



**Oral Testimony Of  
National Pork Producers Council President David  
Herring**

**On**

**The State of the Livestock and Poultry Economies**

**United States House of Representatives Committee  
on Agriculture**

**Subcommittee on Livestock and Foreign  
Agriculture**

**July 16, 2019**

Chairman Costa, Ranking Member Rouzer, and Members of the Subcommittee, I appreciate the opportunity to discuss the state of the livestock economy, specifically as it relates to U.S. pork production. Thank you for holding such a timely hearing.

My name is David Herring. I am a pork producer from Lillington, N.C., and president of the National Pork Producers Council (NPPC).

NPPC is a national association representing the interests of 60,000 U.S. pork producers.

The U.S. pork industry is the world's lowest-cost producer and the top exporter, annually shipping more than \$6 billion to foreign destinations. However, despite significant growth in the U.S. pork sector, we are facing numerous challenges both at home and abroad that if left unaddressed, could pose significant harm to our farms, our communities and ultimately consumers.

### **Trade Disputes**

One of the most damaging threats to the U.S. pork industry has been the punitive tariffs that China and other countries have imposed. Market analysts projected 2018 to be a profitable year for U.S. hog farmers. Unfortunately, restricted market access from trade disputes caused a loss last year to our farmers. This year, the average hog farmer is making a very small profit through the first six months of the year. Those small profits would be much higher were it not for trade retaliation from China and other markets.

The U.S. pork industry had the dubious distinction of being on three retaliation lists over the last year in China and Mexico. While Mexico's tariffs on U.S. pork have been lifted, China's 50% retaliatory tariff – on top of the existing 12% duty on U.S. pork – remains. China is the largest producer, consumer and importer of pork in the world but, at a 62% tariff rate, U.S. pork producers are losing \$8 per animal, or \$1 billion on an annualized basis.

There is an unprecedented sales opportunity for U.S. pork producers in China as it continues to battle the spread of African swine fever and experiences a major reduction in domestic production. Were it not for the retaliatory duties on U.S. pork, we would be in an ideal position to meet China's need for increased pork imports and single handedly put a huge dent in the U.S. trade imbalance with China. Instead, this trade opportunity is fueling jobs, profits, and rural development for our competitors. We seek an end to the trade dispute with China.

NPPC is also deeply concerned as we helplessly watch the EU and the CPTPP nations take market share away from us in Japan, our largest value export market. We know the administration is engaged in trade negotiations with Japan, but those negotiations can't move quickly enough as far as we are concerned.

Additionally, pork producers are eager to see ratification of the US-Mexico-Canada (USMCA) trade agreement. The USMCA agreement preserves zero-tariff pork trade in North America. Canada and Mexico account for more than 40 percent of all U.S. pork exports, and support 16,000 U.S. jobs. We look forward to congressional ratification of this agreement.

### **African Swine Fever**

In addition to trade issues, pork producers are fighting another battle when it comes to preventing the spread of African swine fever. The risk of ASF is growing as outbreaks continue in Europe, China and other parts of Asia. We can all agree that we need to keep this deadly disease out of the USA.

NPPC is requesting appropriations funding for 600 additional U.S. Customs and Border Protection Agricultural Inspectors at our borders, bringing the total number to 3,000.

## **Farm Bill Implementation**

Implementation of the 2018 Farm Bill as intended by Congress is another foreign animal disease prevention priority for U.S. pork producers. The 2018 Farm Bill includes important funding for the development of a Foot-and-Mouth Disease (FMD) vaccine bank.

The U.S. pork industry fought hard to secure funds to buy vaccines to protect animal well-being and farmers' livelihood from the very real FMD threat facing the industry today. USDA must utilize the funds provided by Congress to carry out its intent to safeguard the rural economy.

## **Labor Shortage**

Lastly, there is a severe shortage of labor in the pork industry, both on farm and in packing plants, that undermines the industry's commitment to the highest standards of animal care.

Pork production is a year-round endeavor. Accordingly, the current H-2A visa program does not work for pig farmers as it only addresses seasonal agriculture sectors. We need visa reform so pig farmers have access to a sustainable supply of labor throughout the year.

## **Summary**

Pork is one of the United States' most successful and globally competitive products. But, a handful of obstacles are preventing our farmers from realizing their full potential for their families, consumers and the American economy. Addressing these challenges will make U.S. hog farmers even more competitive, expand production, fuel job growth and contribute to rural communities across the country. Thank you for the opportunity to testify and I look forward to any questions.