

2022 Pork Checkoff Stakeholder Report

CONFIDENCE IN TODAY'S PROGRESS
FOR TOMORROW'S RESULTS

REAL
PORK
REAL
RESULTS



pork
checkoff®

National Pork Board Values

CONSUMER-FOCUSED, PRODUCER-LED

We are driven to meet consumer expectations, guided by producers.

TRUSTWORTHY

We do what we say we will do.

INTEGRITY

We do what's right for people, pigs and the planet.

PASSIONATE

We care deeply about what we do, and we keep working to make it better.

AGILE

We are focused, flexible and we lead through change.



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Pictured on Cover: Ben and Anna Bader pose with their three daughters, Molly, Leah and Maddie on their farm in Jesup, Iowa. The Bader family has been farming for six generations. Today, Ben and Anna are independent producers because of their collaboration with Pipestone Sow Systems. The Badgers are committed to positioning the farm for the future and instilling the values of family farming with their daughters.

Generational Confidence in Pigs, Pig Farming and Pork

I am a farmer. I am a wife. Also – I am a mother.

My family's values of commitment and teamwork come to life through our care of pigs, people and the planet. My favorite place is working alongside my husband, his parents and our three kids – and often, their friends — in the barn.

I never lose sight of valuable opportunities influencing the next generation because tomorrow's progress starts today.

My role as president of the National Pork Board (NPB) and my role as a mom and pig farmer is future-focused — I serve to benefit my children, their friends and the next generation of all pig farmers. Our innovative industry continues working to ensure future generations.

My No. 1 priority is providing an affordable and nutritious product to my family and families around the world. Protecting producers' ability to do so, and protecting pork's place on the plate, is essential to the future of the industry. And it requires a focus on generating the research and resources needed to build consumer confidence and empower producers' decisions.

My fellow board members share these beliefs; and the NPB priorities shape long-term grassroots success.

An important part of protecting the plate is improving consumers' perceptions about pork's role in a nutritious diet. Starting in 2023, the NPB Board of Directors has voted to spend \$18.25 million over two years in human nutrition to focus on three long-term pillars building consumer confidence: the scientific foundation, relevant stories, and endorsements celebrating pork as full of flavor, easy to use and part of a routine.

The We Care® Ethical Principles guide our sustainability goals and metrics, and demonstrate our industry's generational commitment to continuous improvement. More than 190 farms representing 2.2 million pigs and 166,000 acres have completed a Checkoff-funded Pork Cares Farm Impact Report to benchmark farm-level data.¹ From an environmental perspective, blinded and aggregated results from the completed reports indicate pig farmers' practices have reduced erosion by more than 100,000 tons of soil.²

Measuring progress includes how we train our people to care for our animals. I am proud of the 66,100+ producers with Pork Quality Assurance® Plus and 29,650+ producers with Transport Quality Assurance® certifications.³

These efforts require strategy, strong leadership and, perhaps most important, unity in the industry. One example of this teamwork is the Pork Industry Visioning Task Force, developed under the direction of producer leaders, NPB and National Pork Producers Council (NPPC).

In addition to this effort, NPB has more than 100 volunteers on various task forces or leadership boards, and one can extrapolate that involvement to other national, state and local organizations.

I appreciate the commitment of my fellow board members, our NPPC counterparts, state partners and producers like you providing the Checkoff dollars, time and talent required to develop real results. We are all one industry building confidence in pigs, pig farming and pork, and securing opportunities for the next generation.



Heather Hill
National Pork Board president



NPB president Heather Hill is posing with husband Marc and kids, Hadley, Addison and Reese.

Board of Directors 2022-23



Heather Hill
President
INDIANA



Bob Ruth
Vice President
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Chad Groves
KANSAS



Alayne Johnson
INDIANA



Bill Luckey
NEBRASKA



Denise Mason
NORTH CAROLINA



Scott Phillips
MISSOURI



Dale Stevermer
MINNESOTA



Daniel Tubbs
ALABAMA

Five Home Runs for Team Pork


When spring training season rolls around, I'm reminded of my dad and grandpa, who were both Minnesota Twins fans. They followed the team's progress through the year, cheering them on all the way.

In baseball and business, success requires a team approach. You analyze what went well in the previous year and track data-driven progress. The National Pork Board (NPB), the 42 state pork associations and our allies embrace this team-oriented approach, helping farmers show up confidently on game day. Which, for farmers, is every day.

Like a baseball team, each Team Pork member fills a specific position needed for team success:

- 1. Sustainability.** Grand slams are exciting, but success usually comes from regularly hitting singles and doubles. Pork producers prove this with consistent, sustainable production practices they use on their farms every day. NPB is batting on behalf of producers to enhance generational sustainability and benchmark progress related to We Care® Ethical Principles. We are partners in three USDA grants, which received a total of \$155 million in funding for producers. Additionally, the Checkoff-funded Pork Cares Farm Impact Reports help producers track key sustainability metrics to quantify progress on individual farms and collectively as an industry. We will continue to share this valuable information to industry stakeholders to demonstrate how producers are stepping up to the sustainability plate.
- 2. Foreign animal disease (FAD) management.** Consistent training and proper nutrition keep baseball players healthy and help prevent injury. Animal well-being and FAD prevention also require proactive steps and consistent commitment of barn staff to biosecurity. The Pork Checkoff supports the Secure Pork Supply Plan, AgView and U.S. Swine Health Improvement Plan, all designed to put producers and veterinarians in the best possible position to prevent and respond to an FAD.
- 3. International trade.** A batter does not expect the same pitch right down the middle each time, rather they expect a curve ball, slider or fast ball. International markets similarly handle strikeout situations like global disruption, from the war in Ukraine to volatile foreign exchange rates and increasingly tense economic relations with China. To help manage the ever-changing international landscape, NPB diversifies and differentiates U.S. pork by developing and strengthening markets, including Southeast Asia, Australia and Latin America.
- 4. Freedom to operate.** Baseball has been dubbed America's pastime, thanks to its traditions and ability to bring people together. Pork also brings time-honored flavors and authenticity to the table. The Real Pork Mythbusting series is designed to boost consumers' confidence in the pork industry and influence their pork purchasing decisions all while protecting producers' freedom to operate for the long game.
- 5. Serving state associations.** Winning teams know success is best when it's shared. Through March 2024, a task force of producers are drafting a vision and action plan for the industry needs of tomorrow. This will involve ways to improve our existing system of national and state pork associations. For example, about two-thirds of U.S. states have high people populations but few pork producers and, therefore, small state association budgets,⁴ presenting a unique challenge for consumer education and pork industry promotion. The producer-led task force is looking at ways to efficiently use hard-earned producer dollars to address industry risks and opportunities.

These five priorities combine for an effective gameplan, but it will only work with every player ready and equipped to go into the game. But with teamwork centering around communication, coordination, collaboration, we can bring home the win. Let's play ball!



Bill Even
National Pork Board CEO



By the Numbers

National Pork Board is a consumer-focused, producer-powered organization. Its Checkoff-funded education, promotion and research initiatives to build trust and add value for the U.S. pork industry are led by producers and supported by allied industry, academia and state pork association staff.

64 producers participated in 7 task forces

18 producers from 13 states participated in Pork Leadership Institute

9 producers, veterinarians and financial experts served on the Swine Health Information Center board of directors⁵

16 industry and academic professionals served on the U.S. Pork Center of Excellence board of directors⁶

614,000 U.S. jobs in various aspects of the pork supply chain⁷

\$28 billion in gross cash receipts in 2021⁷

\$36 billion of personal income and

\$57 billion of gross domestic product (GDP)⁷

66,100⁺ Pork Quality Assurance[®] Plus Certifications from 37 states³

29,650⁺ Transport Quality Assurance[®] Certifications from 37 states³

CONFIDENCE IN PROGRESS

Sustainability

Sustainability is about doing what's right for people, pigs and the planet — and for the pork industry itself. Over 60% of consumers want to know more about the who, what, where and how behind their food.⁹

COMPLETED PORK CARES
FARM IMPACT REPORTS
REPRESENT²

166,070 acres

193 farms

18 states



Producers can request their own
report at porkcheckoff.org

Today's Sustainability Grows Tomorrow's Pork

For America's pork producers, sustainability is about doing what's right for people, pigs and the planet.

