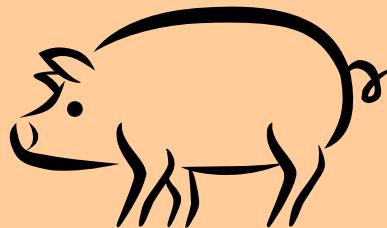




# **MINNESOTA**

## **PORK INDUSTRY PROFILE**



*Prepared by:*

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Agricultural Marketing Services Division  
Minnesota Department of Agriculture

2009

[www.mda.state.mn.us](http://www.mda.state.mn.us)

# MINNESOTA PORK INDUSTRY

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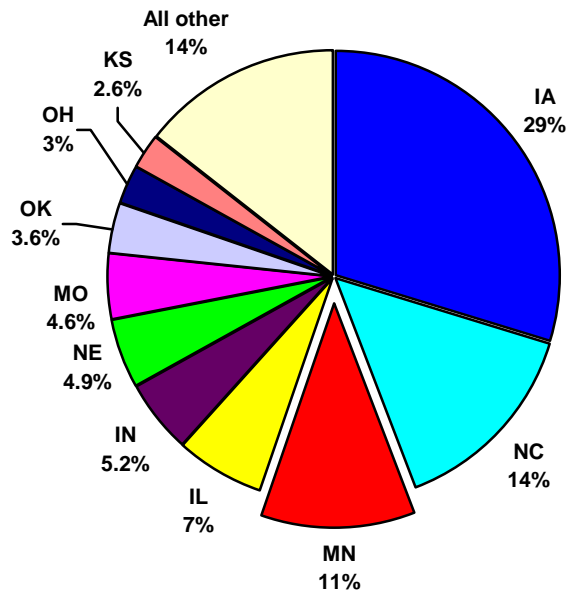


# MINNESOTA PORK INDUSTRY

## National Ranking

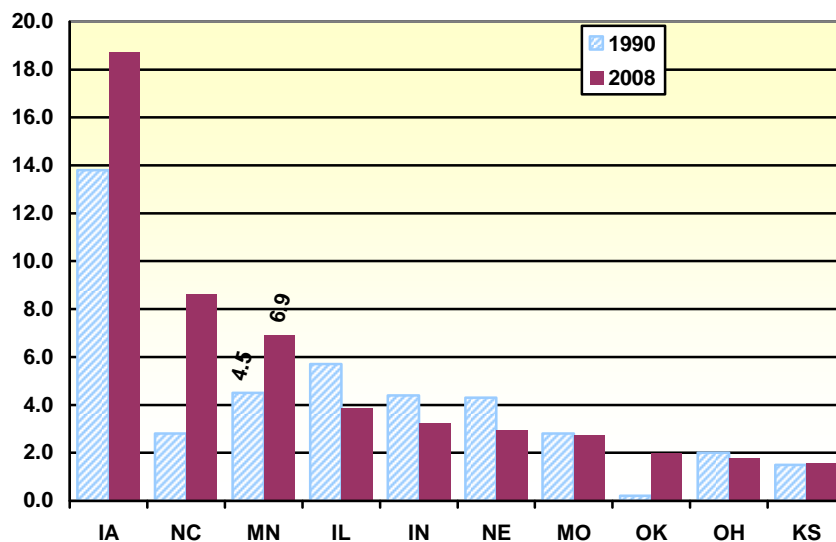
- Minnesota is the 3<sup>rd</sup> largest hog-producing state in the U.S.
- In 2008, Minnesota had 7.5 million head of hogs, contributing 11% of the U.S. total.
- Minnesota is also one of the fastest growing hog production states in the U.S., achieving a 67% increase in hog marketing from 1990 to 2008.

