

2021 Pork Checkoff Stakeholder Report

Collaborating to Build Trust and Add Value





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As most farmers, the performance of my hog farm equipment directly aligns with the productivity of a day. Broken down equipment equals lost opportunity while well-maintained machines can accomplish great things. Just as a feed bin, feedline, feed motor and feeder rely on multiple moving parts working together to accomplish its job, the pork industry depends on the collaboration of many working toward shared goals. And I am proud to say that we as leaders of the Checkoff are collaborating with industry partners, stakeholders, academia, researchers, channel partners and more on issues important to realizing a new vision for the Checkoff and protecting producers' freedom to operate.

In 2021, National Pork Board (NPB) worked with researchers, industry stakeholder groups and producer-led task forces to deliver on priorities you told us were important through the Checkoff's annual planning process. We invested our Checkoff dollars to support grassroots efforts, build trust among consumers, demonstrate our sustainability commitment, and protect our industry from disease.

Collaboration with state pork associations is an important part of ensuring the Checkoff reaches producers and consumers in a meaningful way. As an active member of state pork associations since the 1990s, I know firsthand the value our 41 state pork associations provide for the industry. Last year, the Board introduced a new state grant program, which provided \$1 million to state associations to develop programs that deliver on producer priorities at the grassroots level. For example, one state grant-funded program has the state organizations in Indiana, Ohio and Michigan collaborating on research to provide information that may shift the image of pork production in the Lake Erie region.

The Missouri Pork Association and the Missouri Department of Agriculture used the state grant program to obtain equipment and materials to research safe, effective and humane euthanasia and disposal methods for swine in the event of a foreign animal disease (FAD) outbreak. The success of these efforts and the entire 2021 state grant program resulted in the Board increasing funding to \$1.5 million in 2022.

To build trust among consumers, we continue to build our Real Pork brand, which helps protect our freedom to operate. In 2021, one way this brand came to life was through a partnership with Eric Stonestreet, an Emmy award-winning actor, to launch the Real Pork Mythbusting campaign. The campaign reached more than 16 million consumers and was featured in *People* magazine, a successful start to addressing consumer concerns about pork production.

For American pig farmers, sustainability means doing what's right for people, pigs, and the planet. We demonstrate our sustainability commitment by following the long-standing We Care® Ethical Principles and working toward continuous improvement in every area of pork production. In 2021, a producer-led task force collaborated to set sustainability goals and metrics aligning with our We Care Ethical Principles to build trust with consumers and decision-makers. These goals and processes to track progress will help us meet the consumer desire to know and share their values and see proof that pig farmers are committed to sustainability production.

We all know FADs like African swine fever (ASF) are a significant threat to the U.S. industry. NPB continues to work with partners across the industry, specifically with National Pork Producers Council (NPPC) and USDA, to prevent potentially devastating diseases from reaching our herds.

These efforts work together like the moving parts of an engine — one maintained through our strategic annual planning process and collaboration. Working together across the industry, we continue to create progressive, forward-thinking solutions for producers. I'm proud of everything we accomplished in 2021, and I'm excited to see what 2022 brings for you and our industry.

“Working together across the industry, we continue to create progressive, forward-thinking solutions for producers.”



A handwritten signature in black ink that reads "Gene M Noem". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Gene Noem, National Pork Board president

Attending school in rural South Dakota, I could always count on a few things being consistent every day. Finishing chores before the school bus showed up. Long bus rides down gravel roads. Eating all the food on your lunch tray. Dreading math class. Showing respect (sometimes with fear!) to the principal and teachers. And starting class every day – from kindergarten through eighth grade – with the Pledge of Allegiance.

Reciting that pledge taught us as children what our country stood for and, through extension, what we as American citizens stood for as well. We are United and Indivisible. We are a Republic. Under God. We believe in Liberty and Justice for All. A simple and straightforward pledge that clearly sets our country apart from others. A statement of beliefs that withstands the test of time.

Today, the U.S. pork industry has the opportunity to adopt our own pledge: the beliefs of Real Pork. Key points that clearly set us apart from the competition. We are Real Farmers on Real Farms raising Real Pigs that produce Real Pork. Real Pork that is Real Nutritious and Real Sustainable.

Real Pork is our trust and image brand. It is who we are. It is our freedom-to-operate strategy based on three simple beliefs:

Number One: Pork is an important part of a balanced and nutritious diet.

The iconic 1980s Pork Checkoff advertising campaign “Pork. The Other White Meat®” helped consumers understand our products had become leaner and could be an important part of a nutritious diet. That campaign laid the groundwork for where we have evolved today- we are the one and the only “Real Pork.” Through the Real Pork platform, we will talk with dietitians, nutritionists and the medical community about pork’s legitimate role in an active, healthy lifestyle.

Number Two: Pig and crop farming are sustainable.

There are probably as many definitions of sustainability as there are people. At the end of the day, pork producers believe sustainable food production is based on continuous improvement in economic viability, environmental impact and ethical behavior. The U.S. pork industry is well-positioned in this conversation. Fourteen years ago, before sustainability was in the daily headlines, pork producers established the six We Care® Ethical Principles and tasked the Pork Checkoff to bring them to life. The Checkoff funded a life-cycle analysis, and our joint work with corn and soybean farmers has positioned us to be recognized for decades of productivity improvements on the farm. Today, pork’s carbon footprint is under .05% of U.S. greenhouse gas emissions, and we are on track to achieve carbon neutrality. Regenerative agriculture might be a new concept to some, but livestock producers have been practicing it for centuries. Applying the nutrients from livestock manure to the crops that produce livestock feed is a practice that helps sustain soil health and provides a sustainable pathway to produce nutritious pork to eat. Real Pork can make a positive impact on sustainability.

Number Three: The ethical treatment of people and animals are key to a resilient food system.

Essential workers. That is the title America’s farmers and ranchers and the food supply-chain workers were given during the recent pandemic. And it is true. The people that comprise our food system must go to work every day. Our fellow citizens and our livestock depend on us to do our jobs safely, efficiently and well. The pandemic illustrated to consumers how many people work behind the scenes to raise food, process it and get it to the grocery stores and restaurants every day. We have an opportunity to capture that new-found awareness by recommitting ourselves to continuous improvement in how We Care for the people and animals around us. As global society advances and global wealth grows, modern society has higher expectations of the food system. We can and need to meet those expectations as producers of Real Pork.

In closing, the U.S. pork industry came through the roughest year in a generation and survived. Trends in agriculture and food have accelerated. People are paying attention to what we do as essential workers. The Pork Checkoff has a vision and a plan for putting Real Farmers in the forefront. We are proud to be producing Real Pork to feed others. That is our pledge.

Thank you for what you do every day.



Bill Even

“We are Real Farmers on Real Farms raising Real Pigs that produce Real Pork. Real Pork that is Real Nutritious and Real Sustainable.”



PRODUCERS POWERING THE CHECKOFF

National Pork Board is a consumer-focused, producer-powered organization. Its Checkoff-funded education, promotion and research initiatives are led by producers to build trust and add value for the U.S. pork industry.



8 Producer-led task forces directed work in 4 priority areas¹

70 Producers representing 21 states participated in task forces

71 Producers participated in industry working groups¹

22 State association boards of directors provided input into the Checkoff's annual planning process¹

14 Producers served on the Swine Health Information Center and U.S. Pork Center of Excellence boards of directors¹

16 Producers from 11 states participated in Pork Leadership Institute¹



U.S. Pork Center
of Excellence
Communities of National Cooperation



60,000⁺
PIG FARMERS IN THE U.S.²

550,000
PEOPLE EMPLOYED IN THE
U.S. PORK INDUSTRY³



Real Pork. Real Results.

NPB tackles myths about pork production with research and celebrity campaign



Real Pork is the industry's trust and image brand differentiating us from the alternatives. It's the identity for the industry, from farm to fork, that celebrates everything authentic about pork.

More than half of producers rank pork promotion and telling the industry's story as extremely important to the future success of the pork industry⁴. Coupled with Check-off-funded consumer insights showing nearly 40% of consumers want to know more about where their meat comes from⁵, NPB leveraged Real Pork to increase consumer confidence in pork, and help protect producers' freedom to operate.

Nearly 40% of consumers want to know more about where their meat comes from⁵.

Addressing the Spectrum of Consumer Concerns

NPB, working with the producer-led Real Pork Barriers Task Force, set out to understand top consumer concerns and questions about pork production and found there is a spectrum of consumer perceptions which could be barriers to pork consumption.

NPB took a proactive, two-fold approach by creating the Rural Dictionary Mythbusting storytelling series and funding research to address concerns through scientific data.

Real Pork Mythbusting (Re)Defines Pig Farming

Checkoff-funded consumer research indicated 25% of pork consumers are at risk of decreasing their pork consumption⁶, citing concerns around the health, safety and ethics of pig farming as their rationale.