It's also about doing what's right for the pork industry itself — adding value for those who buy pork and building a better tomorrow for those who produce it.

Recent research shows more than one-third of global consumers are willing to pay a premium for sustainability as demand for environmentally friendly alternatives grows.⁸

That sentiment is shared among U.S. consumers, as well.

In fact, studies show nearly half of U.S. consumers have made modest changes in their purchasing decisions to be more sustainable⁸ — over 60% want to know more about the who, what, where and how behind their food. And 90% of consumers make food purchases based on what is better for either themselves/their family, the farmer/worker, the animal or the planet.⁹

Last year, the National Pork Board (NPB) released the first industry-wide Sustainability Report showing how producer-developed goals aligned with We Care[®] Ethical Principles. Each goal has specific reporting metrics and mechanisms in place to help individual farms — and, in turn, the entire industry — securely measure and report progress.

Measure Today to Benchmark Tomorrow's Progress

National Pork Board (NPB) is providing Checkoff-funded individual farm reports for producers to provide confidential farm-level data and help pork producers establish their own baselines for social, environmental and economic sustainability. The reports, which are developed and maintained by a third-party, also will help recognize key sustainability metrics on operations nationwide, supporting Checkoff efforts to build trust in U.S. pork production. In-barn data collection for the reports include feed, manure and energy usage, and cropping metrics may include emissions, as well as conservation and tillage practices.

Earlier this year, NPB sought to double the number of on-farm reports and exceeded that goal by 80%.

To date, reports from more than 190 farms representing 2.2 million pigs and 166,070 acres have been completed with help from NPB's third-party vendor, Sustainable Environmental Consultants. The data is secure and confidential for individual reports, but also blinded and aggregated for national reports.²

In addition to tracking and reporting progress from farm to fork, the industry funded \$2.6 million in three 2022 research projects focused on soil, air and water. This research is the foundation for the tools NPB has developed and remains a focus as the industry works to continue to improve social, environmental and economic sustainability.

Completed Pork Cares Farm Impact Aggregated Reports

MANURE APPLICATION & SAVINGS

42% OF ACRES received liquid manure fertilizer at an average rate of 10,906 gallons/acre.

The average cost savings from manure applied to 72,213 acres was estimated to be \$137 per acre based on a reduced need for commercial nitrogen, phosphorus and potassium, resulting in a total savings of \$9.9 million.



TOTAL SAVINGS OF
\$9.9 million

IN-FIELD PRACTICE COMPARISON IMPACTS

When compared to conventional practices (i.e., conventional tillage, no cover crop scenario), in-field farm practices generated:^{2,10}



97,297 FEWER TONS
OF CO₂e



which is the same as
18,893 average passenger cars off the road for a year
26,343 tons of soil carbon sequestered



104,524 TONS OF SOIL
SAVED

instead of being lost to erosion, which is the same as
6,533 dump trucks of soil



595 TONS OF NITROGEN
SAVED

instead of being lost through leaching and runoff



112 TONS OF PHOSPHORUS
SAVED

instead of being lost through runoff



SPOTLIGHT:

Iowa Select Farms Builds Confidence Through Sustainability Metrics

“Third-party reporting is important and allows us to keep a social license to operate. Establishing a baseline is essential to tell our pork story to the supply chain and track progress for years to come.”

*Erica Lain, sustainability manager
Iowa Select Farms*

Iowa Select Farms views sustainability holistically, ensuring they take care of their people, animals, environment and communities where they operate, aligning with the industry's We Care® Ethical Principles. They define this commitment as a business plan, ensuring they are efficient with inputs and providing a safe and nutritious pork product for the world to consume all while being stewards to the environment through their new Smart Soil Partnership Program. Iowa Select Farms encourages their farmers to request on-farm sustainability reports because it allows them to not only communicate their success externally, but the reports open opportunities for farmers to improve their operations.



Performance Food Group Center of the Plate Protein Summit

Industry-wide Reporting Helps Build Confidence

Checkoff invested in building a data collection and storage tool for U.S. pork sustainability information. Using feedback from the We Care Goals and Metrics Implementation task force, the We Care application was created to sync with data collection programs, such as individual on-farm reports and production management software programs. The aggregate data may be used by state pork associations, National Pork Producers Council and by NPB to tell the industry's sustainability story and answer questions about progress against metrics. The app launched midyear and the team is already working on enhancements, including the ability to visualize the data coming into the app on porkcares.org.

Producers Demonstrate Sustainability Practices to Panel

Representatives from Grandview Farms, Christensen Farms and Hord Family Farms presented a panel for more than 100 foodservice representatives at the Performance Food Group Center of the Plate Protein Summit.

They spoke about on-farm sustainability practices and technology, including quantifying efforts through the on-farm reports, and evaluating other tools used with sustainability. The foodservice representatives heard about generational sustainability and social responsibility. The producers outlined how they view manure as an asset and how the integration of crop and livestock systems improves soil health.

National Pork Board and Partners Receive \$155 Million from USDA Climate-Smart Program

An area of focus for pork sustainability is feed acres, which represents more than half of pork's greenhouse gas footprint.

Three climate-smart grants received by the National Pork Board (NPB) and partners will aid producers in implementing climate-smart practices. By sharing these improvements, we can further tell the sustainability story of U.S. pork through both the pig and the feed it consumes.



ADVANCING U.S. PORK SUSTAINABILITY

(\$20 MILLION)

NPB and a broad group of partners, including commodity organizations, food companies and an environmental organization are taking the lead on a \$20 million grant seeking to increase the sustainability of U.S. pork products. The effort, which includes both technical and financial assistance, advances climate-smart practices in Iowa, Minnesota and Missouri, and will be measured through the Checkoff-funded on-farm reports.

FARMERS FOR SOIL HEALTH

(\$95 MILLION)

NPB is one of three principal collaborators (along with the United Soybean Board and National Corn Growers) on a \$95 million grant that will expand the impact of the Farmers for Soil Health program across 20 states in the Midwest to increase adoption of cover crops and conservation tillage. These states represent 85% of the nation's corn and soybean production. Among the goals of Farmers for Soil Health is to double the number of corn and soybean acres using cover crops to 30 million acres by 2030.

CONNECTED AG CLIMATE-SMART COMMODITIES PILOT PROJECT

(\$40 MILLION)

This project will expand climate-smart markets and producer adoption by providing direct payments, technical assistance and data management strategies.



CONFIDENCE IN OPPORTUNITY

International Market Development

Checkoff investments into USMEF are a nearly 100% return based on matching funds from USDA MAP.

IN 2022, EXPORT
VALUE AVERAGED
\$61.26
FOR EVERY
U.S. HOG MARKETED¹³

PORK VARIETY MEAT
EXPORTS AVERAGED
A RECORD
\$10.15
PER HEAD
SLAUGHTERED
IN 2022.¹³

Expanding Global Demand for U.S. Pork

National Pork Board (NPB) efforts to expand international sales of U.S. pork continue to make a difference in the highly competitive protein market. The Pork Checkoff has developed a strategy based on the following:

- Securing core markets where pork demand is high but has room to grow;
- Expanding business in developing markets, including increases in value, volume and variety of products;
- Discovering business in emerging markets by meeting localized preferences; and
- Differentiating U.S. pork from pork of other origins.

Pork Exports Drive Value

NPB works with the U.S. Meat Export Federation (USMEF), National Pork Producers Council (NPPC) and USDA to develop international markets for U.S. pork.

In 2022, hundreds of market development activities engaged thousands of buyers in the trade, retail and foodservice sectors. In addition, these efforts reached millions of consumers around the world with positive messaging, cooking tips and promotional information about U.S. pork.

NPB has more than doubled its investment in building export volume and the associated value, thanks to a consistent commitment to international marketing, part-

nership with USMEF and matching USDA Market Access Program (MAP) funds. More than \$216 million¹¹ has been invested in cumulative funds over the past 20 years.

Delivering Pork Products Foreign Customers Desire

NPB's producer-led international market diversification task force worked with strategic partners, including USMEF, USDA, Gira and NPPC, to diversify the international portfolio for U.S. pork and differentiate the brand from competitors.