## U.S. Top 10 Hog States (2008 Inventory) – Head



Source: USDA, NASS

## U.S. Top 10 Hog States (1990-2008 Changes) – Million Head



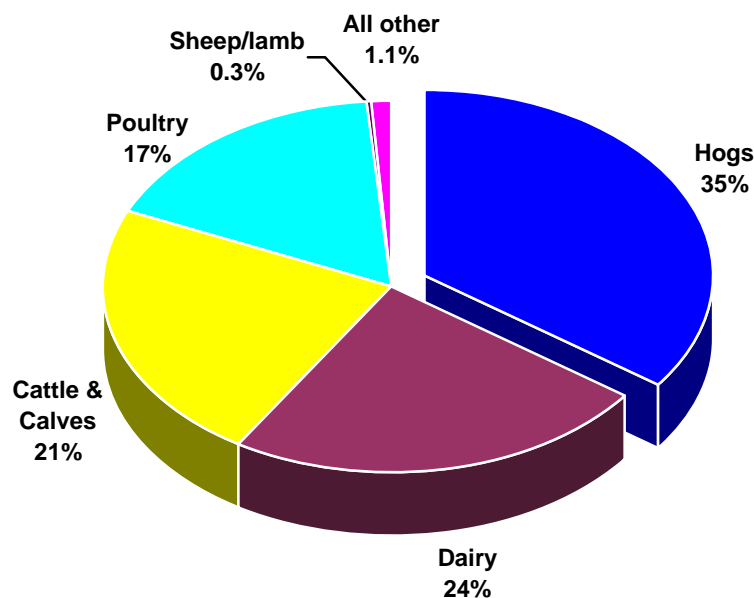
Source: USDA, NASS

# MINNESOTA PORK INDUSTRY

## Cash Receipts

- Hog production ranks second among Minnesota's agricultural sectors, following corn, accounting for 16% of total agricultural cash receipts.
- It is also Minnesota's largest livestock sector, contributing 35% of the state's total livestock cash receipts.

### Minnesota Livestock Cash Receipts by Sector (2007)



Source: USDA, NASS

### Minnesota's Livestock Sectors by Ranking (2007)

(Million Dollars)

Livestock Sectors	Value	% of Total Ag
<b>Hogs</b>	<b>\$2,139.88</b>	<b>16.2%</b>
Dairy	\$1,475.93	11.2%
Cattle and calves	\$1,385.74	10.5%
Poultry and eggs	\$1,045.67	7.9%
Sheep and lamb	\$18.73	0.1%
Other livestock products	\$652.61	5.0%
<b>Total Livestock</b>	<b>\$6,131.55</b>	<b>46.5%</b>
<b>Total Crops</b>	<b>\$7,048.91</b>	<b>53.5%</b>
<b>Total Ag Production</b>	<b>\$13,180.47</b>	<b>100.0%</b>