NPB partnered with Emmy-award winning actor Eric Stonestreet as a credible spokesperson to address these misconceptions. Stonestreet, a Kansas native and former pig farmer, helped NPB launch the Real Pork Mythbusting campaign through a series of five videos and digital content that (re)defines common pig-related idioms and phrases. For example, “pig-sty” may refer to a mess, but today’s pig barns follow significant biosecurity and cleanliness practices. The campaign targeted consumers in urban areas with kids at home who prioritize criteria like health and sustainability in their food decisions.

Stonestreet participated in a media day during National Pork Month in October, speaking with mainstream broadcast, print, radio and digital media about his passion for the pork industry, support for pig farmers and why he was compelled to participate in the campaign. This landed positive coverage in outlets like *People* and *Fox News*.

Research shows the campaign content improves consumer favorability and likelihood to purchase pork. NPB tested two of the videos to see how people felt after viewing; more than 86% felt Stonestreet was a very effective spokesperson.



Top Misconceptions About Pork Production = Myths Busted



Pork Comes from a Factory Farm

Pork Is Unhealthy and Unsafe

Pigs Are Crowded and Mistreated

Producing Pork Is Bad for the Planet

Producing Pork Is Bad for Society

Source: Real Pork Barriers Task Force

People's **EXCLUSIVE**

Modern Family's Eric Stonestreet on His Kansas Farm Upbringing and Longtime Love of Pigs

The actor has teamed up with the National Pork Board to help correct some misconceptions about pig farming.

By Dory Jackson | October 15, 2021 11:40 AM



CREDIT: MIKE POND/WIREIMAGE

After viewing,
86% felt
Stonestreet was
a very effective
spokesperson

Exposure

16M video impressions
239 media placements
600M media impressions

Engagement

245K social engagements
7% average engagement rate

Changing Consumer Perception

48-54% more favorable about
pork industry⁷ after viewing campaign
content and
34-36% more likely to buy pork⁷ after
viewing campaign

Action

155K clicks to pork.org from social media
77% video completion on website

Advocacy

6K shares on social media
239 media placements



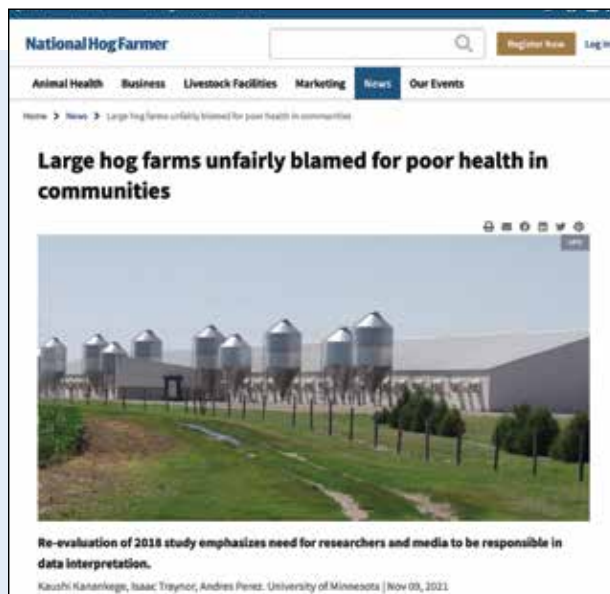
Providing Fact-Based Evidence at the Grassroots Level

To dispel consumer perceptions that pork production is bad for the planet and society, NPB invested Checkoff dollars in scientific research to provide community members with fact-based evidence to be used at the grassroots level.

Checkoff-funded research shows nearly 4 in 10 consumers indicate they spend more on brands and products that are better for the environment⁸.

Public Health Research

- NPB used Checkoff funding to work with researchers at the University of Minnesota to re-evaluate a widely cited 2018 study raising concerns about the public health impacts of pork production. The study is expected to be published in a peer-reviewed journal in early 2022.
- NPB partnered with Michigan State University to develop a database of research on potential public health outcomes of live animal production allowing producers, researchers and the public access to this scientific information.



Water Quality Research

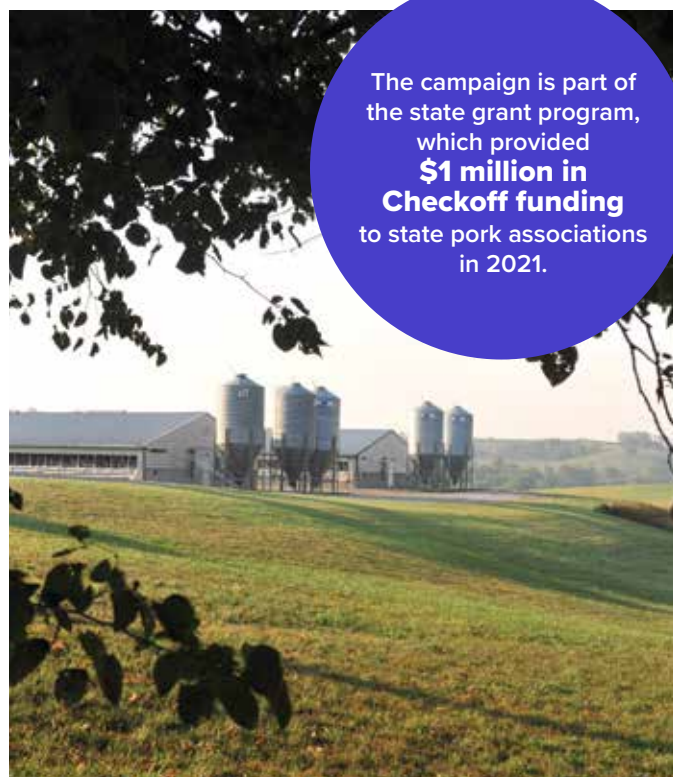
- North Carolina State University, with Checkoff funding, conducted a fecal speciation study that identified the source species of fecal material present in water samples. In the past, fecal material was either present or absent without a tie to species contribution.
- In partnership with Northwater, an environmental and geosciences consulting firm, NPB used checkoff funds for a ground water study design. The design lays the groundwork for how to effectively study water quality around pig farms.

Sustainability and Wellness Research Helps Shape Community Narrative

NPB researched how sustainability and wellness messaging can impact pork consumption and consumer's perception of pork production.

As part of the research, NPB partnered with state pork associations in Indiana, Michigan and Ohio to develop specific questions and messages for consumers at the local level. This data allowed the organizations to better understand issues top of mind with consumers in their states.

Indiana, Michigan and Ohio are using these insights to provide information that may shift the image of pork production in the Lake Erie region, where pork production is facing increased scrutiny. Best practices from this campaign will be shared with other states to help them develop campaigns to improve the perception of pork production at the local level.



Creating the Business Case for Ground Pork

NPB connects packers and retailers to consumer-driven ground pork opportunities



Ground pork sales are **1.2% above record highs** in 2020 and 20% above 2019, when sales were flat compared with the 3-year average⁸.

The ground segment at retail is big business. Today, ground pork accounts for 1.3% of meat sales at grocery stores⁹. Following two years of record sales (20%¹⁰ in 2020 and an additional 1.2%,⁹ in 2021), Checkoff-funded research determined adding additional ground pork items per store could increase sales¹¹. NPB used proprietary insights to develop test and learn projects to prove the growth potential for ground pork and position it for long-term success in grocery stores.

Ground Pork Expansion in the Meat Case

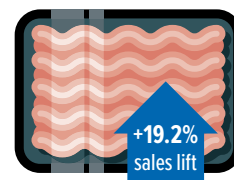
NPB conducted a Checkoff-funded in-store test and learn project with Hy-Vee, Iowa Pork Producers Association, Minnesota Pork Board and Nebraska Pork Producers Association to increase ground pork offerings in the meat case and grow sales for the meat department.

The test project re-set the meat case in 35 Hy-Vee stores across Iowa, Minnesota, Nebraska and Wisconsin, expanded ground pork's shelf space, increased the number of ground pork offerings and created a better layout of the meat case.

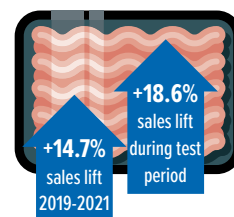
Sales were tracked at both test and control stores from July–November 2021. Third-party validated research found:

Hy-Vee Ground Pork Test Highlights

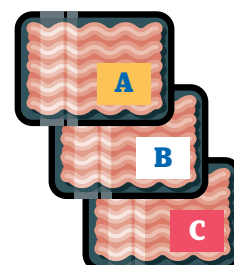
Test stores offering additional ground pork options saw an **incremental sales lift of 19.2%**.



While ground pork saw a significant sales lift (14.7%) from 2019 to 2020, the test stores had **significant, incremental growth (18.6%)** during the test (2021 compared to 2020) **on already high-level dollar sales growth**. Ground pork sales were flat from 2017 to 2019.



Adding ground pork and organizing the grinds set showed **no adverse impact** on the rest of the meat case.



Ground Pork Fast Facts

Ground pork holds

2.5%

of total fresh pork sales at
\$176.5 million¹³.

Ground pork indexes higher among married households and those with children, and larger households have a higher tendency to purchase ground pork¹⁴.