USMEF is a flagship partner because of its presence in key markets, as well as its strong existing relationships with exporters, importers, further processors, retailers and foodservice. NPB also leverages USMEF's other member sectors, especially state pork and soy organizations, to promote U.S. pork and execute promotional projects in major markets.

The USMEF Pork Unified Export Strategy solicits producer and industry input while managing the application for USDA MAP and Foreign Market Development funds. The strategy is working, evidenced by success in Japan, where the program yielded a 19% improvement in the ratio of export sales to program investment over two years.¹²

The results are compelling. The Checkoff returns nearly 100% of the investment in international programming, which includes educational seminars, buyer and seller events, product showcasing, trade facilitation and more.



THE 2022 EXPORT DATA TELLS THE STORY¹³

U.S. PORK AND PORK VARIETY
MEAT EXPORT VOLUME

2.7 million metric tons

U.S. PORK AND PORK VARIETY
MEAT EXPORT VALUE

\$7.7 billion

EXPORTS ACCOUNTED
FOR **27.5%** OF TOTAL
U.S. PORK PRODUCTION

2022 YTD COMPARED TO THE
3 YEAR AVERAGE (Jan-Dec)

WITH CHINA	WITHOUT CHINA
-7% in volume	+1% in volume
+1% in value	+8% in value

2022 YTD COMPARED TO THE
5 YEAR AVERAGE (Jan-Dec)

WITH CHINA	WITHOUT CHINA
-1% in volume	+1% in volume
+8% in value	+16% in value

SPOTLIGHT:

Fabrication Training and Merchandising in Peru

Industry leaders traveled to Peru to meet with prospective buyers and raise awareness about U.S. pork quality. The delegation visited retail outlets, toured pork processing facilities and met with in-market staff from USDA's Foreign Agricultural Service.

Activities included a pork fabrication training seminar with Peru's largest U.S. pork importer, Halema. David Newman, Ph.D., a Missouri pork producer, past president of the National Pork Board (NPB) and current member of USMEF's executive committee, led the seminar. This merchandising demonstration for the loin showed how to help maximize its value at retail. USMEF subsequently collaborated with Halema on a merchandising test at a company butcher store, Alfa, in May, where these U.S. bone-in loin cuts were showcased with suggested preparation ideas for their wholesale customers and consumers.



Photo: USMEF



Colombia/Chile: Meeting Localized Needs to Expand Markets

U.S. Pork is working to gain specific, data-driven input about importer needs, trends and how U.S. pork can set itself apart from other suppliers to serve high-valued emerging markets in the Western Hemisphere.

New Checkoff-funded studies, prepared by the global research firm Gira, explore how the U.S. can differentiate itself in Chile and Colombia in three primary areas.

The first is **sustainability**. International customers seek proof and transparency with sustainability measures and on-farm practices, along with a commitment to continuous improvement.

Quality, consistency and specific packaging are also key. U.S. pork has traditionally been a low-cost, high-volume supplier, but it can distinguish itself with a product-to-spec approach, status updates of orders and customized packaging based on marketing and demand.

Finally, there's **communication**. Understanding cultural differences and expectations, and delivering communication accordingly will position U.S. pork as a valued supplier.

Producers Experience Value of U.S. Pork in Mexico

A coalition of NPB board members and Pork Leadership Institute participants traveled to Mexico City to learn how U.S. pork is represented. U.S. pork holds 82% of the market share in Mexico,¹⁴ and exports to the country surged in 2022.

The group was able to see the product in stores and hear directly from retailers. They toured supermarket chains and participated in a mobile grill and kitchen academy hosted by USMEF.

"Just seeing the amount of excitement they're trying to put around U.S. pork is impressive," says Phillip Hord, director of sow production, research and innovation for Hord Family Farms in Ohio, and a member of the 2022 class. "From the nutritional aspects to the differentiation on flavor combinations, it's amazing what's happening with our product in Mexico City."

The Pork Leadership Institute is jointly funded by the Checkoff and NPPC, providing comprehensive training for participants who go on to share the pork industry's story from Main Street to the nation's capital.

U.S. pork holds 82% of the market share in Mexico,¹⁴ and exports to the country surged in 2022.

In-market Immersion Grows Credibility and Awareness

Producer involvement is key to developing and executing the global demand strategy for U.S. pork. This engagement with international customers builds trust and credibility for the U.S. pork brand and narrative. In addition, producer engagement yields insights for future growth and first-hand knowledge of how investments are paying off.

Throughout 2022, producers traveled to a potential market, an emerging market and a rising market through NPB-sponsored immersion trips.

A POTENTIAL MARKET

United Kingdom

This trip's goal was to build awareness of U.S. pork sustainability messaging and commitments. As one of the world's leading importers of pork, there is ample opportunity for the U.K. to become a consistent supplier importer of U.S. pork products for further processing.¹⁵



AN EMERGING MARKET

Philippines

The Philippines ranks below average in per capita consumption for nearly all forms of animal protein. However, with a median age of 24 and a fast-growing urban population, U.S. agricultural product consumption will continue to rise.¹⁶ U.S. pork producers explored retail and wet markets, received export briefings and helped this African swine fever-challenged market recognize U.S. pork can be a consistent source of affordable protein.¹⁵



A RISING MARKET

Chile

The international market development task force traveled to Chile, exploring the Chilean pork market and discussing short- and long-term market strategies. Chile is an importer and exporter, so meeting with retailers yielded opportunities for the U.S. to supply further processing needs and potentially U.S. branded items at retail.



CONFIDENCE IN PREPARATION

Foreign Animal Disease Preparedness

The investment will build tools to improve detection and develop programs that focus on business continuity and resumption of trade.

We must be prepared to respond quickly, and it will take us all working together to protect the industry.

Industry Collaboration Builds Lasting Benefits

African swine fever (ASF) may be top of mind when it comes to Foreign Animal Disease (FAD) prevention and preparedness, but the National Pork Board's (NPB) overall goal is to build an effective emergency response infrastructure to rapidly detect and contain any FAD outbreak impacting the industry.

Today, NPB, the American Association of Swine Veterinarians (AASV), National Pork Producers Council (NPPC), Swine Health Information Center (SHIC), North American Meat Institute (NAMI) and USDA are working together and investing significant funds to achieve that goal.

FAD Preparedness a Priority for Checkoff Dollars

NPB's producer-led board invested nearly \$8.9 million in 2022 to make FAD planning and preparedness easier for pork producers and their herd veterinarians. The investment helped build tools and programs to improve disease detection and surveillance in outbreaks, and develop advanced programs focused on business continuity and resumption of trade.

Industry collaboration includes:

- Reviewing USDA's Foreign Animal Disease Red Book to confirm its on-farm practicality.
- Providing more than \$1.1 million in Checkoff funds to the state associations for hands-on, full-scale exercises to test response plans in real time and help develop business continuity plans for FADs.
- Investing more than \$1 million to support the U.S. Swine Health Improvement Plan (U.S. SHIP) pilot.
- Partnering with SHIC and the Foundation for Food and Agriculture Research to support producer wean to harvest and transportation biosecurity.
- Supporting NAMI in understanding the impact of further processing of pork products and ASF survivability.

**\$8.9
million**

invested in 2022 to make FAD planning and preparedness easier for pork producers and their herd veterinarians.

NPB Addressed Key Research Needs in 2022

Composting Research

NPB has funded targeted projects to assess ASF survivability in various carcass disposal methods. More than \$670,000 was invested in carcass disposal research projects that evaluate multiple disposal methods for producers to employ on their farms. Research in Vietnam shows carcass composting can be an effective method to mitigate ASF, and initial studies show shallow burial with carbon (SBWC) may also be effective. NPB has funded research to continue validation for both composting and SBWC.

Disinfectant

NPB funded research to assist stakeholders in understanding the effectiveness of commonly used disinfectants for barns, trailers, tires, etc. in the event of an ASF outbreak. In 2022, two additional products were approved by USDA for use against ASF, increasing the options available for producers during a disease response.