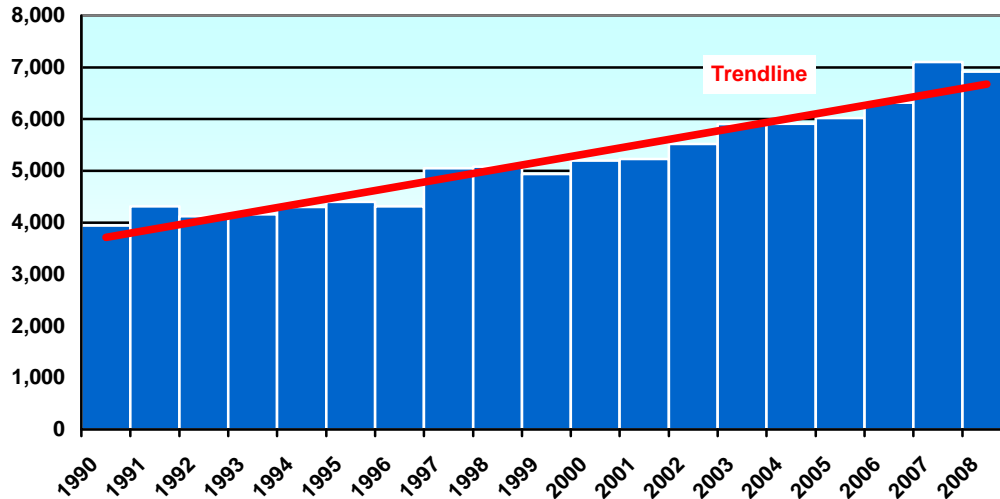
Source: USDA, NASS

# MINNESOTA PORK INDUSTRY

## Production Growth

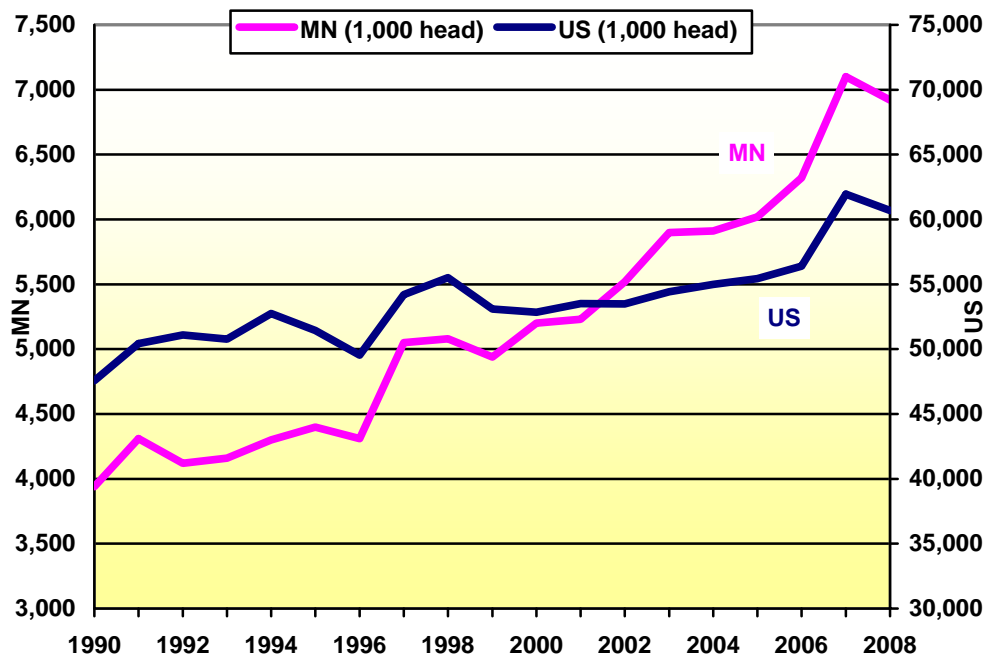
- Hog production is one of the fastest growing livestock sectors in Minnesota, averaging a growth rate of 3% annually from 1990 to 2008.
- For comparison, the U.S. national average annual growth rate during the same time period is 1%.

