



CARTHAGE CORNER

INSIDE THIS ISSUE

"Economics of the Pork Industry"



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&

Elanco Products:
"???"

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INDUSTRY DATES**

NPIC

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Economics of the Pork Industry

World markets for all industries are changing constantly. Recently I had the opportunity to go to Japan and work with local farms and speak at a producer conference. It is very evident that the Japanese pork industry is constantly looking for more information to improve production. They come to the US on visits and bring people such as myself over to Japan to provide farm specific information. Japan imports a lot of US pork and it is quickly evident that our pork production competes with them for Japanese consumer dollars.

The Japanese pork producers are clearly aware that they must compete against the US cost of production. Many local costs are very high such as corn which is all imported from the US. A dose of Japanese semen costs ~\$20/dose compared to \$6.90/dose in the US. The Japanese consumer also demands a different meat quality standard by looking for more intramuscular fat which is similar to the beef they like.

So as the US pork industry grows and develops further, we need to keep in mind who are consumers are today and who will be in the future. It is a world-wide market.

Economics of the US Pork Industry have changed over the last few years. The US has become dependent on worldwide markets to support current prices. This is very important for producers to understand because foreign markets are part of the consumer base we produce pork for and sell to. The US has more than 25% of the world pork export market today.

Thirteen years ago, the US was a net importer of pork. In 2006, we exported more than 2 billion pounds more pork than we imported. It is the credit of promotional money spent through the Pork check-off funds, many producers working hard to be low cost protein producers, and developing the markets overseas. Table 1 shows the top four countries for exports and their share of the total US export tonnage of pork. Japan imports over 1 billion pounds of US pork.

Table 1.

2006 US Pork Exports by Country (Top 4)	
Country	% of Exports
Japan	33.8
Mexico	20.3
Canada	10.8
South Korea	9.8

Exporting pork and pork by-products has added over \$27 value per head slaughtered. All parts of the pig are important in a global market. Each country tends to have certain cuts of pork in demand, such as loins and tenderloins in Japan, hams in Mexico, picnic and trimmings in Eastern Europe and Russia, variety meats in China, and butts in Korea.

Recently the National Pork Board has introduced an updated version of PQA Level III; it is the PQA Plus program. The program contains the old PQA III items and takes things further in swine welfare and auditing farms. The program has estab-



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Economics of the Pork Industry Cont.

lished new levels for the US industry to strive for in the production of quality meat as well as proper handling of swine. Public perception of animal handling is currently a major topic for sow gestation stalls. It is important to remember that perception is not always reality and it is very hard to correct misconceptions once the "public mob mentality" kicks in and people do not listen to sound facts. It is important for all of us to be good pork advocates and promote a good image to our consumer's everyday. Consumer confidence here in the US as well as overseas will determine profitability in today's worldwide markets.

Best Regards,

Doug Groth, D.V.M.

Carthage Veterinary Service

Facts about Paylean®

What Paylean does: Paylean directs nutrients to increase the amount of quality lean meat in high-value cuts, and improves production efficiency.¹ It's the only FDA-approved swine product of this type.

Benefits: Paylean helps produce enough additional pork to feed about 10 million people, without additional animals (5 lbs. lean pork/pig x 100 million pigs = 500 million lbs. @ 50 lbs. pork/person = 10 million people).^{2,3}

Safety and Approvals: Now registered in 24 countries, Paylean received FDA approval on Dec. 22, 1999 after meeting stringent food, animal and environmental safety standards.

Meat Quality: Pork from Paylean-fed pigs looks no different from pork from non-Paylean pigs (color, firmness and marbling), and trained taste panelists found no difference in its juiciness and flavor.¹

The label contains complete use information including cautions and warnings. Always read, understand, and follow the label and use directions.

CAUTION: Ractopamine may increase the number of injured and/or fatigued pigs during marketing. Not for use in breeding swine.

¹ Apple, J. et al. Meta-analysis of the ractopamine response in finishing swine. *Prof. Anim. Scientist*. 23, 2007.

² Elanco, trial T4V290607. Data on file.

³ USDA Outlook Report LDPM13001, May 2005.

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CVS's float in the Carthage, IL 4th of July Parade

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