2024 ADVISEMENT

KEY RESULT AREA: Management Oversight **ADVISEMENT NUMBER:** **<u>2024– A4</u>**

SUBMITTED BY: **Indiana Pork, Ohio Pork Council, Minnesota Pork Board, Pennsylvania Pork Producers Council, and Montana Pork Producers Council**

SUBJECT MATTER: State Pork Industry Task Force Recommendation

MOTION: The National Pork Board fully supports the recommendations of the State Pork Industry Task Force, approved November 28, 2023, and begins implementation of the checkoff related aspects of recommendations 1-4 listed below.

Recommendations by the Pork Industry Visioning Task Force

1. Include state leaders in annual industry planning process with the national organizations to align priorities and coordinate strategies and resources.
2. Fortify high-risk and small pork production states by helping to develop critical infrastructure and optimizing utilization of resources and financial support both from other states and the national organizations to create a stronger industry.
3. Generate new state funding and resources through increased producer participation and external partnerships to bolster support for pork industry priorities
4. Maintain current Return to State (RTS) formulas because a rate change would only meaningfully affect a small number of states, and high-risk and small states would still not receive significant funding.

Passed

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Rationale:
Adopted by the delegate body in 2022, Recommendation #3 from the Pork Industry Visioning Task Force encouraged the creation of a separate task force in 2022 to address:

- Return to state formulas
- Resource allocation and engagement in low pig/high people population areas
- Any other areas the task force deems necessary to ensure the industry is equipped to address issues and opportunities at the state, regional and grassroots level

Recommendation 1 reflects the task force discussion that it is imperative the industry identify and collaborate on the issues and priorities that create the greatest risks to the national pork industry. States should fully participate in this process and provide input from their producers, while also recognizing that each state is autonomous and that there is no intention for the national organizations to be directing state programs and policies.

Recommendation 2 is submitted with the recognition that NPB is essentially a federation of state associations, each of which is an autonomous organization with distinct needs and demographics in their state. There are also overarching needs and priorities across all states, and the national organizations offer programs and support to collaborate with states and their executives that help each state be successful. Although there are many factors that drive success in each state, effective communication, collaboration, and coordination with and amongst states make for the strongest possible industry.

Recommendation 3 acknowledges that checkoff funding for states comes through return to state and other NPB programs, and that ensuring full participation in the Checkoff by producers is a priority goal. However, each state association is also part of a state network of organizations with access to local relationships, partnerships, and potential funding. Beyond funding connections, state leaders benefit from building local partnerships where there is common ground on many issues relevant to checkoff programming.

Recommendation 4 addresses Return to State (RTS) funding. While adjusting the current Return to States (RTS) formulas could provide incremental funding to some states, no state can receive more than 100% of its total checkoff contribution. Adjusting RTS even to the maximum extent would be insufficient to address priorities in high-risk states which would still require additional funding.

Currently 15 states have production yielding between $100 - $10,000 in annual RTS, totaling up to $40,000. Maximizing RTS to 100% would still only provide each of these 15 states with $300 to $25,000 (totaling $100,000 combined).

Because changes to the RTS formulas require Delegate approval, it is less effective for strategically funding states where production changes or population: pig ratios create local and national industry challenges. Coordinating funding utilizing national dollars creates opportunity for more flexibility and responsiveness to meet states' evolving needs.