**Minnesota Hog Marketing Trend – 1990-2008 (1,000 Head)**



Source: USDA, NASS

**Hog Production Annual Growth Trends – MN & U.S. (1990-2008)**



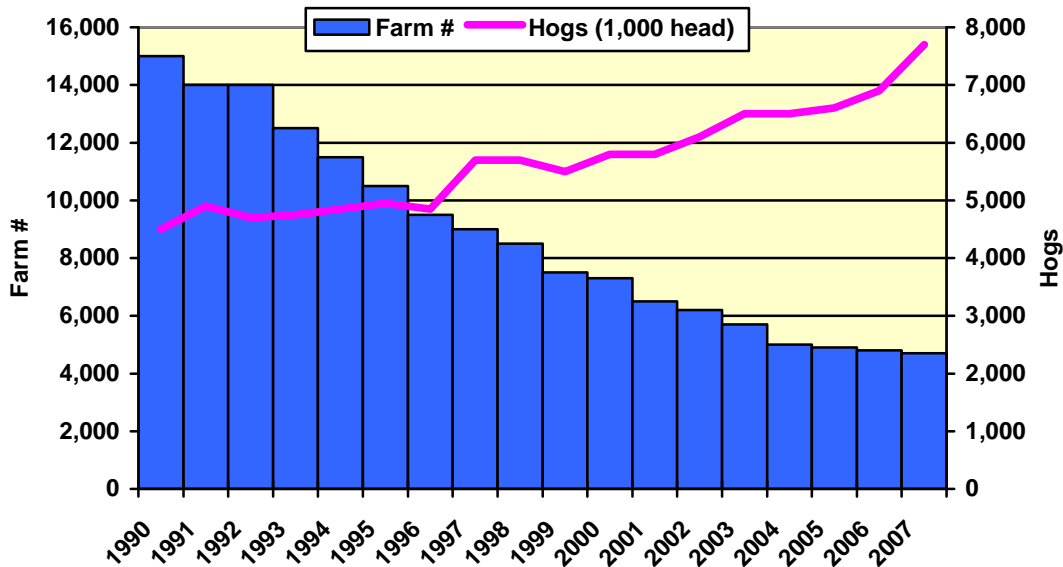
Source: MDA/AMS

# MINNESOTA PORK INDUSTRY

## Hog Farms

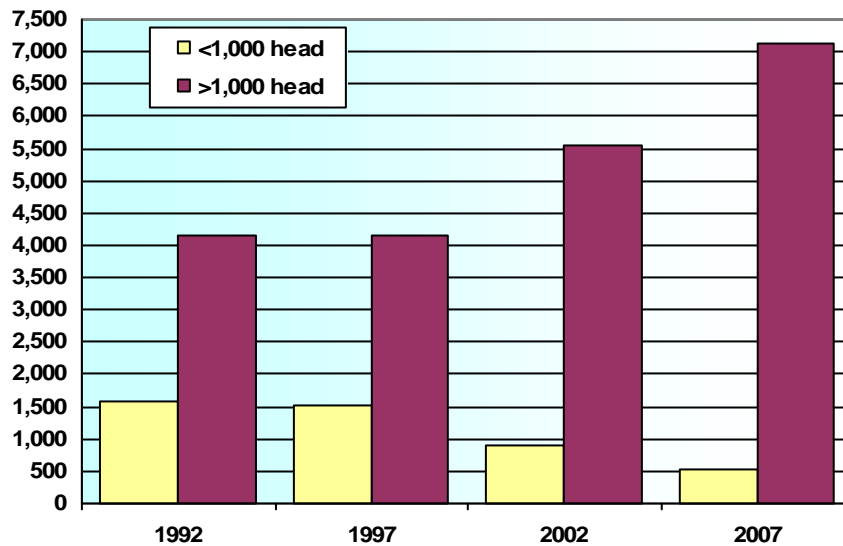
- There are 4,700 hog farms in Minnesota, or 6% of the state's 79,000 farms.
- The number of hog farms in Minnesota has declined annually to 4,700 in 2007, with mostly stable numbers in the past 4 years.
- The average size of hog operations has increased, from 146 head of hogs to 1,600-plus head of hogs.