Oral Fluid Sample Evaluation

Oral fluid sampling could be another collection method in the event of an outbreak. Rope sampling uses a pig's natural curiosity to efficiently collect samples. To develop an effective recommendation for the number of ropes per pen, however, researchers needed to learn the average number of pigs per pen. NPB helped fill the gap by surveying producers nationwide.¹⁷

Manure and Water

NPB is funding research in the U.S. and Vietnam to assess the long-term survivability of ASF within a positive farm. Research projects focus on understanding survivability of ASF in various environments to develop science-based protocols for cleaning and disinfection of farms post-outbreak, and to determine the length of downtime necessary before a farm can restock. Additional data will be collected on survivability of ASF in slurry/manure to determine what treatments can be applied to reduce the risk of post-outbreak spread.

Feed

NPB supported an ongoing investigation to identify risks for ASF spread within feed and feed systems, including an investment of \$143,000 for research and support for the U.S. SHIP Feed Biosecurity working group.

A Checkoff-funded risk assessment for imported feed ingredients identified and quantified ingredients of concern, as well as potential high-risk ports of entry. This information determines further needs for feed mitigations and develops best practices. Additional research showed interior of tractor cabs can be a mode for disease spread and effective disinfection remains a challenge. The research builds on key learnings to hone-in on needed protocols for effective disease mitigation.

SPOTLIGHT:

Swine Health Information Center Builds on Past Success

Funded by Pork Checkoff, the Swine Health Information Center protects and enhances the health of the U.S. swine herd through coordinated global disease monitoring, targeted research investments minimizing the impact of future disease threats and analysis of swine health data.

SHIC's Industry Impact:¹⁸

- 13,000+ visits to SHIC's website homepage and 2,500+ visits to domestic disease monitoring reports in 2022
- 24 active SHIC projects from November 2020 – December 2023, totaling \$2.1 million
- 13 projects started in 2022, totaling \$1.2 million

View results in the SHIC Progress Report at swinehealth.org.

SHIC Aids in JEV Research and Education

SHIC's international monitoring resulted in early identification of an outbreak of the zoonotic Japanese encephalitis virus (JEV) in Australia in early 2022. SHIC has funded a comprehensive literature review focused on the unique serotype, or a strain of microorganisms, of JEV that caused the outbreak and an updated U.S. risk assessment of entry and establishment of the virus.



AgView Takes Foreign Animal Disease Fight to the Producer Level

NPB and its partners in FAD preparedness are focused on protecting the pork industry by quickly identifying and containing disease through rapid contact tracing of pig movements. Enter AgView — a Pork Checkoff-funded online software platform providing real-time, producer-permissioned access to pig movement data by state and federal animal health officials for risk-based decision making on day one of an outbreak.

Through its many partnerships and tools, AgView makes it easy for pork producers to update crucial data.

792 producers have organizational accounts

38 Swine Animal Health Officials have AgView accounts that allow access to critical producer data to make risk-based decisions

15 API partners automatically transfer data to AgView when permissioned by users

12K average movements reported in a 7-day period

500K+ movements were recorded in 2022

"During an FAD outbreak, the ability to visualize current movements and export this information will be invaluable to the state veterinarian. Our goal is to quickly trace movements and minimize the impact of the outbreak. AgView will allow for that to happen seamlessly. We must be prepared to respond quickly, and it will take us all working together to protect the industry. Having movement information, laboratory results, Secure Pork Supply plans and contact information all in one location will allow for a more efficient and timely response."

*Dr. Sara McReynolds, assistant animal health commissioner
Kansas Department of Agriculture*

"The state foreign animal disease exercise is very impactful to our state because awareness is most important, and it helps producers understand the severe economic impact an outbreak would have, even if it isn't in Montana. It serves the industry by informing proper euthanasia and disposal protocols, along with the personnel, carbon and equipment required."

Joe Wipf, producer from Montana



SPOTLIGHT: FAD Field Exercises

NPB conducted fully functional depopulation and disposal field exercises during a simulated FAD event in Kansas, Montana, Nebraska and Tennessee. These state-based field exercises provide first-line responders with hands-on opportunities to find gaps in their plans, equipment, supplies or land availability through the following activities:

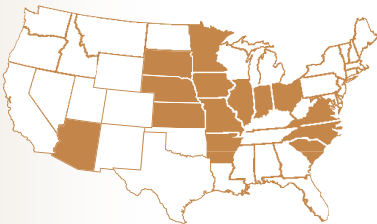
- Practice a foreign animal disease investigation (FADI) on a hog farm.
- Explore how AgView can be used to augment an FADI or a subsequent epidemiological investigation.
- Practice and implement state-level depopulation and disposal planning processes in a real-world demonstration.
- Increase stakeholder understanding and build producer confidence in a state's FADI, depopulation and disposal activities.





Photo: Iowa State University Swine Medicine Education Center

CERTIFIED SWINE SAMPLE COLLECTOR (CSSC) TRAINING



14

STATES ENROLLED

412

INDIVIDUALS TRAINED,
REPRESENTING

9

STATES

Animal health officials in 14 states have rolled out the program: Arizona, Arkansas, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Carolina, Ohio, South Carolina, South Dakota and Virginia.

Engaging Additional Stakeholders for a Faster FAD Response

National Pork Board (NPB) is also collaborating with other stakeholders on a training program to improve speed and efficiency in an outbreak response. As part of the Certified Swine Sample Collector (CSSC) training initiative, Category II accredited veterinarians train producers, caretakers and industry partners on how to properly collect samples for diagnostic and surveillance purposes.

A standardized curriculum will help ensure collector training is consistent. During an FAD outbreak, state officials will determine when CSSC may be able to collect samples.

The program was developed with funding from USDA's National Animal Disease Preparedness and Response program. Checkoff funds now fully support the program, including the creation of Spanish-language materials in 2022.

Five groups collaborate on this project:

- Swine Medicine Education Center and the Center for Food Security and Public Health, both at Iowa State University
- National Pork Board
- American Association of Swine Veterinarians
- Multi-State Partnership for Security in Agriculture

U.S. Swine Health Improvement Plan Mitigates Risks, Supports Opportunities

U.S. SHIP aims to mitigate risks of disease introduction and provide a practical means for continuing commerce outside of FAD control areas. Modeled after a program for poultry, U.S. SHIP aims to provide continuity of interstate commerce and a pathway toward the resumption of international trade.

NPB invested nearly \$1 million to support the program,¹⁹ including the development of tools to verify voluntary compliance with U.S. SHIP standards. To date, approximately 40% of the U.S. breeding herd and growing pigs across 31 states have enrolled in U.S. SHIP. The pilot program is on an expedited path toward becoming a USDA program by 2024.

SPOTLIGHT:

European Union FAD Fact-Finding Mission

African swine fever (ASF) prevention, preparedness and response remains a top priority for the U.S. pork industry. To gain valuable insights from international representatives, producers and veterinarians, state and federal authorities, and National Pork Board and National Pork Producers Council staff members traveled to Poland, Germany and Belgium in November 2022. They also virtually connected with experts from Denmark and Romania.

The first-hand accounts informed the U.S. industry about the following:

- Tools and considerations to eliminate the disease or alleviate the impact on export markets.
- Control and spread of ASF by people and the wild boar population.

Checkoff funds are used to ask important questions and discover strategies that may aid an outbreak if it were to occur in the U.S.

POLAND: Regionalized ASF to maintain exports.

BELGIUM: Interrupted virus transmission to domestic herd with key strategies to control the wild boar population. After two years, regained World Organization for Animal Health ASF-free status.

DENMARK: Prevented it from coming, or bio-exclusion, through a fence on the German border and strict truck washes.

GERMANY: Identified spread from multiple sources, including people and wild boar.

ROMANIA: Reduced sow herd due to inability to control spread.

“There is value for producers and veterinarians to learn about how countries have been impacted by ASF and hear success stories. This information reinforces the industry ASF priorities set in 2022, and the key findings will help shape 2023 milestones and industry opportunities.”

