Vision for Iowa’s Pork Industry:
IPIC Advisory Committee Meeting

Dr. John Mabry
Director, Iowa Pork Industry Center
Iowa State University

Pork Industry in Iowa

• More than just production of pigs
  – Processing, feed grain usage, buildings, equipment, supplies, jobs, soil nutrients, tax generation, etc.
• Massive structural change recently
• Rural economies are supported by the pork industry, could grow larger
• Need a clear and progressive vision to grow the industry

Long Term National Outlook

• Per capita consumption is stable while population is increasing and exports are growing
  – Demand for commodity pork should grow
• More food is being eaten out of the home
  – Potential demand for value added pork should grow
• Potential to grow in bioscience area

USA Pig Production

• Currently, 20% pigs on east coast
  – This will probably decrease (more people, less farm land, real tourism industry, long term moratorium)
• Production will either move somewhere else in USA or be imported
• Why not move it to Iowa?

Iowa Advantages for Pork

• Primary use of Iowa farmland will be for crops which need high quality nutrients
• Center of pork processing
• History of pork production excellence
• Rural economies in need of development
• Must be sustainable growth

Key Issues/Assumptions

• Environmental stewardship
• Communications between rural and urban populations
• Food safety and security
• How to develop the next generation
• Policy development/farm programs
• Information transfer
• Labor availability
• Energy costs
Potential Growth Areas

- Commodity pork
  - Demand should grow and production could shift location
  - Expand farrowing, expand finishing
- Must be sustainable
  - Economic, environment, social aspects

Sustainability Factors

- Economic sustainability requires adequate size, good management and technology utilization
- Key factor for both environmental and social sustainability appears to be the size of the operation
- Therefore, growth in the commodity side of pork production must be done via "Low Density Expansion"

Potential Growth Areas

- Attribute based niche markets
- Demand in this area grows as the affluence of the consumer grows
- Attribute areas
  - Based on production system (pasture reared), eating quality (Berkshire, Niman Ranch), health perceptions (no sub therapeutics), diet (organic)
- Real need for economic information

Potential Growth Areas

- Bioscience based industries
- Many different areas
  - Biological research, development, manufacturing, genetics, internet applications, feed products, research tools, etc)
- These bring high paying jobs to communities where they are located
- Require research university assistance

Potential Growth Areas

- Harvesting and further processing
- Large harvesting industry now, difficult to locate new plants
- Increasing demand for further processed foods
- Further processing can be done in rural communities
- These jobs pay above average wages

Vision for Iowa’s Pork Industry

What do you agree or disagree with in the vision for Iowa’s Pork Industry?
U.S. and Iowa Sow Herd

- In 1980, Iowa had 2.2M sows or 23% of the US sow herd
- In 1990, Iowa had 1.7M sows or 24% of the US sow herd
- In 2000, Iowa had 1.16M sows or 19% of the US sow herd
- In 2005, Iowa had 1.1M sows or 18% of the US sow herd

Growth in Iowa’s Swine Industry?

- Will we see a reversal to the decline in the number of sows and see growth in the number of sows in Iowa?
- If so, what is a reasonable target for number of sows in Iowa?

Growth in Iowa’s Swine Industry

- What is reasonable growth in the number of hogs marketed in Iowa?