Ground pork has become a destination product for consumers, with

71%

of new purchasers using the product within 2-3 days¹⁵.

90%

of new ground pork buyers said they're likely to purchase it again in the future¹⁶.

50%

of ground pork shoppers during the pandemic were new and had not purchased ground pork in the prior 12 months¹⁶.

In 2022, NPB will continue to drive growth for ground pork by sharing insights and results from these research test and learn projects – ultimately helping packers and retailers increase their pork sales. Including testing additional fat to lean ratios for ground pork.

“NPB has done a great job helping us with the insights to create promotions and drive innovation around making pork value added and ready for the consumer to take home and prepare. All ground pork and ground items together make for a complete section, which in turn helps us sell more grinds in general, especially ground pork.”

— Jason Pride,
Vice President of Meat and Seafood, Hy-Vee, Inc.



HyVee

Consumers Want Ground Pork in the Fresh Meat Case Layout

Focusing further on the meat case, NPB conducted additional research with over 1,000 consumers – representing multiple generations and buyers of ground products (including alternative proteins) – using five different meat case sets in a virtual environment and found:

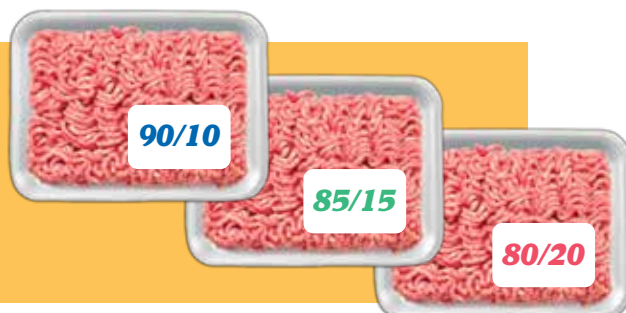
87%

87% preferred the fresh meat case with an established ground meat set, which included expanded ground pork offerings.

Consumers did not expect to find alternative proteins in the fresh meat case¹².

34%

Retailers were encouraged by research findings to shift plant-based alternatives from the refrigerated meat case, **with 34% of consumers expecting to find plant-based alternatives in the freezer section.**



Paving a Path to Protection from Foreign Animal Diseases

NPB enhances technology and programs to prevent and prepare against African swine fever and other foreign animal diseases



It was more than three years ago when China, the world's largest pork-producing and consuming country, announced a wide-reaching African swine fever (ASF) outbreak. The confirmation of ASF in the Dominican Republic and Haiti in summer of 2021 brought this devastating disease of pigs within 1,000 miles of home.

Producers continue to rank foreign animal disease (FAD) prevention and preparedness as the top priority for their Checkoff investment¹⁷.

Industry Collaboration Key to FAD Prevention and Preparedness

According to a 2020 study completed by economists at Iowa State University, a hypothetical ASF outbreak could cost the pork industry more than \$50 billion over 10 years¹⁸.

"It's that one event that could happen that will have a tremendous, devastating impact on the entire industry. And it means the entire industry needs to work together to keep ASF out," says Steve Brier, a pork producer from Missouri.

NPB works collaboratively with the American Association of Swine Veterinarians, National Pork Producers Council, Swine Health Information Center (SHIC), North American Meat Institute and USDA to prepare for and prevent ASF and other FADs from reaching domestic swine herds.

"If we can keep ASF out, we all win," Brier adds.



AgView
powered by pork checkoff

**Start your path
to protection
by creating an
AgView account at
porkcheckoff.org**



**Path to
Protection**

NPB Worked to Address Key Needs Throughout 2021

Prevention and Preparedness Resources and Research

Invested more than \$930,000 of Checkoff dollars to support ASF vaccine development.



Provided \$493,000 of Checkoff dollars in swine disease research, including a project to determine survival and transmission of ASF in manure.



Supported USDA ASF prevention outreach in Puerto Rico with Checkoff-funded Spanish resources.



Developed the Certified Swine Sample Collector training program in conjunction with industry professionals and USDA.



Invested nearly \$178,000 of Checkoff funds in oral fluid and ASF virus transmission research.



Conducted a Biosecurity Risk Assessment with SHIC, finding no major areas have been overlooked to prevent the introduction of ASF to the U.S.



Reached 58,000 producers with information and tools to help them prepare for and prevent an FAD through an integrated print and digital campaign.



Depopulation and Disposal Research

Invested \$375,000 in Checkoff funding for depopulation research.



Funded \$261,000 for ASF virus survivability research based in Vietnam. This USDA partnership focused on above-ground burial and composting, which identified composting as an effective disposal method to kill ASF.



Funded research identifying gaps in the existing 12 American Veterinary Medical Association depopulation methods to ensure state health officials have the information they need.



SHIC Receives Pork Checkoff Funding for Program Extension to 2027



NPB announced an additional \$15 million investment of Pork Checkoff funds in SHIC, extending its funding through 2027. Launched with Checkoff funds in 2015, SHIC works to protect and enhance the health of the U.S. swine herd through coordinated global disease monitoring, targeted research investments that minimize the impact of future disease threats and analysis of swine health data.

Learn more about SHIC's work at: swinehealth.org.



AgView Technology Solution Promotes Business Continuity

It's impossible to know if or when an FAD could occur, but experts agree – the more quickly we can contain the disease, the better off the pork industry will be.

That reality is the driving force behind AgView, a Pork Checkoff-funded online platform. It pulls together a producer's premises identification, pig movements and Secure Pork Supply information into one secure spot for a state veterinarian to request access as needed. In short, AgView, a free, opt-in technology, is producers' path to protection.

In 2021, NPB partnered with agriculture data platforms, like MetaFarms, Delfax and RABApp, to make it more convenient for producers to upload critical information, such as pig movements into AgView. More integrations and partnerships will be announced throughout 2022.



AgView
powered by pork checkoff



**Path to
Protection**

AgView Fast Facts



Half of the nation's
state animal health
offices have active
AgView accounts



4,000⁺ premises
are using AgView



Producers in more than
25 states
have AgView accounts

“The best way to prevent a disaster is to prepare for it in advance ... AgView provides a uniform swine movement traceability platform to document animal movements which will be necessary should we have an FAD event here in the U.S.”

— Dr. Matt Ackerman,
Pork Vet Solutions

Current AgView API Partners

MetaFarms
Pork Vet Solutions
Delfax Solutions
Trace First
South Dakota State
University

Additional API Partners Coming Soon

Global VetLink
FBS Systems
Iowa State University
Pig Champ
Prairie Systems
RABapp

Collaborating with State Associations to Prepare for an FAD Outbreak

NPB is partnering with state pork associations to help them identify producer needs, knowledge gaps and the necessary resources to prepare for an FAD outbreak at the local level. In 2021, NPB provided \$85,000 to the Missouri Pork Producers Association and \$60,000 to the Michigan Pork Producers Association for FAD preparation, including assisting producers in developing Secure Pork Supply plans and implementing AgView. These projects were part of the state grant program, which provided \$1 million in Checkoff funding to state pork associations in 2021.



Elevating the Pork Industry's We Care® Commitment

Building public trust to protect your freedom to operate. On-farm data, industry goals and metrics share how producers do what's right for people, pigs and the planet



Learn more about the pork industry's sustainability goals and metrics at porkcares.org.

For American pig farmers, sustainability means doing what's right for people, pigs and the planet by following the long-standing We Care® Ethical Principles and committing to continuous improvement in every area of pork production. Although this a best practice for producers, it's not common knowledge for consumers, which increasingly have questions about what happens on farm.

According to Checkoff-funded research, animal welfare and good environmental practices are top of mind for consumers¹⁹. Consumers want to know pig farmers share their values and expect the industry to demonstrate its commitment to sustainable production. This includes everything from prioritizing animal well-being to reducing their environmental footprint. That is why NPB is funding research, sharing goals and developing tools that make it easier for producers and the industry to take credit for our progress.

On-Farm Sustainability Reports Help Producers Establish Baseline for Improvement

We Care has set the foundation for the pork industry and individual farms to measure its sustainability efforts and demonstrate the industry's commitment to continuous improvement. NPB is working with producers to measure and document these efforts with On-Farm Sustainability Reports. The reports – free to producers – help recognize key sustainability metrics on operations across the country.

The blinded, aggregate data will be used at state and national levels to demonstrate the positive impacts producers are making in each ethical principle area.

Current On-Farm Sustainability Reports



Over 120 farms, 170,000 acres, representing 1.56 million pigs*, are currently in the program and providing on-farm data across environmental, social and economic sustainability indicators. The reports showed:



Pig farms have **offset 4,208 tons** of commercial nitrogen, phosphorus and potassium required to produce feed on their farms²⁰.

Average cost savings based on the reduced need for commercial fertilizer from manure applied was estimated at **\$142 per acre**, resulting in a **total savings of \$2.4 million industry wide²⁰**.



*as of Feb. 1, 2022



“Our farm’s vision statement is feeding families through sustainable food production. The On-Farm Sustainability Reports helped us realize key sustainability practices — like ways to promote biodiversity, different tillage practices and cover crop implementation to help us achieve our vision.”