*Dr. Dustin Oedekoven
chief veterinarian
National Pork Board*



Photo: USDA Animal and Plant Health Inspection Service

Domestic Market Development

Consumers are using ground pork for specific recipes, far beyond just a pork burger.²²

Before the pandemic, ground pork was undervalued, underrepresented and underdeveloped.²⁰ During the pandemic, ground meats, in general, were shining stars with ground pork experiencing nearly 20% in growth.²¹ The momentum continued in 2022.

Once the pandemic began and people started cooking at home more, customer satisfaction with ground pork grew as it was an ingredient they could use. The momentum is continuing today as recent data indicate 80% of consumers are satisfied with ground pork — 71% say they use it within two-to-three days of purchase.²² In fact, ground pork is in an increasing number of households, while ground beef and ground turkey has decreased.²³

National Pork Board (NPB) recognizes this opportunity to continue growing ground pork's influence with retailers. Ninety-six percent of retailers included in the Checkoff-funded Benchmarking Study carried at least one ground pork item, compared to 65% in 2018. Additionally, retailers are adding 1 linear foot in the fresh meat case to cater to ground pork's growth.

SPOTLIGHT: Confidence in Taste and Flavor

Tony's Fresh Market is a 19-store, Chicago-based Hispanic market recognizing how pork can be served as an ingredient in traditional dishes. Taste is a top driver for pork purchases among Hispanics,²⁴ yet they often see pork as the heavy centerpiece of meals. NPB's Ponle Pork initiative launched in 2022 to address this misconception.

Nutrition, without sacrificing flavor, was elevated through Ponle Pork by demonstrating how pork is integral to culture and heritage, and how this versatile protein is easy to prepare.

NPB partnered with Illinois Pork Producers and Tony's in a six-week, in-store and digital effort promoting fresh pork through point-of-sale kits and assets, including videos, recipes and static images.



Tony's in-store Ponle Pork promotion delivered increased sales:²⁵

46% YEAR-OVER-YEAR SALES GROWTH

48% VOLUME INCREASE

“I think ground pork is not just having a moment, I think it’s a movement. I’m seeing more pork/beef blend, more ground pork and firmly believe it is a way into the millennial/ Generation Z wallet.”

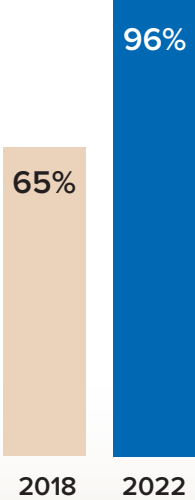
Anne-Marie Roerink
Principal – 210 Analytics, LLC

BY THE NUMBERS

GROUND PORK IS BECOMING AN EVERYDAY ITEM

Retailers included in the Checkoff-funded Benchmarking Study are confident in ground pork's potential by carrying at least one ground pork item.

96% in 2022
65% in 2018



GROUND PORK PROJECT ROI

Every \$1 invested returns **\$7.60** in incremental sales of ground pork.

TYPICAL ROI EVALUATION





Ground pork retail partnerships add value by increasing sales with a formerly underrepresented product, now confidently merchandised nationwide.

NPB's partnership with a leading Midwest retailer hits on all the goals they initially set back in 2020, with a major win of reducing the purchase cycle by 30 days:

- Offering choice by adding a 90% lean/10% fat.
- Distributing product consistently.
- Expanding shelf space and placing ground pork where consumers expect to find it.
- Providing meal solutions.

The test-and-learns proved success through incremental sales. Two retailers reached \$3.6 million in annualized incremental sales of ground pork. Their four stock keeping units (SKUs) — which are how retailers identify and track inventory — equated to nearly 723,500 pounds sold.* In addition, sales of their other fresh pork items stayed strong or maintained while sales of other proteins, like plant-based, declined and meatcase space was adjusted accordingly.

Packer Activation

Checkoff-funded research has added value to packers, with a total of 12 new products developed by packers, including:

- 93% lean/7% fat ground loin
- Nine new flavor offerings
- Gourmet burger to be consistent with beef pre-packaged and pre-formed offerings
- Ground sirloin

NPB is continuing to influence packaging recommendations with packers based on consumer sentiment and expectations. Additionally, packers not currently engaged are looking to reallocate equipment to produce and package ground pork.

**Assuming \$4.99/pound price point*

THE RIGHT TIME FOR PORK TO REACH ITS FAIR SHARE

IN 2022, MORE THAN
\$477,000
OF CHECKOFF FUNDING WAS
INVESTED FOR GROUND PORK
TEST-AND-LEARNS IN RETAIL.

After three years of unique
projects, NPB has aimed to:

- Reach ground pork's fair share in the meat case.
- De-risk ground pork for retailers and packers.
- Reset the case to place it where consumers expect to find it, which is next to the other grinds, where consumers don't expect to find plant-based alternatives.



CONFIDENCE IN ADVOCACY

Real Pork Thought Leadership

“Our We Care® Ethical Principles and commitment to continuous improvement through fact-based research drives our sustainability strategy. Farmers will benefit from the collaboration with the CLEAR Center because we are working with respected researchers at a top-notch land grant university, and supporting their efforts to communicate research results to various stakeholders.”

Dale Stevermer

NPB board member, Minnesota

Leading the Conversation About Pork

In a communications environment where information and disinformation often share the same media platforms, it's crucial consumers and key decision makers receive credible, data-driven information about the pork industry.

National Pork Board (NPB) builds relationships with and trains advocates whose voices can help answer questions and generate thought-leading conversations about pork. They can present Checkoff-funded scientific and technical information in relevant, relatable ways for specific target audiences.

Throughout the next five years, a strategic investment of \$12.5 million will address knowledge gaps and identify common ground with audiences to protect producers' freedom to operate.

CLEAR Center Furthers Checkoff-funded Sustainability Research and Education

NPB's partnership in the CLEAR Center, based at University of California-Davis, furthers research and education about sustainability in the industry. By partnering with the CLEAR Center's established network and forward-thinking research, the latest science-based information can be amplified and distributed to various audiences, including key decision makers.

Animal Welfare Research Aiding Barriers Strategy

In 2021, the producer-led Real Pork Barriers Task Force set out to understand top consumer concerns and questions about pork production and found there is a spectrum of consumer myths, which could be barriers for consumption. Checkoff funds are used to address consumer misconceptions about the health of pork and the way pork is raised that may be preventing them from eating [more] pork.

After all, trust and opinions on standards and mandates are strongly connected, with those who trust farmers saying animal well-being standards are reasonable and those who don't trust farmers say the industry hasn't done enough.²⁶

NPB surveyed consumers to identify perceptions of animal welfare with livestock.

Key insights include:²⁶

- 63% of consumers trust pig farmers to do the right thing with animal well-being.
- About half of nationwide consumers consider well-being of animals raised for food is a problem, but 35% denied it being a problem.
- 45% consider animal welfare in pig farming to be about the same or better than other animals used for food.

This work continues with creating communication, such as videos, editorials or infographics, breaking



the issues into understandable and meaningful messages appropriate for the target audience. Through Google's set of social media tools, NPB can address audiences in a more targeted way.

Developing Future Industry Advocates

The Pork Checkoff partially funded a training to expose 34 graduate students from six Midwest universities to thought leaders to develop presentation and interpersonal skills to communicate livestock production science to non-academic audiences. And the approach worked as one student said, "it was so good to see the industry invest in us like this and help us improve."

Additionally, the Checkoff-funded, Pork Scholars program combines talent development with research over a two-year period. While every grad-

uate and veterinarian student has a research project, their professional development delves into communication and skills-based training.

"Being a leader is learning how to be active listeners; there's always a connection point with someone by initiating conversation and addressing the elephant in the room," says Caitlyn Sullivan, a South Dakota State University student studying sustainability and production impacts of hybrid rye as a feed source. "Ultimately, for us to be progressive, we influence perceptions. This isn't about the research, it's students wanting to support producers."

Building Confidence in U.S. Pork Globally

More than 50,000 worldwide sustainability leaders met in Egypt for the 27th United Nations Conference

of the Parties, and a large majority of attendees had little knowledge of food production.

Ashley McDonald, NPB's interim vice president of sustainability, represented U.S. pork producers. Her biggest takeaway was confirming how production agriculture differs in the U.S., and explaining how integrating livestock and crops, like using manure as an organic fertilizer, benefits the planet and can be part of the climate solution.

