently circulating in the world and for production capacity that would produce in the shortest amount of time the millions of vaccine doses needed to respond to a medium- or largescale outbreak.

U.S. law prohibits live FMD virus from being on the U.S.



### FMD

FMD is a foreign animal disease that can affect all cloven-hoofed animals, including pigs, cattle and sheep.

mainland, so APHIS contracts with foreign vaccine production companies to produce finished vaccine from the antigen stored at Plum Island Animal Disease Center, off the coast of Long Island, N.Y. But only a limited number of FMD strains are covered by the antigen stored at Plum Island, and under current production contracts,

## 2.5 million

**doses of vaccine**  
produced within three weeks of an outbreak would fall short.

NPPC also asked Congress to provide the authority and mandatory funding to address the critical vulnerability in USDA's ability to protect the U.S. livestock industry.

## GMO LABELING BILL

NPPC helped secure congressional approval of legislation requiring food companies to label products containing genetically modified organisms (GMO) and worked to exempt pork products from it. The measure pre-empts a patchwork of state labeling laws.

Food companies must identify products that contain GMO ingredients, using one of three options:

- 1 On-package labels
- 2 USDA-developed symbol
- 3 QR (Quick Response) code consumers can scan with smart phones, providing a phone number or website with more information.



Meat and dairy products, as well as foods that contain mostly meat, from animals that are fed GMO feed are exempt from the labeling requirement.

NPPC was part of the Coalition for Safe Affordable Food, a group of 1,065 food and farm companies and organizations, that backed the labeling bill.



## CLASSICAL SWINE FEVER VACCINE

NPPC convinced USDA's Animal and Plant Health Inspection Service (APHIS) to authorize, under permit, importation of a vaccine for Classical Swine Fever (CSF) and live pestivirus, which is used to make the vaccine.

APHIS approved shipment of the vaccine for distribution and sale for emergency use in the United States after findings from an environmental assessment of it found no negative effects on human health or the environment.

CSF, or hog cholera, is a highly contagious disease of pigs. It is endemic in much of Asia, Central and South America and parts of Europe and Africa. CSF was eradicated in the United States by 1978, but the foreign animal disease still poses a risk to the U.S. pork industry.



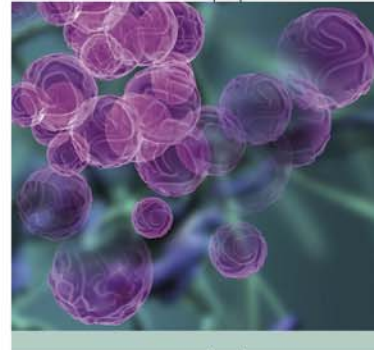
## ANTIBIOTIC RESISTANCE

NPPC continued to weigh in on ways to combat antibiotic-resistant bacteria, backing recommendations issued last year by the Presidential Advisory Council on Combating Antibiotic-Resistant Bacteria (PACCARB).

The advisory council suggested that federal agencies involved in the effort to address antibiotic resistance take a number of steps, including embracing a "One Health" approach that looks at the resistance issue from a human, animal and environmental perspective; improving coordination and collaboration among agencies; establishing partnerships with states and local agencies, tribes, private-sector organizations, commodity groups, philanthropic organizations and international bodies; providing economic incentives for developing and deploying new diagnostic, pre-

ventive and therapeutic tools to fight diseases; and committing sufficient resources to address the resistance problem.

In a March report, PACCARB looked at federal government efforts to implement a national action plan to address antibiotic resistance, finding that good progress had been made, including establishing programs for requiring antibiotic stewardship in inpatient and long-term care settings; setting up a public-private partnership to support and accelerate clinical development of drugs, vaccines and diagnostics; and implementing the Veterinary Feed Directive rule related to feed and water uses of antibiotics for food animals.



## ORGANIC LIVESTOCK REGULATION

### "Organic"

**pertains to foods** produced without synthetic pesticides, antibiotics, synthetic fertilizers, genetically modified organisms or growth hormones.