— Pat Hord,
Ohio Pork Producer

**Request your
On-Farm
Sustainability
Report at
porkcheckoff.org**





Sustainability Report – A Collective Step Forward for People, Pigs and the Planet

Today's global marketplace expects industries to demonstrate progress on sustainability goals and metrics. For decades, pork producers have been at the forefront of sustainability, embracing advancements that allow them to do more with less. The next step is to document this progress.

NPB announced action-based goals – developed by America's pork producers – to design the future of sustainable pig farming that align with the industry's We Care® Ethical Principles. More information about the goals and metrics, including the U.S. Pork Industry Sustainability Report, is available at porkcares.org.

“Continuous improvement in sustainability is something all producers can explore. With the future of farming being in technology like biodigesters, we can capture greenhouse gas emissions (GHG) to make our farms completely carbon neutral and generate energy to power entire pig operations.”

– Marlowe Ivey,
Pork Producer & Executive
Director, Feed the Dialogue,
Goldsboro, North Carolina

The Pork Industry's Sustainability Goals:

Include a measurement and infrastructure already in place to collect real, on-farm data



Represent an industry-wide commitment from America's 60,000+ pig farmers



Impact 15 of the 17 United Nation's Sustainable Development Goals



4 WAYS NPB ADVANCED PRODUCERS' COMMITMENT TO SUSTAINABILITY

Sustainability Goals

were developed by pork producers and representing the U.S. pork industry's collective commitment to pigs, people and the planet were unveiled to industry stakeholders

\$1.9 million

in scientific research related to We Care conducted in 2021²¹



57,300+

active Pork Quality Assurance® Plus (PQA Plus®) certifications between 2019 to 2021²¹



28,400+

Transport Quality Assurance® (TQA®) certifications between 2019 to 2021²¹



Stakeholder Spotlight:

Pork Checkoff Grant Focuses on Educating Californians About We Care® Ethical Principles

California represents about 15% of the U.S. pork market, with a population of nearly 40 million, including a significant Asian and Hispanic population more likely to eat pork. NPB provided a Checkoff grant so California Pork Producers Association can hire their first, full-time executive. In September 2021, Jill Damskey hit the ground running, by conducting a series of media interviews to promote pork as a nutritious and sustainable protein source, raised with the We Care Ethical Principles top of mind.

“California is an important market for U.S.-raised pork,” says Damskey. “We consume more pork than any other state in the nation. California pork lovers include a wide diversity of people and cultures who care about how their food is produced. I’m passionate about educating people on the importance and value of agriculture.” Since beginning her role, Damskey has conducted more than 20 media interviews to help consumers understand that U.S. pork producers are committed to humanely raising pigs.



Research Helps Understand Consumer Expectations

Sow housing is a hot topic with consumers and producers alike, especially in California. NPB conducted a study on consumer sensitivity to pork prices to fully understand consumer expectations relating to sow housing. The Checkoff-funded research, conducted by Jayson Lusk, department head and distinguished professor at Purdue University, and Glynn Tonsor, professor of economics at Kansas State University, estimated market- and product-specific own-price elasticity for 51 U.S. metropolitan retail markets. The study looked at six pork products: loin, ribs, shoulder, breakfast and dinner sausage, and bacon²².

This study provides stakeholders unique insight into consumer buying behavior, enriching understanding of U.S. retail pork demand. It also shared perspective about prices with media asking about impacts of pork prices in the state of California.



State and National Collaboration Provides 150,000 Meals to Tornado Victims

Producers are dedicated to supporting their local communities. NPB and 16 state associations donated over \$15,000 to the Kentucky Pork Producers Association for relief assistance after a historic tornado ripped through the state and surrounding areas in December 2021.

“The outpouring of support and care being shown to our state is indescribable, the entire country paused their lives to help ours,” says Niki Ellis, executive director of Kentucky Pork Producers Association. “As a state association director and as a hog farmer, my heart swells with pride to see our pork community be at the forefront of relief efforts demonstrating We Care.”

The donation was given to local food banks where it’s expected to provide over 150,000 meals²³.



Real Connection to Real Consumers

NPB used key insights and influencers to activate Real Pork for consumer statistics, highlighting pork as a nutritious, versatile product



DOWNSHIFTOLGY
with LISA BRYAN

To start the year, NPB partnered with **10 social media influencers** to share pork recipes that fit into a nutritious diet and active lifestyle.

18
recipes

10.4M
views

459K

social media engagements
(likes, comments, shares)

16%
engagement rate

8x
industry benchmark

2,700+

clicks from influencer
social media accounts to the
recipe blog posts

On the heels of the Real Pork trust and image brand launch in 2020, NPB continued to focus on increasing affinity for pork by highlighting its flavor, versatility and nutritional aspects.

Kicking off 2021 with a Focus on Wellness

According to Checkoff-funded research, health concerns are a top reason why consumers are considering reducing their pork consumption²⁴. Building on this insight, NPB partnered with ten social media influencers to share pork recipes that fit into a nutritious diet and active lifestyle. The influencers posted content from January through March, a time when people are focused on improving their health and wellness.

Google and YouTube Ads Drive Awareness About Pork

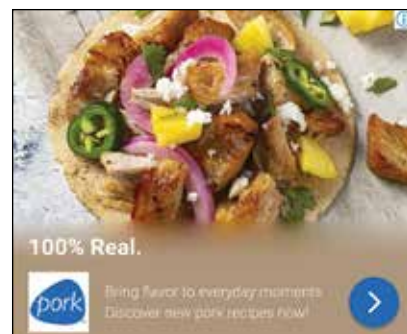
Google and YouTube are the No. 1 and No. 2 search engines in the world, respectively, with the average American spending at least 24 minutes on YouTube each day²⁵. Throughout 2021, NPB ran Google and YouTube ads to increase affinity for pork by reaching consumers where they spend their time online.

NPB's Google and YouTube Ads:

Earned over **169.5 million impressions** throughout the year

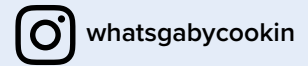
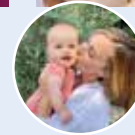
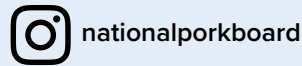
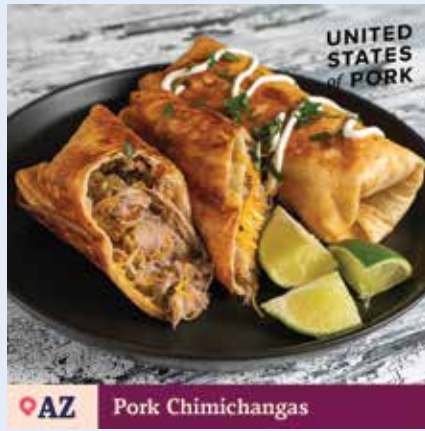
Generated over **6.3 million video views**

Drove more than **1.4 million clicks** to **pork.org** to learn more about cooking pork





An ad for United States of Pork was shown on the Megatron in Times Square in New York City.



United States of Pork Unites America's Pork Consumers

As pandemic-weary consumers began to travel and look for new recipes during a summer that was “normal,” in 2021, NPB encouraged Americans to explore the most popular pork dishes in every state. Consumer research conducted to kick off the United States of Pork campaign found:

- Pork has a strong connection to regional history and ethnic influences
- Everyone agrees (and disagrees) on barbecue and pizza
- Sausage is king

NPB celebrated the country's most-loved, iconic and tempting pork dishes state by state. Recipes for each state were published on NPB's social channels, shared with media outlets nationwide and drove traffic to pork.org/porknation. NPB also highlighted content from state pork associations.

