



June 24, 2009

The Honorable Thomas Vilsack  
Secretary of Agriculture  
Room 200 – A Jamie Whitten Building  
U.S. Department of Agriculture  
1400 Independence Avenue, SE  
Washington, DC 20250

Dear Secretary Vilsack:

Pork production is an important part of the economy in our states. The pork industry supports nearly 22,000 jobs in Minnesota and more than 63,000 jobs in Iowa. Our pork producers are skilled business operators accustomed to the fluctuations of farm commodity prices. However, due to a rare combination of factors largely outside their control, producers in Iowa, Minnesota, and other states now face the most difficult operating environment in decades. We are writing to urge you to take immediate action to help alleviate the severe economic pressures our pork producers now face.

While the H1N1 influenza outbreak has been harmful to the pork industry, the industry was struggling even before the disease emerged. The National Pork Producers Council reported that 2008 was the second worst financial year for pork producers, exceeded only by 1998. The global recession weakened export demand and tightened lending policies. Meanwhile, prices for feed and other farm input costs increased.

Just as producers were adapting to this difficult landscape, the H1N1 influenza outbreak hit. In the early weeks of the outbreak, the disease was mislabeled “swine flu” and while many have now switched to the more accurate label of H1N1, some media outlets still use the earlier, less accurate label. This incorrect association with swine created unfounded fears among domestic and international consumers about the safety of pork products. As you know, the H1N1 outbreak of also provided an excuse for protectionist-minded countries to close their doors to U.S. meat and poultry products.

According to the American Farm Bureau Federation, the average pork producer’s operating loss nearly doubled after the outbreak of the H1N1 virus (from \$17.17 per head before the outbreak to \$31.94 per head immediately after the outbreak). With the additional impact of the mislabeled H1N1 outbreak, NPPC estimated that pork producers around the country lost nearly \$7.2 million each day between April 24 and May 1. One Iowa economist has estimated that H1N1 cost the

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Iowa pork industry an estimated \$175 million from April 24 to May 13. The Minnesota Pork Producers Association reports that since May 1, the H1N1 outbreak has cost Minnesota pork producers more than \$45 million.

The problems facing our pork industry are creating severe financial difficulties for many farm families. These difficulties go far beyond the normal ebb and flow of commodity prices, and we believe it is important for us to look for ways to help our pork producers survive this economic crisis. With that in mind, we ask that you use the USDA Section 32 funds to purchase \$50 million of pork products for use in federal emergency food programs, food pantries, senior/elderly feeding programs, and other non-commercial food channels. This action would give pork producers a much-needed boost, while also providing a healthy protein source to the many Americans in need who are served by these food assistance programs.

In addition, many pork producers with whom we have spoken have expressed concern about the prospect of additional regulatory burden either from the state or federal level. We know you understand the careful balance that must be struck between effective, responsible regulation and creation of a positive business environment in which our producers can compete for global customers. We ask that you keep this balance in mind, and that you work with other agencies such as the U.S. Environmental Protection Agency, to ensure that federal regulations take into account the impact of any new regulations on the ability of our producers to compete in the marketplace.

On behalf of our state's pork producers, we appreciate your attention to this critical issue. If you have any questions or suggestions about how we may work together to help our pork producers in this time of crisis, please do not hesitate to contact us.

Sincerely,



Gene Hugoson, Commissioner  
MN Dept. of Agriculture



Bill Northey, Secretary of Agriculture  
IA Dept. of Agriculture & Land Stewardship