The Organic Food Production Act of 1990 limited its coverage of livestock to feeding and medication practices.

The rule's requirements on outdoor access, bedding and rooting behavior, for example, are in conflict with best management practices used to prevent swine diseases that pose a threat to animal and human health and with other tenants of organic production such as environmental stewardship. (In early 2017, the regulation was put on hold by the Trump administration.)

NPPC voiced its strong opposition to a U.S. Department of Agriculture rule – issued late in the year – that added animal welfare standards to the national organic program. The regulation presents serious challenges to livestock producers, said NPPC.

### Organic Livestock and Poultry Practices Rule Concerns

In comments submitted to USDA in July, the organization pointed out a number of problems with the Organic Livestock and Poultry Practices Rule, including:



**Execution** – animal handling practices are not a defining characteristic of organic agriculture and are not germane to the National Organic Program as authorized by Congress.



**Perception** – consumer misconception about the intent of the National Organic Program and the meaning of its label is not a valid rationale for expanding the program to encompass animal welfare.



**Cost** – the livestock practices will be costly – if even practicable – to implement for current organic producers and be a barrier to new producers entering organic production, without making the resulting products more organic.



**Complexity** – animal welfare is complex and dynamic; decisions about animal care should be science based and carefully considered by each producer.



**Viability** – the rule presents significant challenges to the maintenance and promotion of public and animal health.



# NPPC Worked To Increase U.S. Pork Exports

“Given the rhetoric of last year’s presidential race, advancing its trade agenda in 2016 was difficult for the National Pork Producers Council. Still, the organization got some victories and laid the groundwork for increasing trade under a new White House administration. Here are some of last year’s trade successes for U.S. pork producers: ”



## TRADE TESTIMONY

Although the 12-nation Trans-Pacific Partnership agreement, which was finalized in late 2015, did not get a vote in Congress last year – and recently was abandoned by the Trump administration – NPPC continued to extol the significant benefits of trade agreements to the U.S. pork industry.

The organization in May testified before the House Committee on Ways & Means Trade Subcommittee on the importance of opening and expanding markets to U.S. pork exports.

**U.S. Pork Industry**  
exported nearly

**\$6 billion**

of product last year  
to more than 100  
countries.

In its testimony to the Ways & Means subcommittee, NPPC made it clear that the United States cannot afford to stand idle while other countries negotiate trade deals that could give them an advantage over U.S. exports.



## SHIPPING PORTS

NPPC took a number of actions last year to ensure that the nation’s shipping ports would continue to operate efficiently.

More than  
**80%**  
of **U.S. pork exports**  
are sent to their  
destinations by ship.

In January 2016, the organization joined more than 50 agricultural and business groups in urging the U.S. Department of Transportation’s Bureau of Transportation Statistics (BTS) to develop key performance indicators for shipping ports, including metrics on activities at shipping berths and within marine terminal yards.

Under the Port Performance Statistics Program, which NPPC supported and which was included in a fiscal 2016

transportation law, BTS was required to establish a working group of private- and public-sector participants to develop a set of metrics on port marine terminal productivity, using the results as an early warning system for determining when ports stop operating normally and for when the federal government needs to step in to protect the economy.

U.S. agricultural and business exporters suffered significant economic losses because of the late 2014-early 2015 work slowdowns at West Coast ports.

NPPC and other members of an ad hoc transportation coalition also discussed with the Federal Maritime Commission efforts to prevent congestion and disruptions at ports, including ways to improve efficiency, logistics and mechanization at port facilities.

## CONTROLLING SALMONELLA, PARASITES GUIDELINES

NPPC participated as a member of the U.S. delegation on pertinent committees of the U.N.’s Codex Alimentarius Commission, the international food-safety standards-setting body, which last year adopted new guidelines for controlling non-typhoidal Salmonella in beef and pork and for controlling foodborne parasites.

The guidelines focus on practices, from primary production to processing, to prevent, reduce or eliminate Salmonella and foodborne parasites.







