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U.S. Department of Agriculture  
Agricultural Outlook Forum 2003  
February 20 & 21, 2003

Competing in the 21<sup>st</sup> Century

Jon Caspers



# Competing in the 21st Century

## Agricultural Outlook Forum 2003

### February 20, 2003

# NPPC – The Organization

- **The Advocate**

- ◆ In Legislation
- ◆ In Regulation
- ◆ In Legal Defense
- ◆ In International Trade Policy

- To Achieve “**Freedom to Operate**”

- Separate from National Pork Board

# Competing in the 21st Century

## ◆ External Threats, Challenges & Opportunities

- Activists
- International Trade
- Country of Origin Labeling
- Environment
- Animal Welfare
- Antibiotics

# Activist Attacks 2002

- ◆ Animal Rights Ballot Issues
- ◆ Robert F. Kennedy Jr.
- ◆ Antibiotic Claims
- ◆ Fast-Food Restaurant Lawsuit
- ◆ PETA

# PETA Billboard



**PETA**

**Eating meat can make you impotent • [GoVeg.com](http://GoVeg.com)**

# International Trade

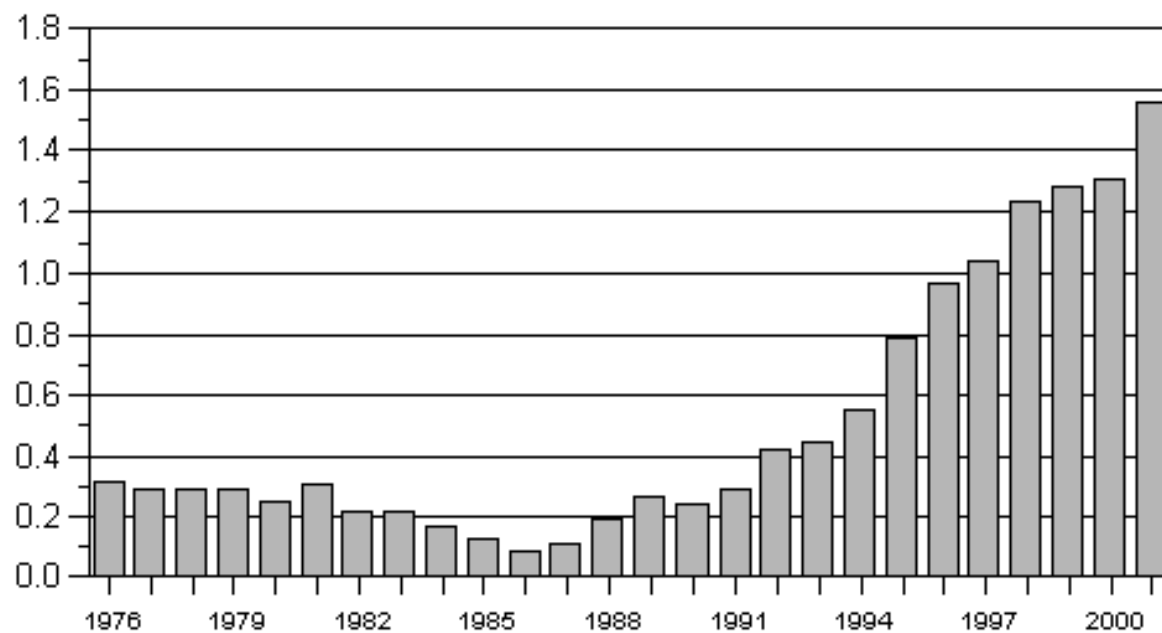
- ◆ Trade Promotion Authority
- ◆ High Import Tariffs
- ◆ Import Quotas
- ◆ Non-Tariff Barriers



