NATIONAL
PORK INDUSTRY

Forum

FINANCES

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PRIORITIES AND FINANCES

JAN. 1–DEC. 31, 2025*

I. Executive Summary

A. The National Pork Board – The Business

The National Pork Board (NPB), established by the Pork Promotion, Research and Consumer Information Act of 1985 (Pork Act), is responsible for collecting and investing the Pork Checkoff. In accordance with the Pork Act, an assessment is to be paid by producers on the sale of each live hog at a rate of 35 cents per $100 of value. Importers of live hogs and pork products are also subject to Checkoff assessments. NPB invests these funds on behalf of the U.S. pork industry in promotion, research and consumer information programs.

A 15-member board of directors (BOD) oversees NPB and the Pork Checkoff funds. Each year, Pork Act Delegates, appointed by the U.S. Secretary of Agriculture, have the responsibility of nominating members to the Board, setting the Checkoff assessment rate and establishing the return-to-state rate, which provides funding to the designated state pork associations. The chief executive officer reports to the board and is responsible for NPB's project and program implementation and staff in four working areas: 1) Communications, Producer and State Engagement; 2) Demand Enhancement; 3) Swine Health, Production and Sustainability; and 4) Administration.

*All financial numbers are pending final audit report.

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II. 2025 in Review

NPB Comparative Income Statement

*For the Period Ending Dec. 31, 2025**

	2025 ORIGINAL BUDGET	2025 ADJUSTED BUDGET	2025 YEAR-END	VARIANCE
REVENUE				
Checkoff	$83,000,000	$95,000,000	$96,646,655	$1,646,655
Interest Income	$500,000	$2,400,000	$2,522,854	$122,854
Other	$500,000	$2,600,000	$2,143,451	$(456,549)
Climate-Smart Grants	-	$2,838,953	$3,338,970	$500,017
TOTAL REVENUE	**$84,000,000**	**$102,838,953**	**$104,651,929**	**$1,812,977**
PROJECTS				
We Care®	$2,925,000	$8,301,294	$6,918,805	$(1,382,489)
Foreign Animal Disease	$4,975,000	$5,290,982	$4,067,529	$(1,223,453)
Real Pork Thought Leadership	$6,295,000	$6,145,000	$3,480,232	$(2,664,768)
Human Nutrition	$2,245,000	$2,253,000	$2,131,211	$(121,789)
Domestic Market Development	$19,832,672	$27,583,376	$27,126,596	$(456,780)
International Market Development	$7,750,000	$8,575,000	$8,521,536	$(53,464)
Operational Excellence	$1,374,967	$1,496,167	$1,387,789	$(108,378)
TOTAL PROJECTS	**$45,397,639**	**$59,644,819**	**$53,633,699**	**$(6,011,120)**
PROGRAM EXPENSES				
Programs	$8,965,330	$9,804,393	$8,561,858	$(1,242,535)
Operations	$3,627,000	$3,467,800	$2,243,719	$(1,224,081)
TOTAL PROJECTS	**$12,592,330**	**13,272,193**	**10,805,577**	**$(2,466,616)**
FIXED – OVERHEAD EXPENSES				
People	$17,000,000	$17,000,000	$15,677,249	$(1,322,751)
Overhead	$4,428,000	$5,051,000	$5,068,942	$17,942
TOTAL NATIONAL SPENDING	**$79,417,969**	**$94,968,012**	**$85,185,467**	**$(9,782,545)**
SUPPLEMENTALS	-	$500,000	$498,780	$(1,220)
RETURN TO STATES	$15,770,000	$18,050,000	$17,774,646	$(275,354)
TOTAL OPERATING EXPENSES	**$95,187,969**	**$113,518,012**	**$103,458,893**	**$(10,059,119)**
IMPACT TO RESERVES	**$(11,187,969)**	**$(10,679,059)**	**$1,193,036**	**$11,872,095**
RESERVES				
Impact to Reserves	$(11,187,969)	$(10,679,059)	$1,193,036	$(11,872,095)
Designated Reserves	$19,417,776	$2,500,000	$2,500,000	-
Undesignated Reserves	$61,223,034	$78,429,565	$78,429,565	-
ENDING BALANCE	**$69,452,841**	**$70,250,505**	**$82,122,601**	**$(11,872,095)**

**All financial numbers are pending final audit report.*

A. Designated Reserves Being Deployed for Strategic Industry Projects

NPB is strategically designating significant funds for future deployment to meet industry needs.

