

# Industry News – PM

## Congress members ask USDA for more pork aid

By Tom Johnston on 10/9/2009

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Ninety-five members of Congress this week urged Agriculture Secretary Tom Vilsack to immediately provide further assistance to the ailing U.S. pork industry.

USDA already has purchased about \$180 million of pork products for federal food programs in fiscal 2009. (See [USDA gives pork producers \\$30 million boost](#), Meatingplace, Sept. 3, 2009.)

"Since 2007, the U.S. pork industry has lost \$4.6 billion in equity, with producers losing an average of more than \$21 on each hog marketed," the senators and representatives said in letters to USDA, noting that losses incurred from rising input costs and a global recession were exacerbated by the H1N1 outbreak in late April.

"From then until mid-August, U.S. pork producers' revenues declined by \$991 million from the level expected before the H1N1 crisis began," the letters state. "Based on September 1st hog, corn and soybean futures prices, accumulated losses will rise to \$2.185 billion by the end of 2009."

On an individual basis, the lawmakers note, a producer with 1,500 sows who sells 30,000 pigs per year will have lost \$1.07 million since October 2007. Based on USDA data and Sept. 1 futures prices, that producer could lose \$20.14, \$30.16, \$38.22, \$45.60 and \$39.21 for each hog sold in August through December, respectively.

The lawmakers request that USDA:

- Buy an additional \$100 million of pork for various federal food programs, with emphasis on purchasing meat from sows in order to reduce breeding stock to reduce hog numbers.
- Work with federal agencies to address swine disease surveillance on farms, related diagnostic and vaccine development, and swine industry support.
- Work with the U.S. Trade Representative to open export markets to U.S. pork, particularly China.

Additionally, the lawmakers are asking Vilsack to continue to review other USDA programs for other possible opportunities for assistance to the pork industry.