

USDA Agrees To Help U.S. Pork Producers

Agency Will Purchase Additional Pork Products For Federal Food Programs

Washington, September 3, 2009

The National Pork Producers Council today commended U.S. Agriculture Secretary Tom Vilsack for his decision to lend assistance to the U.S. pork industry to help it weather a nearly 2-year-old economic crisis that has put some producers out of business.

The U.S. Department of Agriculture agreed to purchase up to \$30 million of pork products, which will be used for various federal food programs. Secretary Vilsack, who heard from hundreds of hurting pork producers, today announced the pork purchase. USDA also is working to reopen pork export markets that closed in the wake of the H1N1 flu outbreak.

“The action by USDA to buy additional pork will benefit America’s pork producers, the U.S. economy and the people who benefit from government food programs,” said NPPC President Don Butler. “NPPC is extremely grateful to Secretary Vilsack for recognizing the plight of our producers and for taking action to help them. The pork purchase and the ongoing efforts to reopen export markets are important steps that will help our industry bring pork supply and demand back into balance and allow producers to continue providing consumers worldwide with economical, nutritious pork products.”

In an Aug. 17 letter to the secretary, NPPC urged USDA to take immediate action to address a crisis that since September 2007 has seen producers losing an average of more than \$21 on each hog marketed. The pork industry has lost more than \$4.6 billion in equity over the past two years. NPPC asked the agency to:

Purchase immediately an additional \$50 million of pork for various federal food programs, using fiscal 2009 funds. Fiscal 2009 ends Sept. 30. (USDA annually buys pork for food programs; it bought \$62.6 million worth in 2008, for example.)

Urge Congress to lift a spending cap on Section 32 funds, and use \$50 million of \$350 million available to purchase pork for the program, which uses customs receipts to buy non-price-supported commodities for food programs.

Buy on Oct. 1 a minimum of \$50 million of pork, using fiscal 2010 funds. Fiscal 2010 begins Oct. 1. The purchase would be in addition to USDA’s annual buy.

Use \$100 million of the \$1 billion appropriated for addressing the H1N1 virus for the swine industry, including \$70 million for swine disease surveillance, \$10 million for diagnostics and H1N1 vaccine development and \$20 million for industry support.

Work with the U.S. Trade Representative to open export markets to U.S. pork. Several countries, including China, continue to impose unwarranted bans on U.S. pork, citing the H1N1 flu.

Study the economic impact on the livestock industry of an expansion of corn-ethanol production and usage. EPA has proposed raising the cap on blending ethanol into gasoline to 15 percent from its current 10 percent.