NPB social media results included:

6.7M
people viewed
United States of
Pork content

131.5K
social media
engagements
(likes, comments,
shares)

118⁺K
total clicks to
pork.org/
porknation

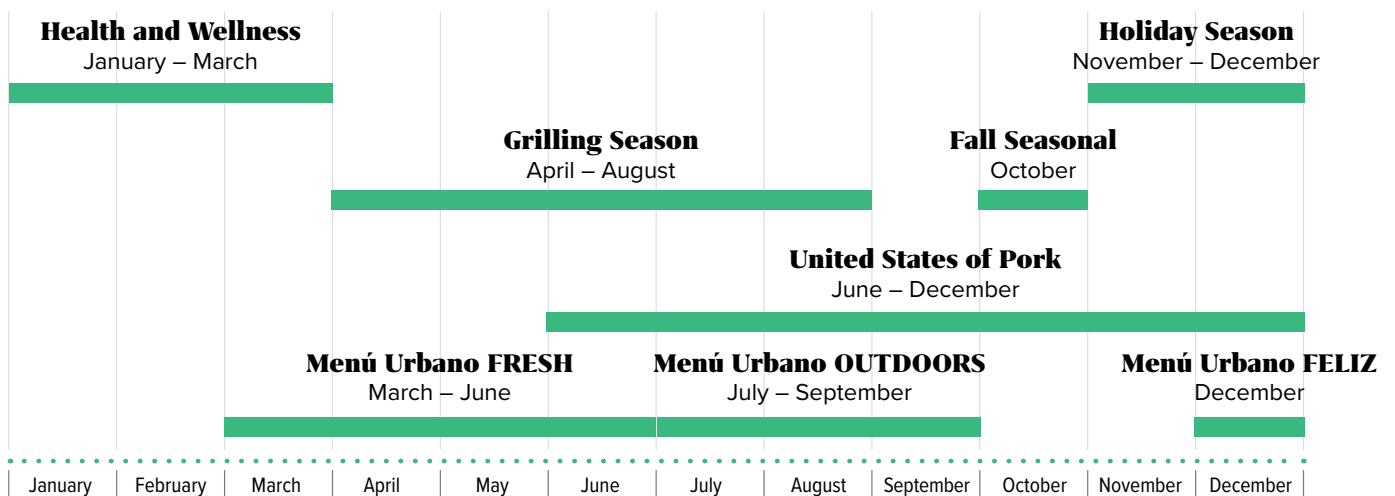
NPB also partnered with four social media influencers to showcase pork and specific recipes as an extension of the United States of Pork campaign, resulting in:

71
social media
posts

553K
social media
engagements
(likes, comments,
shares)

33.7⁺M
people saw
influencer content

NPB Consumer Marketing Throughout 2021



Stakeholder Spotlight: Kansas Pork Reaches Consumers with Digital Campaign

In October, during National Pork Month, Kansas Pork Association (KPA) completed a nationwide Ibotta® campaign. Ibotta® is a free app allowing users to receive cashback on grocery items after watching or reading content within the app. KPA used NPB insights from consumer testing to decide what recipe and video to feature, which led to a 110% increase in consumer spend and 60% increase in unique pork purchases.

“Technology is an efficient way of reaching consumers, different than standing in a grocery store,” says Tim Stroda, president and CEO of KPA. “We used producer dollars to invest in Ibotta® and encouraged people to buy ground pork. We received a 2,800% return on our spending. The results of 96,000 people each buying an average of 2.5 packages within 31 days is a non-disputable ROI.”

**110% increase in consumer spend and
60% increase in unique pork purchases**



ibotta®



Menú Urbano Connects with Latino Consumers

According to NPB research, 79% of Hispanics cook meals to retain a connection to their native culture and 62% say they prefer food that reminds them of their family's traditions²⁶. Menú Urbano, a Checkoff-funded digital initiative showcases how pork connects cultures across the world. Three social media campaigns in 2021, Menú Urbano FRESH, Menú Urbano OUTDOORS and Menú Urbano FELIZ, focused on helping Hispanic consumers enjoy pork throughout the year.

The campaign leveraged relationships with Hispanic influencers and shared traditional Latino dishes with Spanish-speaking consumers through Pork Es Sabor Facebook and Instagram accounts.

**5 billion people had the opportunity
to view Menú Urbano content**



**8.3 million social media
engagements
(likes, comments, shares)**



**61 thousand visits to NPB's Spanish
language website, porkessabor.com**



Creating Value with Strategic Insights for Foodservice and Retail Partners

NPB increases demand and sales of pork



In 2021, NPB leveraged both proprietary and syndicated market research and insights to help retail and foodservice operators adapt to changing consumer needs, which resulted in new and unique pork products offered at both retail and foodservice.

Making a Difference in the Retail Meat Case

Fresh pork is in 80% of U.S. households²⁷, and research shows retail shoppers spend an average of \$104 when pork is in their cart²⁸. Armed with the additional insight that 80% of pork shoppers repeat their purchases²⁸, NPB partnered with several national retailers to add value for producers by driving sales for the pork loin and boneless chops.



Fresh pork is in 80% of U.S. households²⁷



Retail shoppers spend an average of \$104 when pork is in their cart²⁸

“Our partnership with NPB has brought tremendous value to our business and hopefully to pork producers throughout the country. NPB has educated myself, my team and most importantly our customers on the benefits of pork.”

– Vince Gambino,
Vice President
of Sales and Marketing,
Tony's Fresh Market

Stakeholder Spotlight: Grocery Store Visit Opens Perspective

If there's one thing Jesse Heimer, a Missouri pork producer, took away from his Pork Leadership Institute (PLI) experience, it's that as a pork producer, he needs to better understand what's going on at the grocery store. During a PLI trip to Chicago, organized by NPB and National Pork Producers Council, Heimer and fellow professionals visited Tony's Fresh Market.

"It's an amazing grocery store," Heimer says. "It would blow anyone's mind how much pork they sell, the presentation of pork and the variety of pork. The emphasis they put on pork in their store was unmatched in all of our stops in Chicago."

Source: Farm Journal's *PORK*, Jennifer Shike



Sam's Club Partnership Drove New Purchases of Boneless Pork Chops

NPB worked with Kinder's Seasoning to promote boneless chops and seasonings at all 589 Sam's Club stores nationwide three times in 2021. The in-store promotions included a display with a QR code to connect consumers with tips and inspiration for how to prepare boneless chops at home.

42% growth

in boneless chop volume and dollar sales compared to the prior four-week average²⁹. [Jan 8-14]



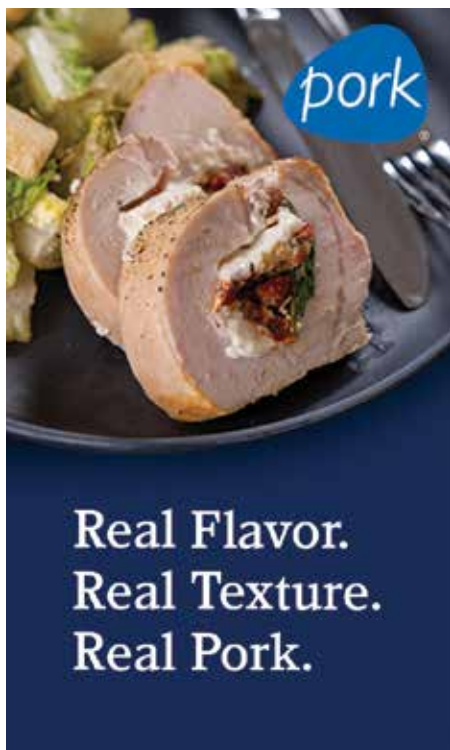
Nearly 60% of the

\$683,000 in sales came from shoppers who had never purchased boneless pork chops from Sam's Club²⁹. [July 17-23]



1.5% increase in volume from 2020 record²⁹. [Sept. 4-10]*

*Iowa Pork Producers Association partnered with NPB on this promotion.



Kroger Nationwide Digital Campaign Targets More than 600,000 Households

A Kroger digital campaign featured boneless loin chops and boneless half loin roasts with recipes to encourage customers to "Cook Once, Eat Twice" and an online shopping basket to make purchasing meal ingredients easy.



Digital campaign targeted more than

600,000 households

with pork-focused emails, banner ads and educational materials.



The month-long campaign drove an additional

67,000 units of pork sold.²⁹

Insights and Partnerships Help Foodservice Recover from Pandemic

According to Civic Science, consumers were ready to return to restaurants in 2021³⁰. NPB used Checkoff-funded insights to equip restaurant partners with menu ideas and concepts to promote pork and as they welcomed back customers.

For example, NPB shared insights into popular sauces and ingredients to help Dickey's, a Texas-based chain, develop a unique pulled pork sandwich to celebrate their 80th anniversary.



The 500-restaurant chain saw an approximate 20% increase in pork sales for the May 2–Sept. 6 promotion, doubling the original goal for sales.²⁹



IHOP® Makes Bacon an All-Day Fare

More than 50% of IHOP customers order bacon, and the chain capitalized on love for the popular breakfast meat with their Bacon Obsession menu. NPB provided research and menu ideation to help IHOP create buzz and get their guests to try something different³¹.

The limited-time Bacon Obsession menu included steakhouse premium bacon. IHOP was the first national family dining restaurant chain to serve a premium bacon item, usually found in fine dining settings. Major national media outlets, including *USA Today* and *Thrillist*, covered the launch. More than 8,000 participants joined in a social media chat room where they listened to the sound of bacon cooking for five minutes³².

50% of IHOP customers order bacon.



NPB will continue to partner with retailers and restaurants in 2022 by sharing insights and research. With e-commerce accounting for 20% of grocery sales by 2026³³, NPB is investing Checkoff dollars to position pork to win in this growing segment.

Growing Strategic Partnerships Globally

NPB research investment uncovers international growth opportunity for diverse pork products and cuts



U.S. pork exports have grown significantly since 2010 – rising more than 50% in volume and 60% in value³⁴. This increase has historically been attributed to the price, consistency and safety of the U.S. pork supply. Producers continue to prioritize Checkoff investment in strengthening the position of U.S. pork globally, and NPB strategically engages with partners to differentiate and add value to our product in these markets.