## DOCK WORKERS, PORT OWNERS CONTRACT TALKS

NPPC and other agricultural and business organizations representing exporters last year urged dock workers and port owners to begin contract renewal talks well before their agreement expires.

The International Longshore and Warehouse Union (ILWU), which represents dock workers at 29 West Coast ports, and the Pacific Maritime Association (PMA), which represents West Coast port facilities owners, in late September agreed to discuss a contract extension.

The PMA and ILWU signed a five-year contract in early 2015 – retroactive to July 1, 2014 – after protracted labor talks and a nearly four-month work slowdown that negatively affected U.S. exporters.

The U.S. meat and poultry sectors  
**lost an estimated**  
**\$40 million**  
per week  
during the slowdown.

NPPC and 112 other trade associations in March 2016 sent a letter to the ILWU and the PMA, urging them to begin early discussions on a contract extension or a new contract. The current contract between the ILWU and the PMA expires July 1, 2019.

## SOUTH AFRICA

NPPC was the leading voice in urging the Office of the U.S. Trade Representative (USTR) to pressure South Africa to lift a *de facto* ban on U.S. pork. The country announced in February 2016 that it would begin accepting some U.S. pork.

The United States now can ship to South Africa a variety of raw, frozen pork, including bellies, hams, loins, ribs and shoulders, for unrestricted sale and other pork for further processing.

South Africa's ban on U.S. pork ostensibly was to prevent the spread of Porcine Reproductive and Respiratory Syndrome (PRRS) to South African livestock even though the risk of disease transmission from U.S. pork products

was negligible. There is no documented scientific case of PRRS being transmitted to domestic livestock through imported pork.

Pretoria also claimed it had concerns about pseudorabies and trichinae.

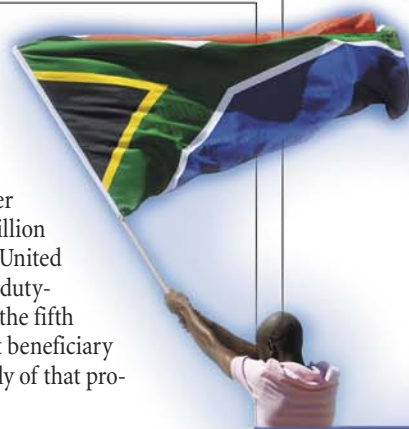
NPPC urged USTR to suspend the trade benefits – duty-free access for products exported to the United States – South Africa receives through the African Growth and Opportunity Act.

South Africa is the third largest beneficiary of AGOA, shipping more than \$1.7 billion in goods to the United States under the program in 2014. The country also takes advantage of the U.S. Generalized System of Preferences to

export another \$1.3 billion to the United States duty-free – the fifth largest beneficiary globally of that program.

The South African government announced that it would lift its ban on U.S. pork after the Obama administration threatened to withdraw its AGOA benefits.

NPPC continues to work for complete access to  
**South Africa's Market**  
of consumers numbering  
more than  
**50 million**



## VIETNAM MRLS FOR VETERINARY DRUGS

After reviewing comments from NPPC and other meat industry organizations, the Vietnam Food Administration (VFA) in November published revised maximum residue limits (MRLs) for veterinary drug imports. The U.S. Department of Agriculture and the Office of the U.S. Trade Representative also weighed in on the issue.

Vietnam initially proposed establishing zero-tolerance MRLs for 40 substances, including ractopamine in beef and pork.

The country's request to ban ractopamine was particularly confounding, said NPPC, given that it has been accepting imports of pork and pork products fed ractopamine – and other veterinary drugs used in

pork production – since 2013. The feed additive improves weight gain, feed efficiency and carcass leanness in pigs and is widely used in U.S. pork production.

Ractopamine was tested and approved by the U.S. Food and Drug Administration, and the Codex Alimentarius Commission, the U.N.'s international standard-setting organization, in July 2012 endorsed the safety of the product in livestock production. Additionally, it is approved for use in hogs by 26 other countries, and another 75 countries allow for the importation of pork from hogs fed ractopamine even though it cannot be fed to their domestic herds.