McDonald shared sustainability progress to attendees and reflected, "most people don't see production agriculture, nor do they come from it. It's important to represent U.S. livestock producers in these venues to answer questions with scientific evidence. The goal is to change hearts and minds, and this opportunity is important for the health of our industry long term."

CONFIDENCE IN PRINCIPLES

Real Pork Mythbusting

“There are a lot of documentaries about how animals are treated. But with something that’s so luxurious almost contradicts the feelings that come up with a pig farm.”

*New York City
focus group member*

241,000
views of the
full video



The campaign continues through first quarter of 2023.

Watch the full video at pork.org/wecare

Getting the Real Word Out About Pork

A Pork Checkoff-funded study revealed nearly one-third of consumers had either reduced, or planned to reduce, their consumption of pork. Their reasons for doing so included concerns about nutrition, safety and ethics of pig farming.²⁷

In response, the National Pork Board (NPB) is addressing misconceptions consumers have about pork as a food and the way pork is raised.

From Reservations to Clarity

“This hotel goes the extra mile in every way to care for their guests.”

NPB organized a series of focus groups in New York City to get feedback on a state-of-the-art hotel concept. The facilitator described various hotel amenities, such as personalized nutrition plans, rigorous cleaning in the climate-controlled building, regular access to a doctor and extensive staff training.

After hearing about all it would offer, the focus group participants were asked to close their eyes and imagine what this hotel could look like. Hidden-camera video captured surprised reactions as they opened their eyes to footage of a pig farm, revealing the amenities described by the moderator represented modern farming practices.

The idea of using a hotel as a metaphor for pig farming had been validated prior to the New York City focus group. The results of this consumer research found:

- The hotel concept was believable, likable and a good fit with meat products.
- The modern pig farm reveal made people feel good about the safety, cleanliness and overall care of pigs.
- Overall opinions toward pork and purchase intent improved.

REAL COMMENTS FROM REAL CONSUMERS

That’s my kind of hotel! Well done!

Superior use of educational story telling. Well done NPB! Proud to be a small part of the poultry, dairy and swine industry.

Great post: informative, educational, and totally from left field.

Great video!

Great information thank you sharing ❤️❤️

What an excellent POV. Genius perspective. 🙌



I'm so impressed!! I had no idea there were farms like this in the USA!! For any kinds of animals. Thank you!!

I love the American Farmers. They are as much a hero as our first responders and work hard every day to prove that to us.

Great to know the food you eat that some farmer or farmers would go to this length. A must see for sure. My father raised hogs back in the day and times have surely changed. 🍖☀️

THANK YOU, Luke Bryan!!! As a Midwestern farmers daughter, I have been trying to get people to understand how farmers REALLY treat their animals and land for years! I love that you are using your voice to explain this too!! ❤️

That was interesting, educational and gives us appropriate information.

Well done! On spot messaging!

Awesome. Coming back strong :)

Luke Bryan’s likable, trustworthy appeal allows NPB to cast a significantly wider net and authentically deliver the Mythbusting message to those who need to hear it most.

Luke Bryan’s Farm Tour showcased the industry’s We Care® Ethical Principles.

Luke Bryan Helps Bust Pork Myths

NPB also partnered with country music star and five-time Entertainer of the Year winner Luke Bryan to draw attention to the focus group video and the care pig farmers put into their daily work.

Drawing on his childhood upbringing on a Georgia farm, Bryan’s likable, trustworthy appeal allowed NPB to cast a significantly wider net and authentically deliver the mythbusting message to those who need to hear it most.

Bryan participated in a media day in September, reaching an estimated 1 billion people through stories mentioning his work with pork producers in popular outlets like People, Fox News Entertainment, CMT Online and more.

NPB also produced two short promotional videos with Bryan that were used as digital and social ads, driving users to the main video.



National Pork Board ✓
Sponsored · 🌐

...

Be our guest. ✨ You may have reservations upon arrival, but total clarity once you leave. Step inside with country music superstar, [Luke Bryan](#) and unlock what this five-star hotel is all about.



PORK.ORG

Reservations now open for luxury hotel

Watch more

 1K

163 comments 71 shares



SPOTLIGHT:
Confidence in
Food Production

“We can fight these battles, but sometimes that’s too late. We need to be getting in front of the consumer about what we do, how we are sustainable and how we treat our animals, and debunk those documentaries. They want to know about how their food is raised. And if we aren’t telling our story, we know the opposition will.”

*Bob Ruth
NPB board member, Pennsylvania*

Bob Ruth, board member from Pennsylvania, helped New York City consumers gain a new understanding of food production by answering their questions about housing and animal well-being. This opportunity to create a touchpoint with a real producer helped them see there are real people taking real good care of pigs every day.



Farm Tour Feeds Families

Luke Bryan visited six family farms in six states across the Midwest on his 13th Farm Tour concert series. As Bryan “lifted up the American farmer,” the pork industry was right beside him.

Sponsored by NPB, Bryan’s Farm Tour showcased the industry’s We Care Ethical Principles, which include commitments to do what’s right for people and communities. Through a partnership with Farmland®, a brand of Smithfield Foods, and state pork associations in tour locations, NPB promoted donations of pork to local Feeding America food banks.

“As a pig farmer, it’s a big responsibility we take on, ultimately knowing we feed our family, along with somebody else’s. Food insecurity is such a big issue, especially in rural America,” said Heather Hill, NPB president.

1
million
servings

The six-location donation totaled an estimated 210,000-pounds of pork, or more than 1 million 3-ounce servings of protein provided to those in need.