# U S PORK EXPORTS

## Carcass Weight, Annual

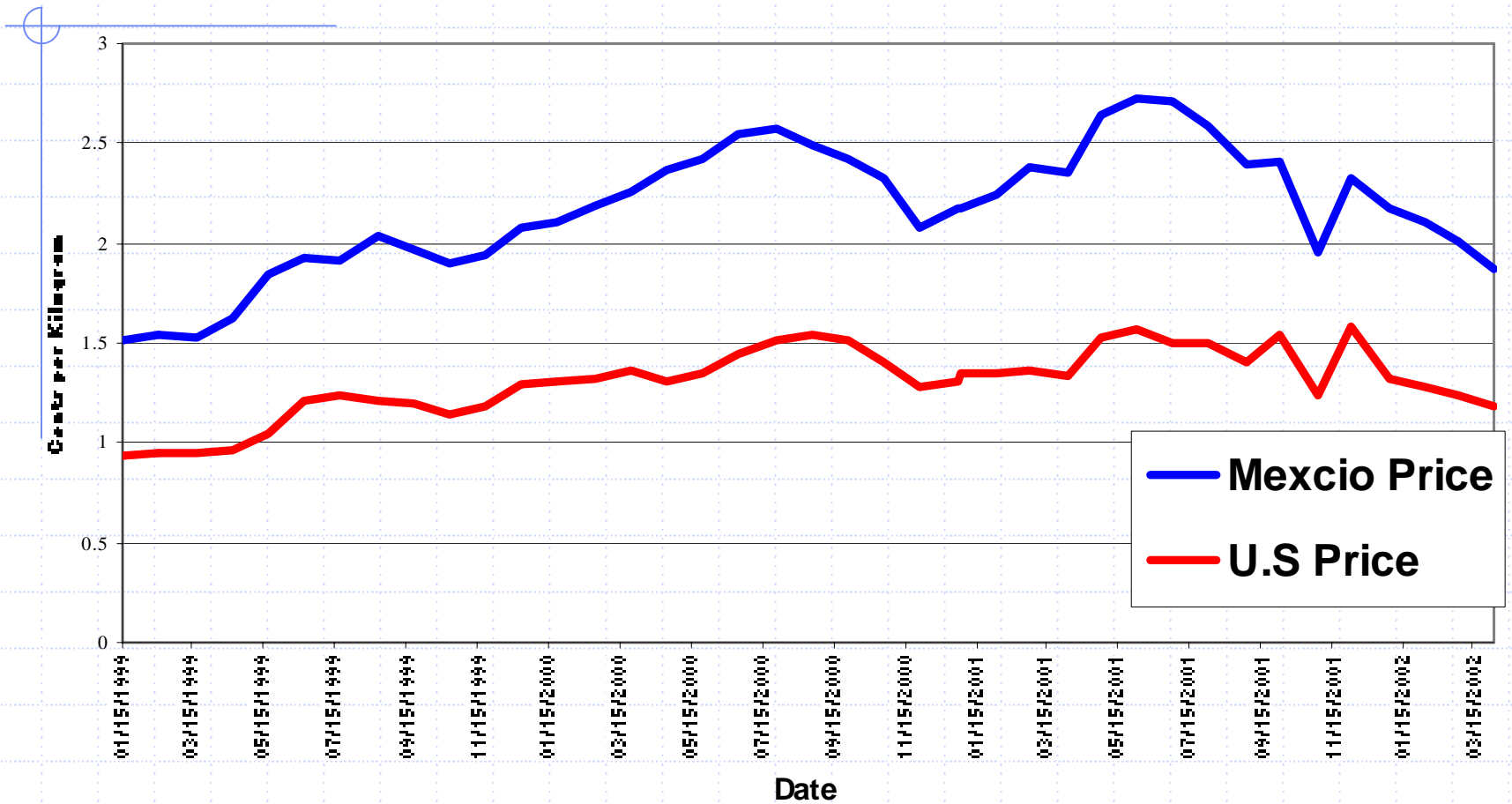
Bil. Pounds



# International Trade

## ◆ Mexican Anti-Dumping Case

**Figure 1. Comparison of Prices Received by Hog Producers in the U.S. and Mexico**



# International Trade