Released From Designation in 2025

Swine Health Information Center (SHIC) – $2.5M

B. Designated for Future Deployment as of Dec. 31, 2025

Swine Health Information Center – $2.5M

Checkoff funds will support the SHIC for six years based on a series of milestones starting Dec. 31, 2021, for a total commitment of $15M.

C. Working Capital, Designated Funds and Reserves

Working Capital: 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.

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. NPB classifies its reserves as Designated or Undesignated.

Designated Reserves: Funds approved by the board for a specific future purpose or project aligning with industry priorities.

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 them 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.

The Board has a reserve minimum that is emergency reserves consisting of four months of operating expenses using a four year average.

Working Capital Balance as of Dec. 31, 2025	**$55.5M**
SHIC	2.5M
Designated Reserves Total	**2.5M**
Undesignated Working Capital	**$53M**

Working Capital Balance
$55.5M

—

Designated Reserves
$2.5M

=

Undesignated Working Capital
$53M

Adjusted Working Capital Reserve Calculations (Table WC.1):

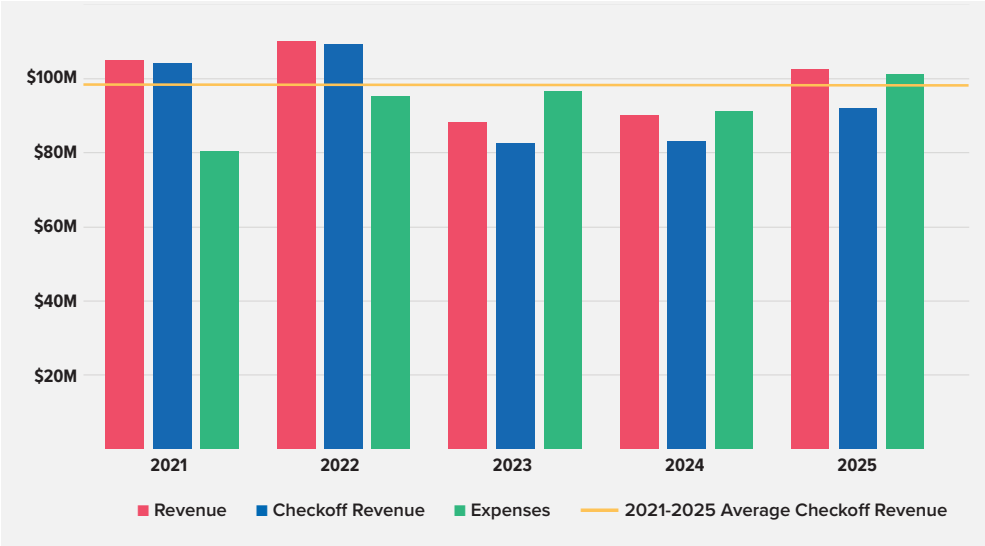
2025 NPB Current Assets	$90.20M
Less: 2025 NPB Current Liabilities	$(34.70M)
2025 NPB Working Capital	$55.50M
Less: 2026 Designated Reserves (as listed above)	$(2.50M)
Less: Emergency Reserve (as set by the Board)	$(25.98M)
2025 ENDING WORKING CAPITAL ABOVE RESERVE TARGET	**$27.02M**

Explanation for Table WC.1:
NPB's Undesignated Working Capital balance of $53M of $25.98M above the emergency reserve target of $27.02M, as set by the Board. NPB 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.

D. Addressing Industry Needs with NPB's Reserves

The average revenue from 2021 to 2025 was $99.8M, illustrated by the solid line in the graphic. NPB's reserves ensure funds are readily available to deploy in the uncertainty of a crisis.

NPB Revenue versus Expenses 2021 to 2025



III. Programming Resource Availability

NPB programming is funded from Pork Checkoff assessments, the sale of live pigs at a current rate of 35 cents per $100 value. Two variables affect annual Checkoff revenue — total weight of the national live hog marketing (which is a function of total pigs marketed throughout the year and average live weights) and the market price. Pork Checkoff revenue is not guaranteed but variable and a reflection of the market. Accurate forecasting analyzes pig numbers, average weights and market prices to ensure programming costs align with available funds.