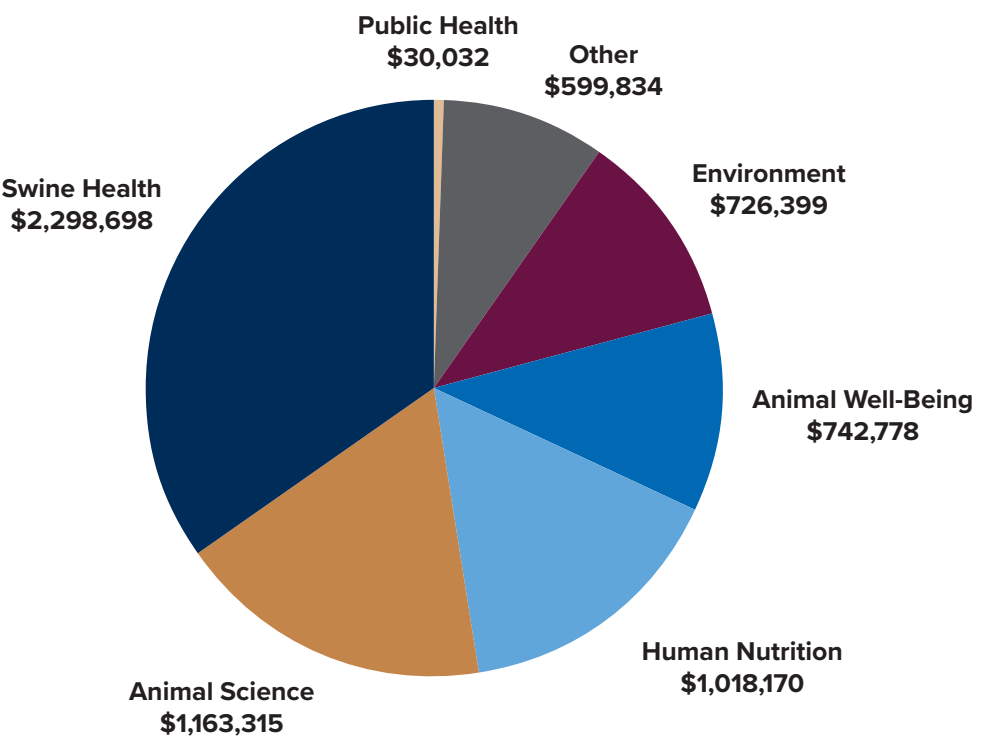


National Pork Board Research Breakdown

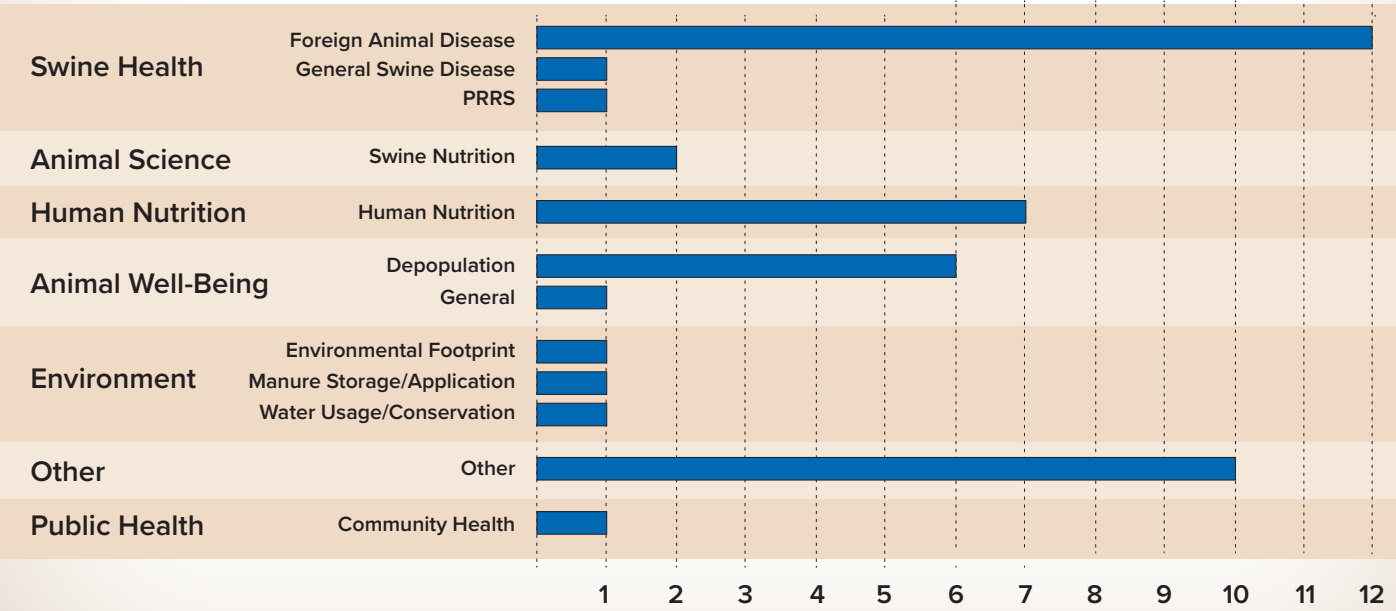
1/1-12/31/2022

Research is at the heart of the National Pork Board’s mission and is funded by Pork Checkoff dollars. Research is administered in all areas of pork production, processing and human nutrition to develop a higher quality and more profitable product in the competitive meat protein market.

PROJECTS BY DOLLAR AMOUNT



NUMBER OF RESEARCH PROJECTS



2022 Financial Summary

NATIONAL PORK BOARD — COMPARATIVE INCOME STATEMENT

For the Period Ending December 31, 2022

REVENUE	2022 Original Budget	2022 Adjusted Budget	2022 Year-End	VARIANCE
Checkoff	85,000,000	99,200,000	109,486,785	10,286,785
Interest Income	400,000	300,000	409,320	109,320
Other	100,000	400,000	674,423	274,423
Total REVENUE	\$85,500,000	\$99,900,000	\$110,570,528	\$10,670,528
PROJECTS				
Prevent & Prepare FAD / ASF	9,012,000	6,952,000	6,035,370	(916,630)
Build Trust & Add Value Through a Positive Image of US Pork	8,320,000	7,382,500	7,943,068	560,568
Diversify International Portfolio	9,295,000	9,295,000	9,277,845	(17,155)
Establish US Pork as the Global Leader in Sustainable Agriculture	6,875,000	7,475,000	7,846,004	371,004
Strengthen Grassroots Engagement	4,092,000	3,977,020	4,072,106	95,086
Operational Excellence	2,157,000	2,565,500	886,422	(1,679,078)
Total PROJECTS	\$39,751,000	\$37,647,020	\$36,060,815	\$(1,586,205)
Programs	12,008,500	16,890,785	17,735,112	844,327
Operations	17,090,500	11,185,195	9,293,963	(1,891,232)
Supplementals	—	16,587,000	12,249,131	(4,337,869)
Total NATIONAL SPENDING	\$68,850,000	\$82,310,000	\$75,339,020	\$(6,970,980)
Return to States	16,150,000	18,848,000	19,798,099	950,099
Total Operating Expenses	\$85,000,000	\$101,158,000	\$95,137,119	\$(6,020,881)
Impact to RESERVES	\$500,000	\$(1,258,000)	\$15,433,409	\$16,691,409
RESERVES				
Impact to Reserves	\$500,000	\$(1,258,000)	\$15,433,409	\$16,691,409
Designated Reserves	24,950,000	24,000,000	37,645,000	13,645,000
Undesignated Reserves	50,922,510	50,922,510	37,277,510	(13,645,000)
ENDING BALANCE	\$76,372,510	\$73,664,510	\$90,355,919	\$16,691,409

EXECUTIVE SUMMARY

A. The National Pork Board – The Business

The National Pork Board (NPB), established by the Pork Promotion, Research and Consumer Information Act of 1985 (Pork Act), is responsible for collecting and investing the Pork Checkoff. In accordance with the Pork Act, an assessment is to be paid by producers on the sale of each live hog at a rate of 35 cents per \$100 of value, effective Jan. 1, 2023, down from 40 cents. Importers of live hogs and pork products are also subject to Checkoff assessments. NPB invests these funds on behalf of the U.S. pork industry in promotion, research and consumer information programs.

A 15-member Board of Directors (Board) oversees NPB and the Pork Checkoff funds. Each year, Pork Act Delegates, appointed by the U.S. Secretary of Agriculture, have the responsibility of electing members to the Board, setting the Checkoff assessment rate and establishing the return-to-state rate, which provides funding to the designated state pork associations. The Chief Executive Officer reports to the Board and is responsible for NPB’s project and program implementation and staff in four working areas: 1) Communications, Producer and State Engagement; 2) Demand Enhancement; 3) Swine Health, Production and Sustainability; and 4) Administration.

B. Checkoff Rate Reduction

The Final Rule to implement the Pork Checkoff rate change has been published in the Federal Register (7 CFR Part 1230; Doc. No. AMS-LP-22-0032) following the action of the delegate body at Pork Forum in March 2022. The rate change to 35 cents per \$100 of value went into effect Jan. 1, 2023. Strategy and budgeting are reflective of this 12.5% reduction in revenue potential.

DESIGNATED RESERVES BEING DEPLOYED FOR STRATEGIC INDUSTRY PROJECTS

NPB is strategically designating significant funds for future deployment to meet industry needs.

Released from Designation and Deployed in 2022

- Swine Health Information Center (SHIC) – \$2,500,000
- Real Pork Trust and Image – \$2,500,000
- Real Pork Multicultural – \$2,100,000
- Real Pork Mythbusting – \$1,250,000
- Real Pork Human Nutrition – \$950,000
- National Retail Meat Case Study – \$500,000

DESIGNATED AS OF DEC. 31, 2022 FOR FUTURE DEPLOYMENT

SHIC – \$10,000,000

Checkoff funds will support the Swine Health Information Center (SHIC) for six years based on a series of milestones starting Dec. 31, 2021, for a total commitment of \$15M.

Real Pork Trust and Image – \$10,895,000

The five-year initiative will use third-party communication and specialized research to enhance the industry’s freedom to operate, address barriers around the topics environment and public health, and address misinformation widely circulated among influencers and decision makers.

Soil Health Research – \$1,500,000

A five-year, multi-state study will measure health and structure changes in soil after manure application. The metrics include quantification of soil erosion, organic matter, water holding capacity and carbon sequestration.