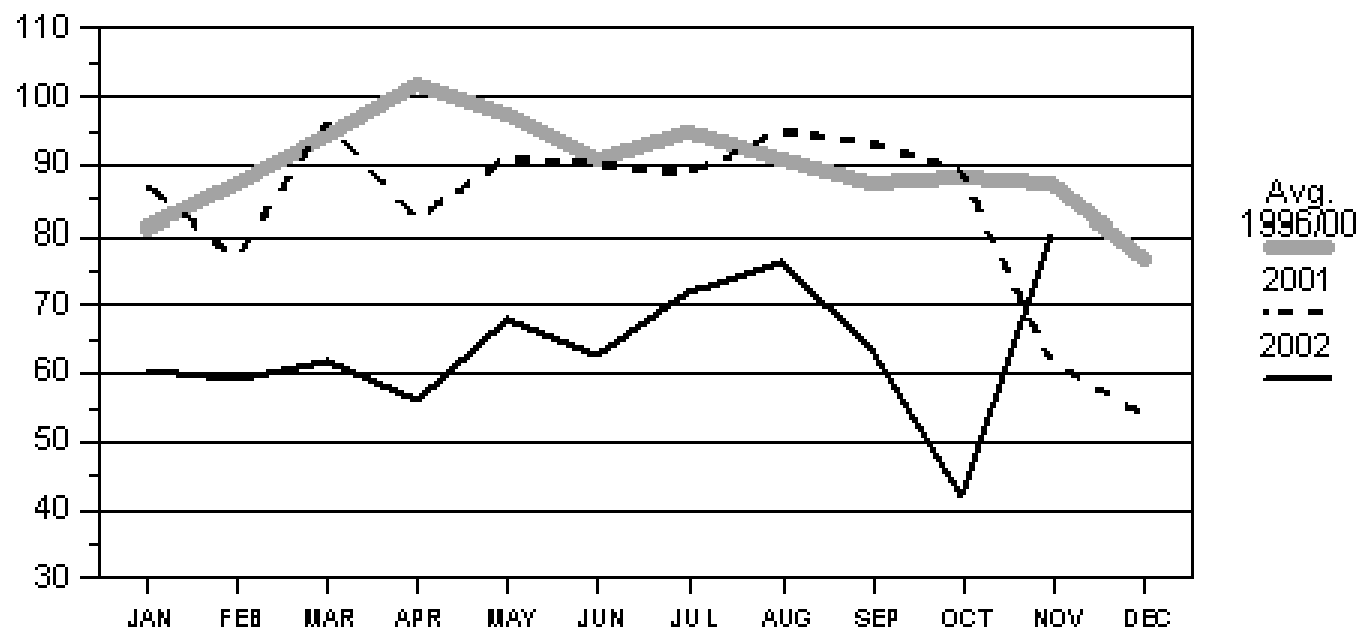
## ◆ Disease Outbreaks

- FMD UK
- BSE Japan
- END California & Nevada

# U S BEEF EXPORTS TO JAPAN

Monthly, Carcass Weight

Mil. Pounds



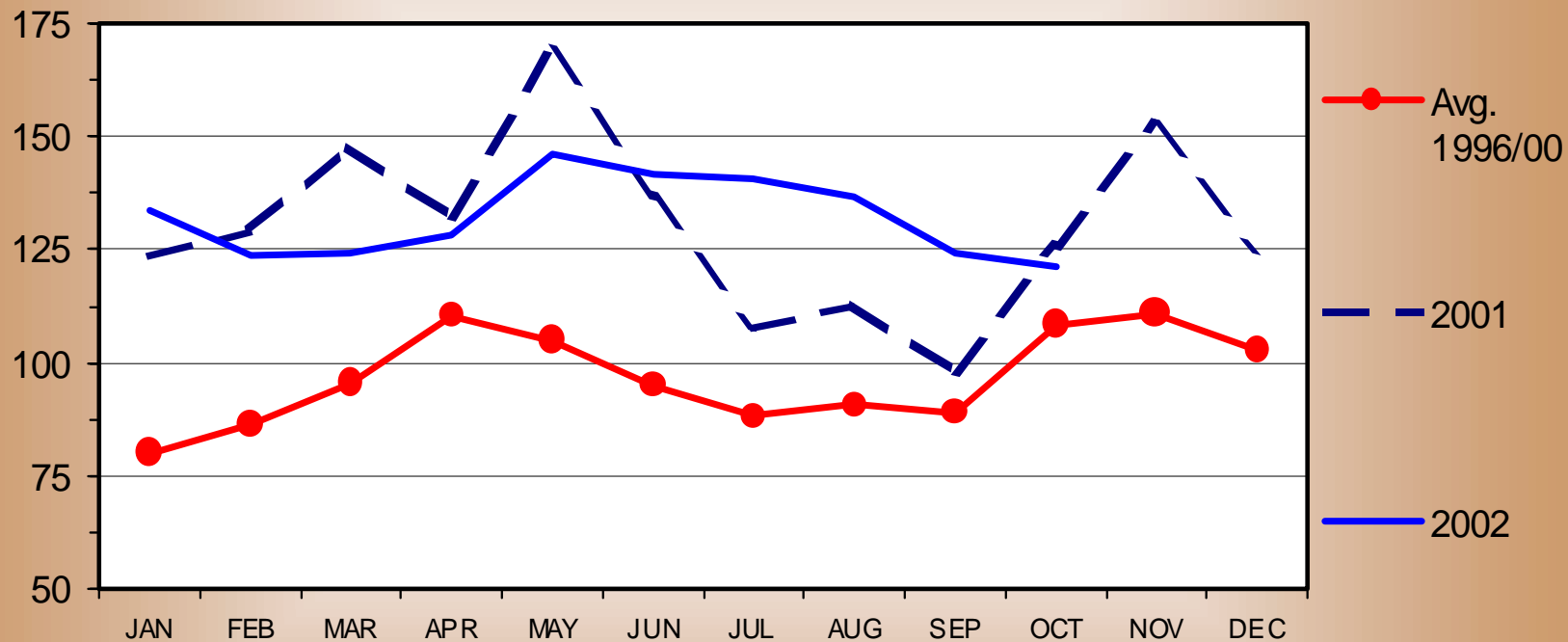
Livestock Marketing Information Center

FN-37  
01/19/03

# U S PORK EXPORTS

Carcass Weight, Monthly

Mil. Pounds



# Country of Origin Labeling (COOL)

- ◆ Included in Farm Bill
- ◆ "Born, Raised & Slaughtered
- ◆ Costs
  - USDA - Record Keeping
    - ◆ \$1.9 Billion
    - ◆ \$1.0 Billion for Producers