Diversifying Export Markets: Eye on Expanding Markets

NPB, the U.S. Meat Export Federation (USMEF) and USDA are working together to diversify the international portfolio for U.S. pork. Checkoff-funded, in-country promotions with foodservice and retail companies are helping to grow demand for U.S. pork.

- 2021 export value reached \$8.1 billion, up 5% from 2020. Export volume fell slightly to 6.4 billion pounds³⁵.
- Marketing programs, including seminars, buyer and seller events, product showcases and advertising opportunities, have enhanced position of U.S. pork as a safe, quality product.
- Exports not only increase the value of hogs marketed in the U.S., but they are also critical to utilizing the entire carcass.

2021 Value up
5% to
\$8.1 billion³⁵

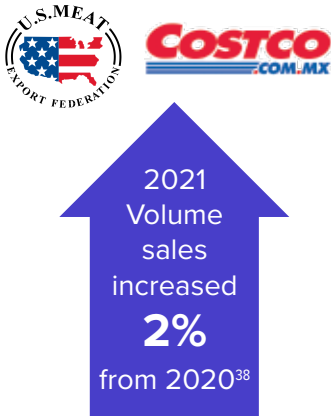
2021 Volume
fell slightly to
**6.4 billion
pounds**³⁵

Promoting Pure U.S. Pork in Mexico

Mexico is the second leading export market for U.S. pork and pork variety meats, with the U.S. owning 88% of the market share³⁶. Nearly half of U.S. pork ham/leg production is exported, and the top destination is Mexico³⁷. With an established affinity for the cut, the American Pure Pork project, executed by USMEF, aimed to differentiate U.S. pork products as a higher quality compared to competitors.

American Pure Pork project:

- Pilot program launched in 27 Costco stores
- Program messaging focused on differentiating U.S. pork as a purer, quality product
- Program was designed to complement the Checkoff-funded Real Pork trust and image brand
- Promotional materials included recipe videos with influencers and social media campaigns that featured cooking ideas for native dishes
- Volume sales increased 2% in 2021 from 2020 highs³⁸



Checkoff Dollars in Action: U.S. Pork Differentiation Study

NPB explored how the U.S. can differentiate pork in six key markets – Japan, South Korea, Mexico, Canada, China and Hong Kong. The research identified three crucial areas where U.S. pork can stand out among its competitors. The differentiation report garnered national media attention in outlets like meetingplace.com, reaching more than 150 exporters with information about how to position U.S. pork for growth. Request the full report at porkcheckoff.org.

Growth Opportunities for U.S. Pork Exports	
Sustainability Demonstrate the U.S. pork industry’s commitment to sustainability, transparency, continuous improvement and education about production and processing standards.	
Quality, Consistency and Service Share benefits of the low-cost, high-volume U.S. supply, while highlighting the high-quality, consistent products.	
Communication Focus on understanding cultural differences and expectations in business and delivering proper communications.	

I was very pleased to see the advances in consumer outreach and the technology USMEF is using to educate consumers in this region about U.S. pork.

— Bob Ruth, NPB Board of Directors member, Pennsylvania

U.S. Pork Takes Center Stage at Latin American Product Showcase

More than 130 red meat buyers from 21 countries across Central and South America and the Caribbean participated in the USMEF Latin American Product Showcase in August. NPB used Checkoff funding to support the event, which was host to 55 U.S. exporting companies. Latin American countries are a growth opportunity for U.S. pork and this showcase allowed for one-on-one time with buyers. NPB Board of Directors member Bob Ruth, Pennsylvania, attended the event.

Communication. Collaboration. Coordination.

NPB partners with industry stakeholders on producer priorities



A screenshot of the porkcheckoff.org website. The page features a green pig icon with a dollar sign, a bar chart, and the title "Pork Cutout Futures and Options". Below this, there is a section titled "How the Pork Cutout is Calculated" with a diagram of a pig showing different parts. Another section titled "Learn About Pork Cutout Futures and Options" includes a list of resources. At the bottom, there is a section titled "Features of the Pork Cutout Contract" and a "Pork Cutout Contract Overview" video player.

Coordination Creates Pork Futures Contract Resource for Risk Management

In 2021 NPB, National Pork Producers Council and Iowa Pork Producers Association coordinated with representatives from Chicago Mercantile Exchange and USDA's Agriculture Marketing Service to make educational resources about the Pork Cutout futures (PRK) and options available for pork producers. The CME Pork Cutout futures and options are designed to give the pork industry risk-management tools centered on the cutout.

The resources, available only on porkcheckoff.org, outline the PRK contracts calculation formulation, risk mediation courses and features of the report. In the first three months of its availability, more than 300 producers spent more than 600 minutes studying the Pork Cutout futures and options contract on the porkcheckoff.org page. Usage is anticipated to increase as the resources are more widely promoted.

For more information visit porkcheckoff.org

Communicating ROI of Producers' Checkoff Investment

Every five years, NPB commissions an independent economic analysis of Pork Checkoff programs, in response to a USDA requirement. The study estimates the returns generated by Pork Checkoff investments in research, pork promotion and education programs.

The latest study, published in 2021, documented a growing return on investment. The benefit-cost ratio analysis estimates the return for each extra dollar of activity at \$27.57, compared to \$25.50 in 2017.

Dr. Harry Kaiser, agriculture economist at Cornell University, has specific expertise in assessing commodity programs and has conducted more than 130 economic evaluation studies for domestic and international checkoff programs, including the Beef Checkoff. Though Dr. Kaiser uses sound models to support the analysis and conclusions and makes adjustments to accommodate potential errors or variability in the data, it can be challenging to measure the true impact of the Checkoff investment.

This year, Dr. Kaiser also calculated the returns at the per-pig level. He found that without the benefit of all the programs conducted by the Pork Checkoff program, the price of hogs would have averaged \$1.07/CWT less over the last 10 years of study.

For just the five years of the most current study, if there had not been a Pork Checkoff program at all, Dr. Kaiser estimates total revenue per pig would have been \$4.73 less.

Regardless of the specific numbers, the analysis suggests the Pork Checkoff has helped support demand for pork products over time, which in turn has enabled the industry to expand to include the next generation of producers and create positive economic environments in the communities where pig farms are located.

Visit porkcheckoff.org to view the full report.

Without Pork Checkoff programs, over the last 5 years of the current study, total revenue per pig would have been



2017
return for
each extra
dollar of
activity at
\$25.50

2021
turn for
each extra
dollar of
activity at
\$27.57

Collaborating with State Pork Associations to Deliver at the Grassroots Level

A new NPB grant program provided an additional \$1 million to 13 state pork association projects in 2021, helping them develop and execute programs that deliver on producer priorities at the grassroots level.

One example of the grant-funded programs is the Oklahoma Pork Council's "Reaching Oklahomans with the Real Impact" campaign. The campaign reached over 1 million consumers from August through December 2021 through targeted initiatives to build trust and grow pork demand.

The state grant funding for 2022 is \$1.5 million.

“The Real Pork trust and image brand is a platform for us to authentically talk about our state’s producers. It represents them as real people. People who are on your school board, go to your church and support local businesses. You can discuss statistics and facts, but consumers connect with emotion. They want to see and hear about the daily tasks real producers do to produce real, nutritious pork.”

— Joe Popplewell, president of Oklahoma Pork Council



2021 Financial Summary

NATIONAL PORK BOARD — Comparative Balance Sheet

For the Period Ending December 31, 2021

REVENUE	2021 Original Budget	2021 Adjusted Budget	2021 Year-End	VARIANCE
Checkoff	\$ 67,500,000	\$ 100,000,000	\$ 104,721,066	4,721,066
Interest Income-Short Term	400,000	400,000	30,672	(369,328)
Interest Income-Long Term	—	—	—	—
Other	100,000	100,000	963,033	863,033
Total REVENUE	\$ 68,000,000	\$ 100,500,000	\$ 105,714,772	\$ 5,214,772
PROJECTS				
Build Trust	7,415,650	7,330,000	8,003,042	673,042
Add Value	24,175,000	23,093,820	20,975,288	(2,118,532)
Total PROJECTS	\$ 31,590,650	\$ 30,423,820	\$ 28,978,331	(1,445,490)
PROGRAMS				
Domestic Marketing	2,719,940	2,500,000	2,610,191	110,191
Strategy & Innovation	2,196,326	2,360,000	2,331,752	(28,248)
Sustainability	1,236,994	1,250,000	1,414,692	164,692
Swine Health & Production	1,498,894	1,346,650	1,312,657	(33,993)
International Marketing	693,809	480,000	466,310	(13,690)
Producer & State Engagement	4,406,706	4,000,000	4,109,488	109,488
Communications	2,360,593	2,500,000	2,550,917	50,917
Total PROGRAMS	\$ 15,113,262	\$ 14,436,650	\$ 14,796,007	\$ 359,357
Total SUPPORT	\$ 8,842,976	\$ 7,800,000	\$ 8,556,860	\$ 756,860
SUPPLEMENTALS				
Build Trust	—	2,650,000	2,204,320	(4,445,680)
Add Value	—	8,778,135	7,281,325	(1,496,810)
Total SUPPLEMENTALS	\$ —	\$ 11,428,135	\$ 9,485,645	\$ (1,942,490)
State Funding	12,840,000	20,000,000	19,366,817	\$ (633,183)
Total Operating Expenses	68,546,888	84,088,605	81,183,660	\$ (2,904,945)
Impact to RESERVES	\$ (546,888)	\$ 16,411,395	\$ 24,531,113	\$ 8,119,718
RESERVES				
Impact to Reserves	(546,888)	16,411,395	24,531,113	8,119,718
Designated Reserves	—	—	31,300,000	31,300,000
Undesignated Reserves	50,721,945	50,721,945	19,421,945	(31,300,000)
ENDING BALANCE	\$ 50,175,057	\$ 67,133,340	\$ 75,253,058	\$ 8,119,718

Understanding 2021 Reserves

With such volatility in 2020, the pork industry faced uncertainty heading into 2021. The hog market was projected to make a slow, but steady recovery from extremely low prices caused by COVID-related supply chain issues. Based on market forecasts, NPB adopted a conservative 2021 budget of \$68.0M in revenue and \$68.5M in expenditures, planning to utilize \$0.5M of reserves.