A. Checkoff Assessment and Investment Revenue

NPB's staff and Board utilize the USDA Hogs and Pigs Reports, industry relationships and economic statistics to analyze and forecast production and revenue. The 2026 industry forecast used for budgeting suggests 126.M million hogs (from 125.1 million in 2025) will be marketed at a carcass weight average of 216 pounds. Market prices are expected to range from $94.00 to $98.00 per cwt. Total national and import Checkoff assessments are forecasted from $86M-$89M in 2026. NPB is budgeting below the forecast analysis in anticipation of additional budget requests throughout the year. The Board conservatively adopted $83M in budgeted Checkoff assessment revenue, $79M domestically and $4M from imports, and an additional $1M in short-term investment revenue.

B. Utilization of Reserves

In 2026, $17.2M of reserves is budgeted to be deployed to maintain budget stability while meeting industry needs and priorities.

C. Funds Availability

The total funds availability for the 2026 budget is $101.2M. NPB and the Board monitor revenue forecasts throughout the year and may amend the budget as appropriate to deploy funds to support the industry through the Next On process.

D. Budget Process and Inputs

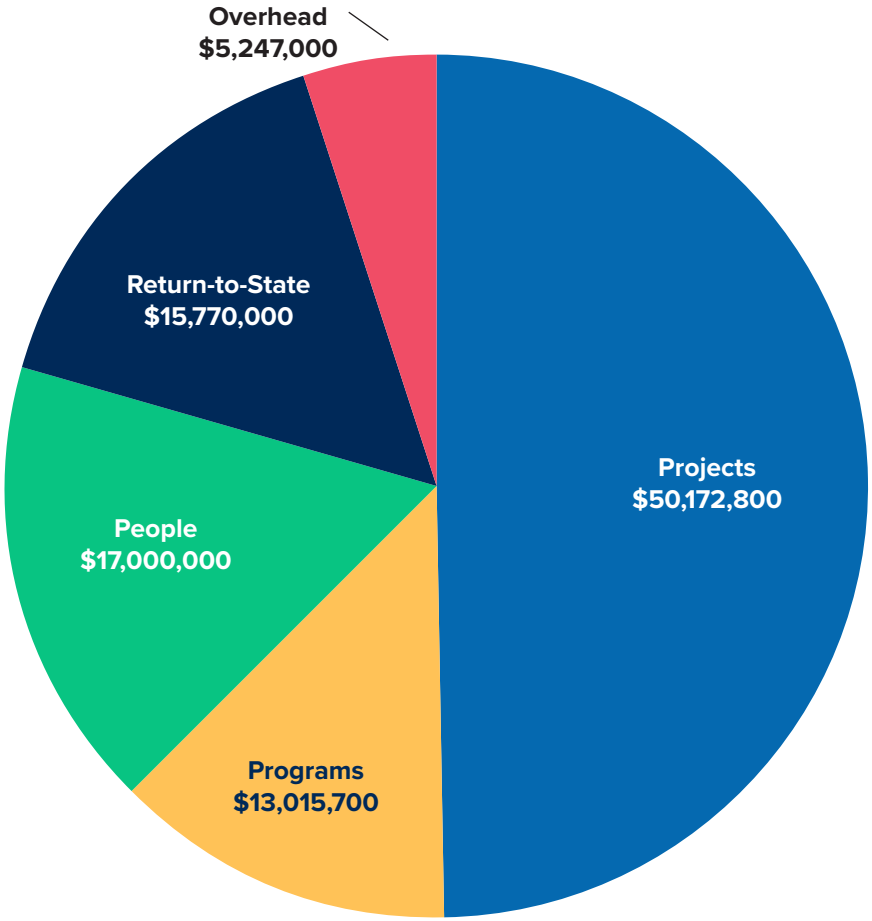
The 2026 Budget and Operating Plan is aligned with the strategic plan and the input received from producers during the annual planning cycle.