### The VFA's recent revised proposal:

- 1 Reduces to 12 the number of compounds proposed with zero-tolerance MRL levels.
- 2 Removes the other 28 compounds, including the six that were of greatest concern to the United States.
- 3 Sets the import tolerance MRL for compounds with an established Codex MRL at that level.

# Victories Won On Farm Data Release, CAFO, Clean Water Act Cases

**T**he National Pork Producers Council in 2016 continued to protect U.S. pork producers from federal regulatory overreach and from efforts by third parties to coerce the U.S. Environmental Protection Agency to impose more regulations on farms. The organization won a number of victories in the environment area. ”

## ALPHABET SOUP

Quick reference guide to government speak:

AGOA - African Growth and Opportunity Act.  
APHIS - Animal and Plant Health Inspection Service  
BTS - Bureau of Transportation Statistics  
CAA - Clean Air Act  
CAFO - Confined Animal Feeding Operation  
CSF - Classical Swine Fever  
EPA - Environmental Protection Agency  
FMC - Federal Maritime Commission  
FMD - Foot-and-Mouth Disease  
FOIA - Freedom of Information Act  
GIPSA - Grain Inspection, Packers and Stockyards Administration  
GMO - Genetically Modified Organisms  
HSUS - Humane Society of the United States  
IMO - International Maritime Organization  
NFEPA - National Fire Protection Association.  
NPPC - National Pork Producers Council  
PACCARB - Presidential Advisory Council on Combatting Antibiotic-Resistant Bacteria  
PRRS - Porcine Reproductive and Respiratory Syndrome  
PSA - Packers & Stockyards Act  
TMDL - Total Maximum Daily Load  
USTR - U.S. Trade Representative  
VFA - Vietnam Food Administration  
USDA - U.S. Department of Agriculture  
VGM - Verified Gross Mass  
QR - Quick Response code

## win! FARM DATA RELEASE

NPPC scored a victory in September when a federal appeals court overturned a lower court decision to throw out a lawsuit brought by the organization



and the American Farm Bureau Federation against the U.S. Environmental Protection Agency over the agency's release to environmental groups of personal information on tens of thousands of farmers.

In late 2015, a U.S. District Court dismissed the NPPC-Farm Bureau suit for lack of standing. But the U.S. Court of Appeals for the 8th Circuit in St. Louis reinstated it.

The case stems from the February 2013 release by EPA's Office of Water to several activist groups, which filed a Freedom of Information Act

(FOIA) request, of extensive private and personal information the agency had collected on farmers in 29 states. (EPA gathered the information despite being forced in 2012 to drop a proposed data reporting rule for large farms because of concerns about the privacy and biosecurity of family farms.)

In July 2014, NPPC and the Farm Bureau filed suit against EPA in the U.S. District Court for the District of Minnesota, seeking injunctive relief. While the court dismissed the lawsuit, it did grant the groups a protective order to prevent release of any farm information while the case was on appeal.

In its unanimous ruling reinstating the case, the 8th Circuit determined that EPA "abused its discretion in deciding that the information at issue was not exempt from mandatory disclosure under Exemption 6 [personal privacy interests] of FOIA." NPPC and the Farm Bureau presented arguments on the merits of their lawsuit to the court of appeals late last year.

win!

## CAFO REGULATION

Also in September, a U.S. District Court dismissed a lawsuit brought by the Humane Society of the United States and other activist groups against the U.S. Environmental Protection Agency, alleging the agency would not regulate confined animal feeding operations (CAFOs).

The groups requested in 2009 that EPA begin rule-making under the Clean Air Act (CAA) to regulate air emissions from CAFOs. The U.S. District Court for the District of Columbia Circuit threw out the case because the plaintiffs didn't give EPA 180-days' notice of their intent to sue, which is required by the CAA.

In 2006, nearly 1,900 pork producers and other livestock and poultry farmers entered into a series of legally binding consent agreements with EPA, settling what the agency believed were issues with air emissions associated with livestock production.