As 2021 progressed, the Lean Hog Index made a steady climb from an average of \$70 per contract to an average of \$122 per contract in June. The 74% increase in price resulted in higher-than-forecasted Checkoff assessments. NPB adjusted its budget to deploy additional funds toward projects to meet industry priorities and ended 2021 with \$105.7M in revenue and expenditures of \$81.2M, with a \$24.5M increase to the reserve balance as a result.

Reserves ensure NPB can adequately respond to industry needs as they arise. NPB maintains reserves in accordance with the Board policy to be able to execute on new or

emerging strategic priorities or respond to an industry crisis, such as the 2020 COVID-related supply chain issues or a potential foreign animal disease (FAD) outbreak, such as African swine fever. NPB classifies its reserves as Designated or Undesignated.

Designated Reserves: Approved by the Board for a specific, future purpose. Designating funds prioritizes projects, but does not create a financial obligation at that time. When taking action to release funds from designation, the Board decides whether to budget the funds for use or simply release back into undesignated reserves for other potential use.

Undesignated Reserves: The balance of reserves not set aside for a specific purpose. These funds may be approved to address future emerging needs and priorities. In accordance with the Board's policy, these funds require a minimum balance of five months of operating expenses (currently \$24.25M).

Designated Reserves Being Deployed for Strategic Industry Projects

NPB is strategically designating significant funds for deployment in 2022 to meet industry needs toward the following projects:

SHIC – \$12,500,000

Checkoff funds will support SHIC for an additional six years based on a series of milestones starting Dec. 31, 2021. Note: The \$12.5M designation is in addition to the \$2.5M project spend in 2021 for a total commitment of \$15M.

Real Pork Strategic Investment – \$12,500,000

The initiative will use third-party communication and specialized research to enhance the industry's freedom to operate; address barriers around the topics environment and public health; and address misinformation widely circulated among influencers and decision-makers.

Soil Health Research – \$1,500,000

A five-year, multi-state study will measure health and structure changes in soil after manure application. The metrics include quantification of soil erosion, organic matter, water holding capacity and carbon sequestration.

National Retail Meat Case Study – \$500,000

NPB will engage with retail and food service companies to build confidence and generate growth in the pork category. A task force will connect producer, consumer, packer and retailer perspectives to identify opportunities for the future of pork in the meat case. NPB will share results with the industry to help enhance the value of pork.

Real Pork Human Nutrition – \$950,000

NPB research tracks consumers' perception of Good For Me/My Family. This project will leverage this data to position pork more favorably among an important segment of consumers who increasingly do not see how pork fits into their lifestyle and diet.

Real Pork Mythbusting – \$1,250,000

Building on the positive momentum of the Real Pork Mythbusting series in 2021, additional funding will develop tactics to reach additional consumers, address additional myths and further drive the positive narrative about pork production.

Real Pork Multicultural – \$2,100,000

With virtually all (97%) the population growth in the U.S. over the last 20 years coming from diverse consumers, PB will lead a new path for the pork industry, particularly among Hispanic and Asian consumers, for whom pork is a cultural staple protein. This work aims to position pork as a nutritious and sustainable protein of choice among these populations.

Working Capital and Designated Funds

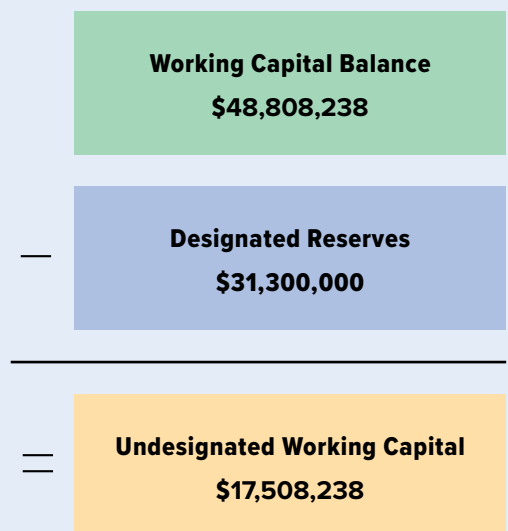
Working capital is a measure of an organization's liquidity and short-term financial health. Working capital is the net amount between current, liquid assets and current, short-term liabilities. It is the funds readily available to pay liabilities and continue operating, without divesting long-term, capitalized assets.

The Board has set two reserve minimums: 1) an emergency reserve floor of two months of operating expenses required unless a crisis is in place, and 2) an opportunity reserve floor of three additional months of operating expenses that can be used for a project

not previously budgeted to support the pork industry. The total of both reserves is five months of operating expenses, which equals \$24.25 million.

Based on NPB's current, short-term assets and liabilities, the Dec. 31, 2021 Working Capital balance was \$48.8M. After strategic planning and Board approval, \$31.3M was designated for future projects not included in the 2022 budget. These designated funds will allow NPB to expand its 2022 budget to strategically execute the mission to promote U.S. pork, research to advance the industry, and educate consumers and producers.

Working Capital balance as of 12/31/21	\$48,808,238
SHIC	(\$12,500,000)
We Care® Center	(\$12,500,000)
Soil Health Research	(\$1,500,000)
National Retail Meat Case Study	(\$500,000)
Real Pork Human Nutrition	(\$950,000)
Real Pork Mythbusting	(\$1,250,000)
Real Pork Multi-Cultural	(\$2,100,000)
Designated Reserves Total	(\$31,300,000)
Undesignated Working Capital	\$17,508,238



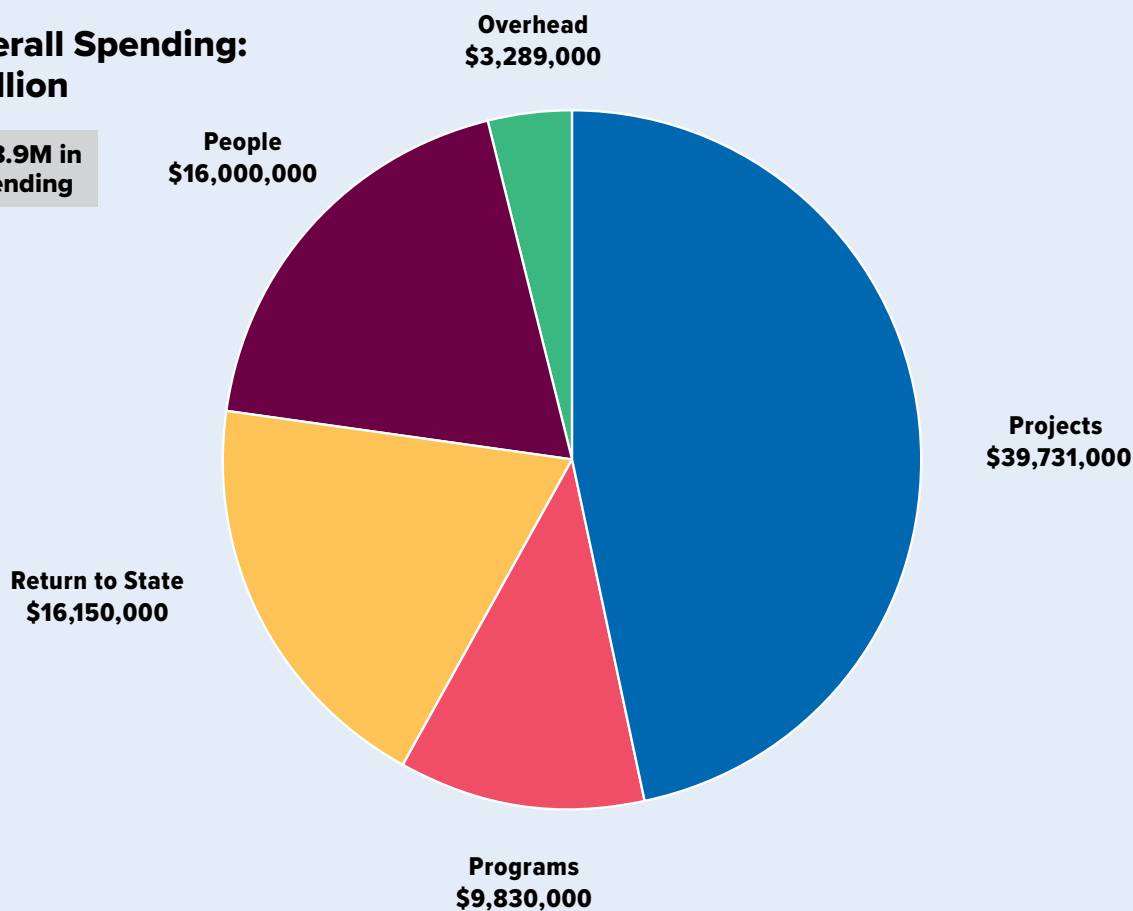
Adjusted Working Capital Reserve Calculations (Table WC.1):	
2021 NPB Current Assets	\$ 67.9M
Less: 2021 NPB Current Liabilities	\$ (19.1M)
2021 NPB Working Capital	\$ 48.8M
Less: 2022 Designated Funds	\$ (31.3M)
2021 Undesignated Working Capital	\$ 17.5M
Less: Emergency Reserve Floor	\$ (9.7M)
2021 Ending Undesignated Working Capital above emergency reserve floor	\$ 7.8M