IV. Budget Overview

2025 Budget Report

	2025 ADJUSTED FORECAST	2026 BUDGET	VARIANCE
Checkoff Revenue	$95,000,000	$83,000,000	$(12,000,000)
Other Income	$7,838,953	$1,000,000	$(6,838,953)
TOTAL REVENUE	**$102,838,953**	**$84,000,000**	**$(18,838,953)**
National Spending	$94,968,012	$85,435,500	$(9,532,512)
Supplemental Spending	$500,000	$-	$(500,000)
Return-to-State	$18,050,000	$15,770,000	$(2,280,000)
TOTAL EXPENSES	**$113,518,012**	**$101,205,500**	**$(12,312,512)**
IMPACT TO RESERVES	**$(10,679,059)**	**$(17,205,500)**	**$(6,526,441)**
Designated Reserves	$2,500,000	$2,500,000	$-
Undesignated Reserves	$78,429,565	$63,252,324	$(15,177,241)
ENDING RESERVE BALANCE	**$70,250,505**	**$48,546,824**	**$(21,703,681)**

2026 Overall Proposed Spending



V. NATIONAL PROJECTS AND PROGRAMS

Building on current year success, NPB is planning many value-adding initiatives to address the priorities and needs of our producers and state pork associations in 2026. The Board continues to budget conservatively and focus producer dollars on high-priority areas recommended by the industry through the annual planning cycle and strategic plan.

Projects – Objective-based items determined and prioritized through the strategic plan and annual planning process to support the industry, commonly single-year focused, such as specifically supporting swine health or market development.

Programs – Recurring items that help support the industry, such as Pork Quality Assurance® Plus (PQA Plus®) Transport Quality Assurance® (TQA®), state supplemental support, national meetings and task forces.

A) Projects

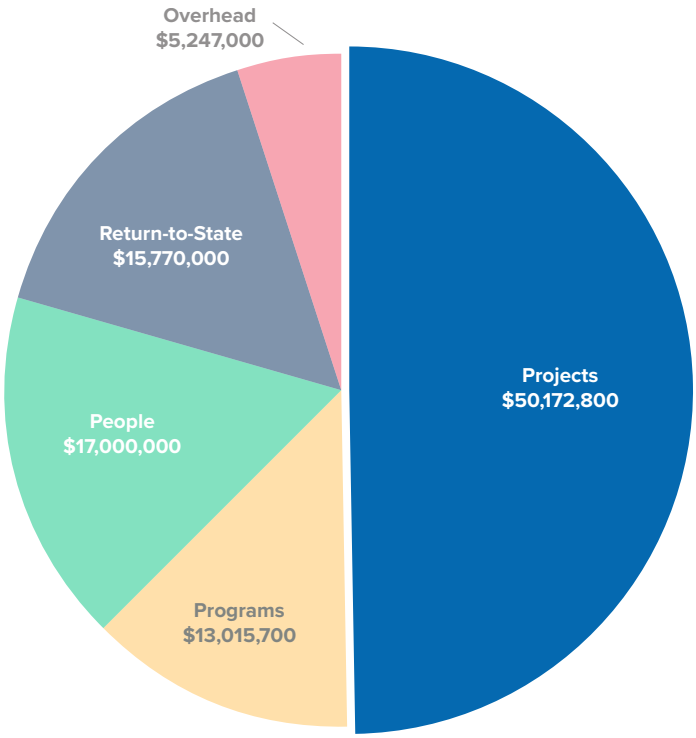
Based on the Board's adopted strategy and the input and direction of producer and industry leaders, Checkoff dollars are applied to projects and objectives based on priorities, as well as ensuring a positive return on investment of producers' dollars.

The Checkoff allocates $50.2M to a comprehensive set of projects within the three strategic plan priorities and business objectives.

All project work budgeted has specific, measurable and relevant ROI metrics that will be reported on throughout the year through dashboards and scorecards. The evaluation of ROI helps determine future investment levels and demonstrates the value of producers' Checkoff assessments.

Throughout the year, opportunities to fund additional projects may present themselves. NPB uses a Next On process to evaluate such opportunities. Management maintains a list of prospective projects to be proposed to the Board for budget consideration should the need or opportunity arise. Next On proposals are not part of the adopted budget and must follow policy for approval of a budget revision.