Part of the agreements was a study of emissions from farms. Purdue University conducted the study and gave the data to EPA, which has been reviewing it and working to develop a tool producers can use to estimate air emissions. But that process was impeded by the same activist groups that brought the lawsuit when they opposed efforts by the livestock industry to help set up a science advisory panel of experts in animal systems to assist with EPA's effort.



## win! WATERS OF THE U.S. RULE

In its ongoing fight over the Waters of the United States (WOTUS) rule, NPPC and dozens of other agricultural organizations, businesses and municipalities in 2016 presented to a federal court their arguments for throwing out the regulation, which would give the government broad jurisdiction over land and water.

WOTUS, which took effect in August 2015, was proposed by the U.S. Environmental Protection Agency and the U.S. Army Corps of Engineers to clarify the agencies' authority over various waters. That jurisdiction – based on several U.S. Supreme Court decisions – had included “navigable” waters and waters with a significant hydrologic connection to navigable waters. But the

regulation broadened 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 covered lands adjacent to such waters.

In early November, NPPC and the other groups argued before the U.S. Court of Appeals for the 6th Circuit in Cincinnati that: EPA and the Corps of Engineers promulgated the WOTUS rule without following federal rulemaking procedures; the regulation is arbitrary and capricious or contrary to law; and the agencies exceeded their authority under the Clean Water Act and the U.S. Constitution.

In their brief to the court, the organizations also said the

agencies failed to reopen the public comment period after making fundamental changes to the proposed rule and withheld until after the comment period closed the scientific report on which the rule rested. The agencies also refused to conduct required economic and environmental analyses, engaged in a propaganda campaign to promote the rule and rebuke its critics and illegally lobbied against congressional efforts to stop implementation of the rule.

The appeals court recently granted a motion from NPPC and the other agricultural organizations, businesses and municipalities to hold in abeyance its decision on the WOTUS lawsuit until the U.S. Supreme Court rules on a

jurisdictional issue related to the case. The high court will decide whether authority rests with the federal district or appellate courts to hear the lawsuit over the regulation.

The 6th Circuit in October 2015 issued a stay on implementation of the regulation until disposition of numerous lawsuits, which the court subsequently consolidated under its jurisdiction. NPPC and the other groups have argued the suits should be heard by district courts.



## win! CLEAN WATER RULE

In a big victory for agriculture, a federal court in December dismissed a lawsuit by environmental activists that would have forced the U.S. Environmental Protection Agency to impose stringent nutrient standards on farmers in the Mississippi River Basin. NPPC intervened in the case.

**The Mississippi River Basin**  
drains nearly

**2 million**  
square miles  
in 31 states

Environmental groups petitioned EPA to impose regulations on the amount of nitrogen and phosphorous that could be in waters in the basin. The Clean Water Act assigns responsibility for such pollution control to the states. EPA

promulgated a regulation setting Total Maximum Daily Loads (TMDLs) for the Chesapeake Bay and its 64,000-square-mile watershed, regulating mostly farm and agricultural storm water runoff. NPPC, the American Farm Bureau Federation and other agricultural groups and business organizations challenged the regulation in federal court, but it was upheld.

EPA declined the environmentalists' request for a similar regulation for the Mississippi River Basin, and the environmental groups sued the agency.

The U.S. District Court for the Eastern District of Louisiana disagreed with the groups' arguments and granted EPA's motion to dismiss the case. NPPC organized and led a

coalition of 44 state and national agricultural groups that intervened in the litigation to defend EPA's denial of the rulemaking petition and to prevent a backroom, sweetheart “sue-and-settle” agreement between the Obama administration and environmentalists such as the kind that led to the Chesapeake Bay TMDLs regulation.



## INSIDE

2016 Successes .....	1
Perspective .....	2
NPPC Social Media .....	3
PorkPAC .....	3
Agriculture & Industry .....	4-5
Science & Technology .....	6-7
International Trade .....	8-9
Environment & Energy .....	10-11



***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.**