Explanation for Table WC.1:

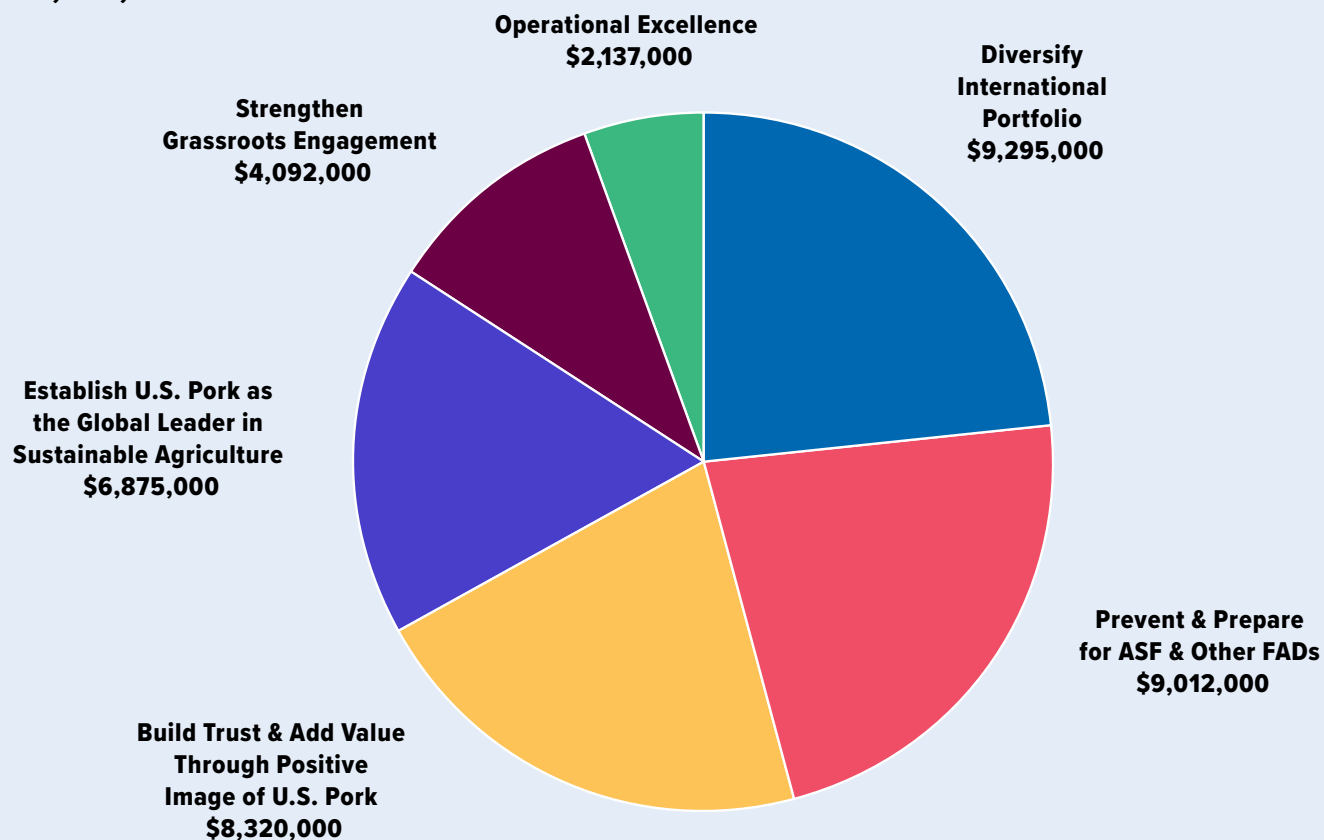
As stated above, Working Capital is calculated by taking current assets and subtracting current liabilities. NPB's Working Capital balance for the end of 2021 is \$48.8M. After subtracting the designated funds balance, NPB's Undesignated Working Capital balance is \$17.5M. This \$17.5M is \$7.8M above the working capital emergency reserve floor of \$9.7M, as set by the Board of Directors. As displayed in this graphic, NPB does not have a large working capital balance and is strategically deploying available resources above the emergency reserve floor to continue to add value for, and build trust in, the U.S. pork industry.

2022 Overall Spending: \$85.0 Million

Includes \$68.9M in National Spending



2022 Project Spending by Objective: \$39,731,000



Sources:

- ¹ Pork Checkoff
- ² NASS 2017 Census of Agriculture
- ³ National Pork Producers Council. Pork Facts. <https://nppc.org/pork-facts/>. January 2022
- ⁴ National Pork Board Annual Producer Survey, 2020
- ⁵ Pork Checkoff "At Home Meat Tracker," Q2 2020
- ⁶ Pork Checkoff-funded Barriers Tracking Research, Consumer Online Poll, conducted by PSB, May 2021
- ⁷ Pork Checkoff-funded Barriers Tracking Research, Consumer Online Poll, conducted by PSB, September 2021
- ⁸ NPB's Quarterly Meat Tracker (Q3, 2021)
- ⁹ IRI, Integrated Fresh, MULO, 52 weeks ending 11/28/21
- ¹⁰ IRI, Integrated Fresh, MULO, 52 weeks ending 12/27/20
- ¹¹ IRI Innovation Opportunity study
- ¹² IRI Virtual Concept Test Among 1,000 Consumers September 2021
- ¹³ IRI, Integrated Fresh, MULO, 52 weeks ending 11/28/21
- ¹⁴ Numerator Panel – Meat Alternative / Fresh Pork Shopper Profile Report 1/1/20 – 1/17/21
- ¹⁵ Ground Pork Purchasing Dynamics, Omnibus Shareout. July 2020
- ¹⁶ National Pork Board Ground Omnibus Survey conducted by Numerator May 2020
- ¹⁷ Pork Producer Survey, December 2020, Q7, 362 survey takers
- ¹⁸ Carriquiry, M., A. Elobeid, D. Swenson, and D. Hayes. 2020. "Impacts of African Swine Fever in Iowa and the United States." Working paper 20-WP 600. Center for Agricultural and Rural Development, Iowa State University
- ¹⁹ Checkoff funded research with Heart + Mind Strategies, Oct 2021
- ²⁰ 2021 U.S. Pork Industry Sustainability Report
- ²¹ Pork Checkoff
- ²² Consumer Sensitivity to Pork Prices (Tonsor and Lusk, 2021)
- ²³ Feeding America
- ²⁴ Checkoff funded PSB Barriers Tracking – June 2021
- ²⁵ Tech Jury
- ²⁶ Time to Tango: Latinos are Pork's Future, Insight to Action
- ²⁷ Numerator Panel. Fresh pork shopper profile through 9/5/21
- ²⁸ IRI, Integrated Fresh, MULO, 52 weeks ending 12/27/2020; NPB Meat Tracker 2Q 2021 and Numerator Panel N= 105,000 – Meat Alternative / Fresh Pork Shopper Profile Report L52 Weeks Ending 10/03/21
- ²⁹ Proprietary data from a national retailer based on a promotion funded in part by the Pork Checkoff
- ³⁰ Civil Science, Checkoff-funded subscription research
- ³¹ Jay Johns, President of IHOP
- ³² PRWeek
- ³³ Supermarket News
- ³⁴ U.S. Meat Export Federation
- ³⁵ U.S. Meat Export Federation and USDA-FAS data compiled by U.S. Meat Export Federation
- ³⁶ Trade Data Monitor
- ³⁷ USMEF Worldwide Market Situation July-September 2021
- ³⁸ USMEF, Rod Manual

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