Project Spending



2026 PRIORITY SCOPE OF WORK AND BUSINESS VALUE

Operational Excellence
$764,000

- Sponsorship, Memberships, Dues and Subscriptions
- Operational Insights
- IT Projects

International Market Development
$7,850,000

- USMEF
- International Market Producer Activation
- American Pork Export Trading Company (APEX)
- Economic Analysis and Market Insights

We Care®
$2,940,000

- AMP Grants
- Farmers for Soil Health and National Fish and Wildlife Foundation
- Pork Cares Farm Impact Reports
- Federal and State Environmental Support
- Animal Welfare and Research Support
- Sow Housing Research
- Promoting Producer and Public Health
- We Care® Dashboard and Projects
- CLEAR Center

Business Intelligence
$4,500,000

- Data and Insights
- Consumer Segmentation

Thought Leadership — Communications
$3,308,800

- Herd Health — Swine Health
- Best-in-Class Communications Enablement
- We Care® B2B, Industry and Supply Chain Engagement
- Image, Issues, Reputation and Thought Leadership
- Building a Bigger Appetite for Pork — Market Growth

Swine Health
$2,730,000

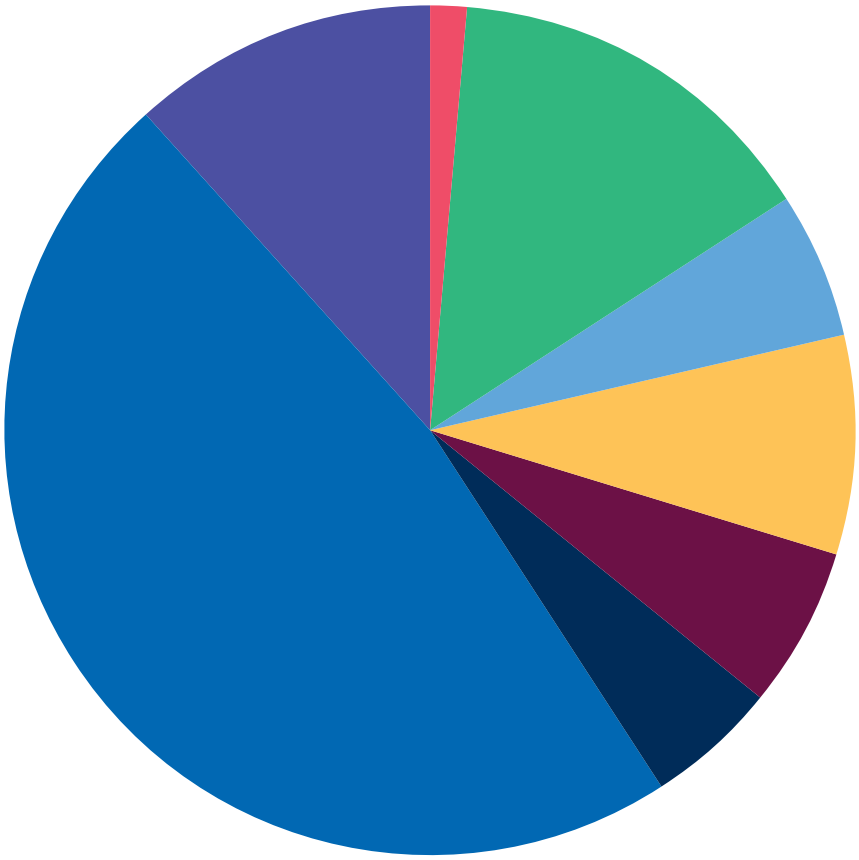
- On-Farm Preparedness
- Swine Health and Production Research
- AgView® Maintenance and Development

Domestic Market Development
$25,580,000

- Consumer Marketing Campaign
- Human Nutrition
- Food Chain Outreach and Engagement
- Multicultural Strategy
- Retail Advisory Committee

Producer and State Engagement
$6,201,200

- State Partnership Initiatives, Funding Meetings and Support
- Grassroots Leadership, Advocacy and Engagement
- Immersion Program
- Segmented Industry Outreach
- Pork Store
- Swine Education and Outreach Professionals



B. Programs

The budget for 2026 programs is $13M, which is allocated across key program areas that support the industry.