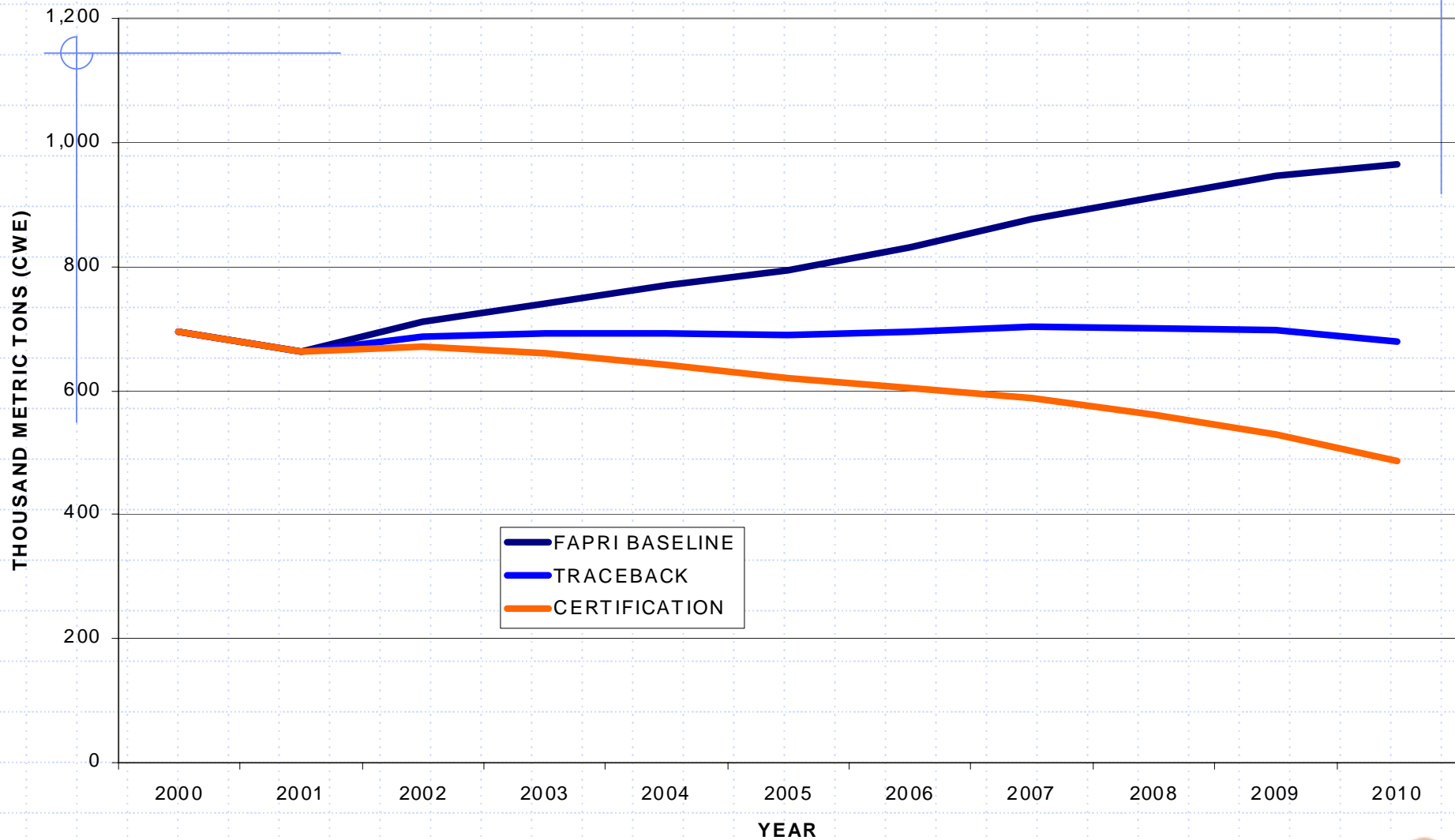
# Country of Origin Labeling (COOL)

## ◆ Costs

- Full Traceback System for Pork
  - ◆ \$10.22 per Head
  - ◆ \$1.0 Billion
- Certification with Audit
  - ◆ Less Expensive
  - ◆ Devastating to Exports
    - 50% Lower by 2010



## PROJECTED U.S. PORK EXPORTS UNDER CERTIFICATION, TRACEBACK AND A FAPRI BASELINE.



# Environment - CAFO Rule

- ◆ Raises the “Environmental Bar”
- ◆ 1000 Animal Units
- ◆ Applies to 15,500 Livestock Operations
  - Up from 4,500
  - 11,000 Required to Apply by 2006
- ◆ New Requirements

# Environment - Air Quality

## ◆ NAS Study

- Requested by EPA & USDA
- Need for Science-Based Methods

## ◆ Recommendations

- Develop methods for:
  - ◆ Measuring
  - ◆ Determining Spread

# Animal Welfare

- ◆ Ballot Issues in OR & FL
- ◆ New Handling Requirements in Farm Bill
- ◆ FMI / NCCR Animal Welfare Committee
  - Audits
- ◆ National Pork Board
  - Swine Welfare Assessment Program

# Antimicrobials

- ◆ New FDA Framework Document
  - Guidance for Evaluating Antimicrobial Resistance
- ◆ Ability to Treat Groups
- ◆ Danish Experience
  - Banning Feed Antibiotics Increased Usage

# Competing in the 21st Century

## ◆ External Threats

- Environment
- Trade Barriers
- Legislation / Regulation

## ◆ To achieve “Freedom to Operate”

## ◆ Change

"We live in a moment of history where change is so speeded up that we begin to see the present only when it is already disappearing."

- R. D. Laing, *The Politics of Experience*