Human Nutrition – \$15,250,000

Changing beliefs is accomplished through three long-term pillars: science, the story and endorsements. NPB is grounded in research and facts about the good news of pork. This translates to the story and how NPB, and the industry, can connect with people to share values and beliefs of a nutritious product surrounded by friends, family and laughter. The endorsement develops community around the product. NPB protects pork’s place on the plate by meeting with health professionals, understanding their beliefs and arming third-party advocates with data. (Designated funds are in addition to \$1,500,000 allocated in each of 2023 and 2024 budgets)

Working Capital balance as of Dec. 31, 2022	\$63,477,896	Working Capital Balance \$63,477,896
Human Nutrition	(\$15,250,000)	
Real Pork Trust and Image	(\$10,895,000)	Designated Reserves \$37,645,000
SHIC	(\$10,000,000)	
Soil Health Research	(\$1,500,000)	
Designated Reserves Total	(\$37,645,000)	
Undesignated Working Capital	\$25,832,896	Undesignated Working Capital \$25,832,896

Adjusted Working Capital Reserve Calculations (Table WC.1):	
2022 NPB Current Assets	\$ 80.3M
Less: 2022 NPB Current Liabilities	\$ (16.8M)
2022 NPB Working Capital	\$ 63.5M
Less: 2023 Designated Reserves (as listed above)	\$ (37.6M)
Less: Emergency Reserve (as set by Board of Directors)	\$ (14.6M)
2022 Ending Working Capital above Reserve Target	\$ 11.4M

Explanation for Table WC.1:

As stated above, Working Capital is calculated by taking current assets and subtracting current liabilities. NPB’s working capital balance calculated in December 2022 is \$63.5M after subtracting the designated funds balance, NPB’s Undesignated Working Capital balance is \$25.8M. This \$25.8M is \$11.4M above the emergency reserve target of \$14.6M, as set by the Board. As displayed in this graphic, NPB has a large working capital balance and is strategically deploying available resources above the emergency reserve floor to continue to add value for, and build trust in, the U.S. pork industry.

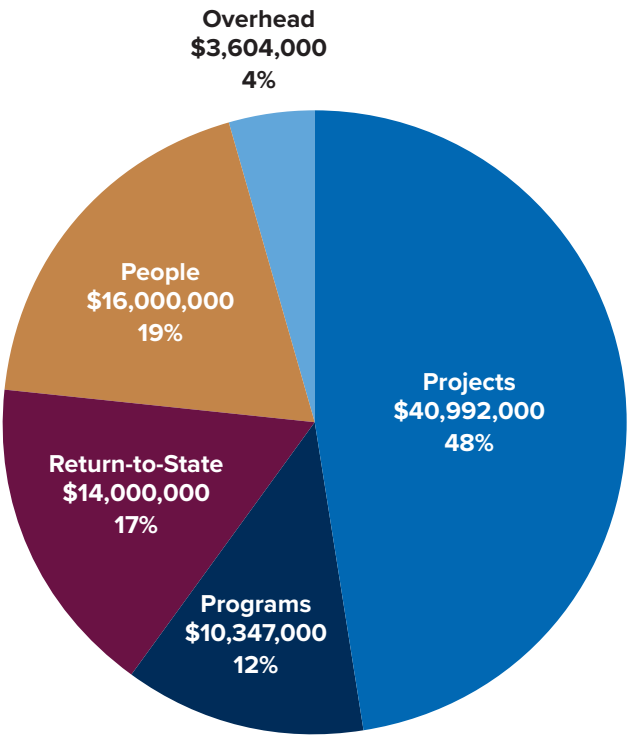
BUDGET PROCESS AND INPUTS

The 2023 Budget and Operating Plan is aligned with the strategic vision and the input received from producers during the annual planning cycle. The annual producer planning and prioritization process is based on active input and direction from the following segments:

Independent Producers	Contract Growers	Land-Grant Universities
Integrated Producer-Packers	Niche and Specialty Producers	Ag Economists
Producers with Packer Commitments	Show Pig Producers and Youth	Food Service
State Pork Associations	Processors	Retail Grocery
NPB Board of Directors	Allied Industry	

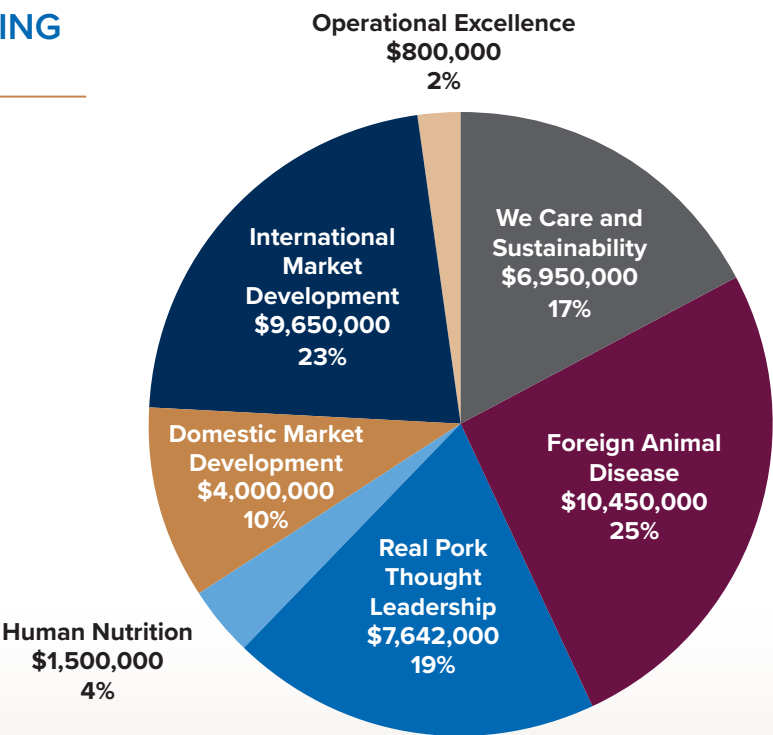
2023 OVERALL PROPOSED SPENDING

\$84,943,000



2023 PROJECT SPENDING BY OBJECTIVES

\$40,992,000



Sources

1. Sustainable Environmental Consultants (SEC), National Pork Board (NPB)
2. SEC analysis, Aggregated January 2023 report consisting of 193 Checkoff-paying pork producers with data from the 2021 growing season and calendar year
3. NPB
4. Comparison of 2020 US Census and Checkoff remittance information
5. Swine Health Information Center (SHIC)
6. U.S. Pork Center of Excellence
7. National Pork Producers Council (NPPC), New Report Highlights U.S. Pork Industry Contributions to American Jobs and the Economy, July 2022
8. Recent Study Reveals More Than a Third of Global Consumers Are Willing to Pay More for Sustainability as Demand Grows for Environmentally-Friendly Alternatives, Business Wire, October 2021
9. Checkoff-funded Power of Meat 2022 study
10. When compared to conventional practices (i.e. conventional tillage, no cover crop scenario), in-field farm practices generated
11. USMEF and NPPC
12. USMEF, The Juday Group
13. USDA FAS, USMEF
14. USDA/FAS, TDM & USMEF, 2021 Volume in metric tons, including variety meats; U.S. share of imports
15. NPB participated in this USDA Ag Trade Mission as a member of the U.S. Delegation.
16. OECD-FAO Agricultural Outlook (Edition 2021)
17. Study is led by Marisa Rotolo with PIC, Jeff Zimmerman and his graduate student at Iowa State, and USDA's Center for Epidemiology and Animal Health.
18. SHIC
19. U.S. Swine Health Improvement Plan
20. Presentation at Alltech One Conference, Transformational Trends: How Can the Swine Industry Meet Consumers' Demands?, May 2022
21. 210 Analytics
22. Checkoff Funded Consumer Omnibus Survey 2020, Ground Pork
23. Numerator Consumer Panel Data, Total U.S. 52 Weeks Ending 10/11/22
24. Proprietary research conducted by Pork Checkoff
25. Proprietary Tony's Fresh Market Fresh Pork Sales Data
26. Pork Checkoff-funded Animal Welfare Perceptions Study, Consumer Online Poll, conducted by Heart + Mind Strategies, August 2022
27. Pork Checkoff-funded Barriers Tracking Research, Consumer Online Poll, Conducted by PSB, Wave 7, May 2021





What does Real Pork mean to you?