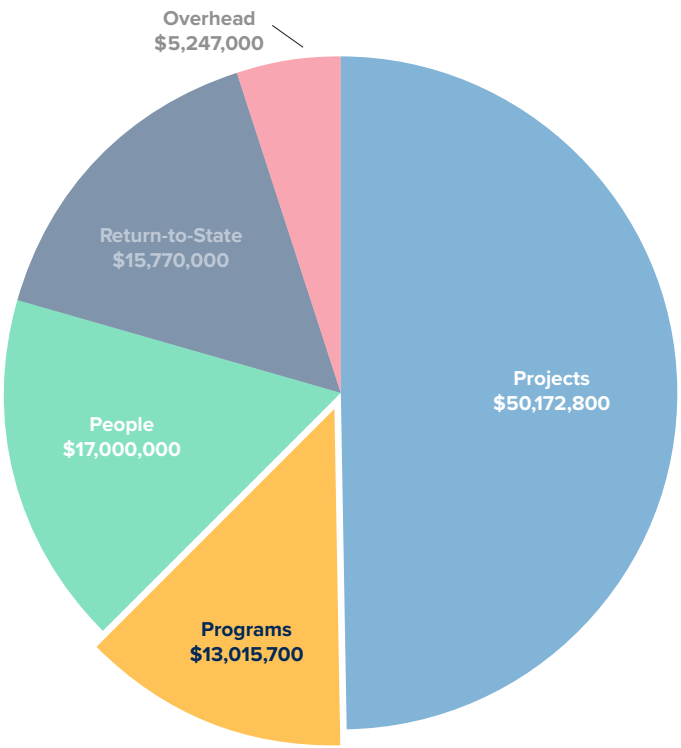
State Supplemental Support: Funds available to state pork associations through applications to support local programs and operations.

PASLWOCO (Pigs Across State Lines Without a Change in Ownership): Program funds available for those state pork associations determined to have lost return-to-state funding because of pigs being moved across state lines for finishing without change of ownership or assessments collected.

PQA Plus®/TQA®: Programs designed to ensure producers, handlers and transporters are certified in leading practices in the pork industry.

Operations: Costs of organization operation include supporting the annual Pork Act Delegate meeting, Board meetings, task forces, state administrative support, legal, intellectual property, economic and market forecasting, leadership development, anticipatory issues management, IT, finance, audit, risk management, meeting and travel coordination, and human resources.

Program Spending

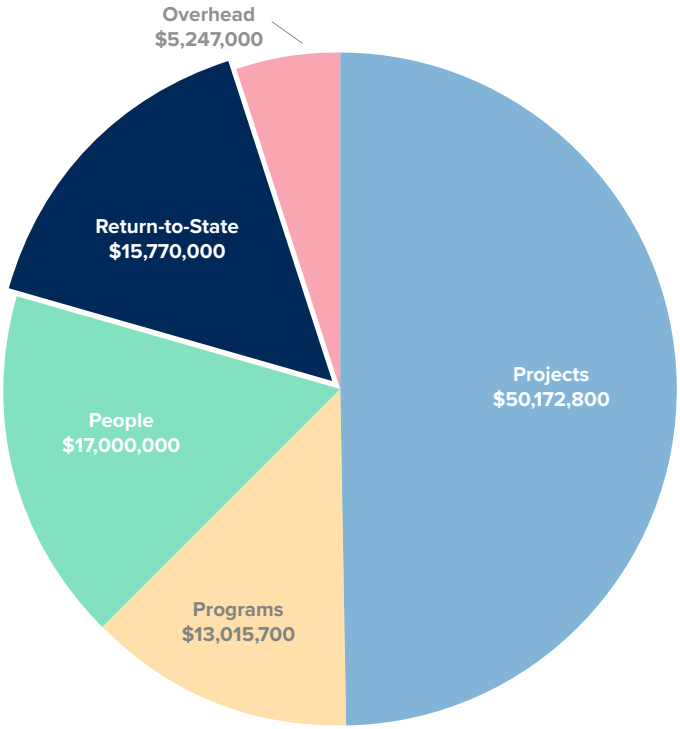


Program Spending

PROGRAM EXPENSE	2025 BUDGET	2026 BUDGET	VARIANCE
Administration	$1,542,000	$1,695,000	$153,000
Professional and Org. Development	$160,000	$169,000	$9,000
Travel	$1,050,500	$1,154,000	$103,500
Conferences/Events	$1,640,200	$1,350,000	($290,200)
Task Forces/Committees	$110,000	$75,000	($35,000)
State Support/PASLWOCO	$5,624,400	$6,201,200	$576,800
TQA®/PQA Plus®	$683,230	$542,500	($140,730)
USPCE	$60,000	$0	($60,000)
Legal	$500,000	$500,000	$0
Professional Services/Audit/Cash Mgmt.	$717,000	$717,000	$0
Development/Support/IT	$380,000	$487,000	$107,000
Postage	$125,000	$125,000	$0
TOTAL EXPENSES BY TYPE	**$12,592,330**	**$13,015,700**	**$423,370**

VI. RETURN-TO-STATE

Return-to-State Spending



A. Allocation, Distribution and Use of Return-to-State

Annually, the Pork Act Delegate Body approves the formula to determine each state's allocation of collected assessments. This ranges from 16.5% for large production states to 39% for smaller production states, based on the number of pigs marketed.

A percentage of the national Checkoff assessment collections from each state are returned each month to the respective state pork association to support local Checkoff programming. Each state pork association shall use its Return-to-State funds for promotion, research and consumer information programs in accordance with the Pork Act. On average, approximately 19% of the national assessments are returned to state pork associations.

An established function of the Pork Act, this disbursement of funds is driven by production, markets and official action of the Delegate Body. As National Checkoff Assessment revenue increases/decreases, so does the distribution of the portion of that revenue returned to state pork associations. For 2026, the Return-to-State allocation funding is budgeted at $15.7M, which is 19% of $83M in Checkoff assessments.

Each month, Return-to-State funding is sent to the respective state based on processing of the previous month's volume. Thus, as additional Checkoff dollars are received above the budgeted amount, they are sent directly to the respective state based on their allocated percentage each month. This enables each state to adjust their budget as it is received.

VII. SUPPORT COSTS

People and Overhead

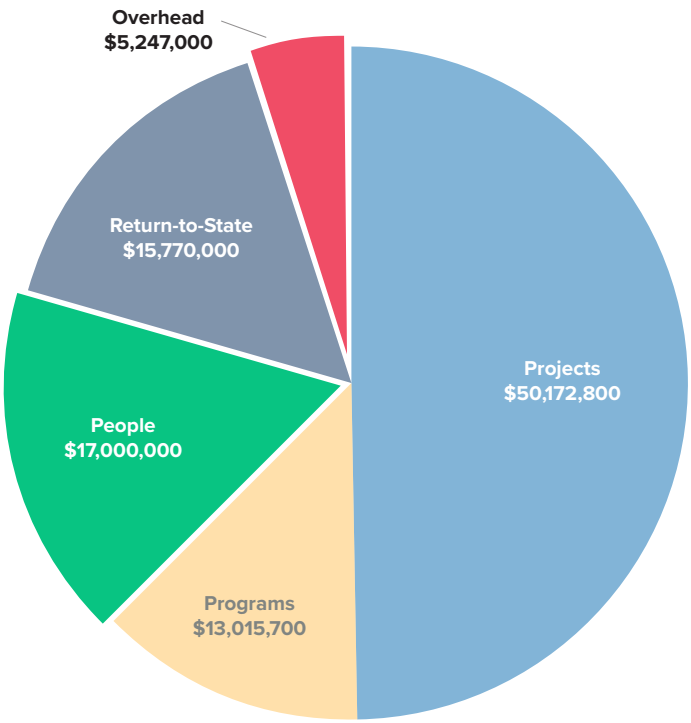
A. Support Costs

Support costs are not direct programs or projects but are necessary functions of NPB to execute them, as well as maintain operations.

People and Overhead costs are budgeted for $17M and $5.2M, respectively.

People – People costs include salaries, taxes and benefits.

Overhead – Overhead consists of expenses such as office rent, utilities, insurance, building equipment, grounds maintenance and telecommunications.



Total People and Overhead

OVERHEAD EXPENSE	2025 FORECAST	2026 BUDGET	VARIANCE
People	$17,000,000	$17,000,000	$-
Depreciation	$2,400,000	$2,400,000	$-
Leasing	$28,000	$47,000	$19,000
Rent	$550,000	$550,000	$-
Office Supplies	$20,000	$60,000	$40,000
Overhead — IT	$750,000	$1,500,000	$750,000
Maintenance	$410,000	$410,000	$-
Insurance — P&C	$125,000	$135,000	$10,000
Utilities	$70,000	$70,000	$-
Voice and Data	$75,000	$75,000	$-
TOTAL OVERHEAD	**$21,428,000**	**$22,247,000**	**$819,000**

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This message funded by America's Pork Producers and the Pork Checkoff.