**Minnesota Hog Farms and Hog Inventory (1990-2007)**



Source: USDA, NASS

**Minnesota Hog Inventories by Farm Size (1,000 head)**



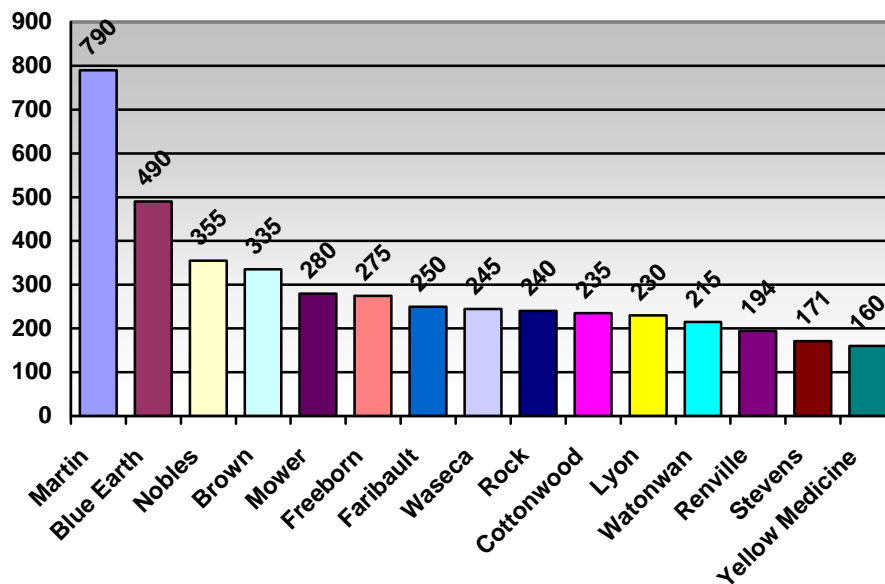
Source: Ag Census

# MINNESOTA PORK INDUSTRY

## County Ranking

- Martin County is the largest hog producing county in Minnesota, followed by Blue Earth, Nobles, Brown, and Mower.
- The fastest growing hog production counties (ranked by the rate of growth) are: Martin, Blue Earth, Waseca, Cottonwood, and Brown.

**Minnesota Top Hog Counties- 2007 (1,000 head)**



Source: USDA, NASS

**Minnesota Hog Production: Top 10 Counties (1,000 Head)**

2008 Rank	County	2008	2000	1990	1990-2008 Growth (%)	1990 Rank
1	Martin	790	589	240	229%	1
2	Blue Earth	490	365	171	187%	4
3	Nobles	355	240	240	48%	5
4	Brown	335	230	153	119%	13
5	Mower	280	173	132	112%	7
6	Freeborn	275	201	182	51%	2
7	Faribault	250	180	135	85%	6
8	Waseca	245	157	77	218%	24
9	Rock	240	151	102	135%	17
10	Cottonwood	235	154	91	158%	20
	All other counties	4,205	3,360	2,977	41%	
	<b>State total</b>	<b>7,700</b>	<b>5,800</b>	<b>4,500</b>	<b>71%</b>	

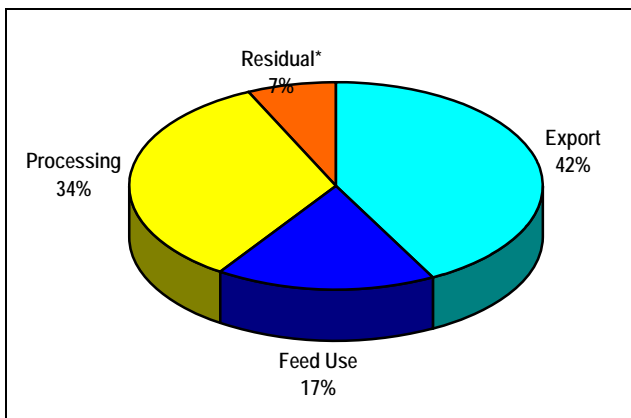
Source: USDA, NASS

# MINNESOTA PORK INDUSTRY

## Feed Use by Hog Production

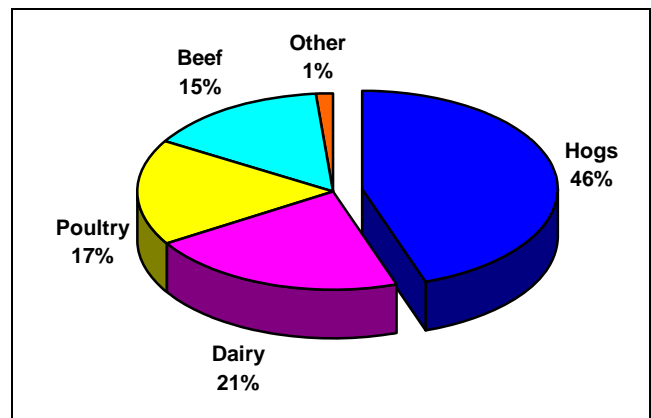
- Hog production supports crop farming through feed utilization, a significant market for Minnesota's corn and soybean crops.
- In 2008, hog production consumed 97 million bushels of corn, about 9% of Minnesota's total corn crop.
- Hog production also consumed 400,000 tons of soybean meal in 2008, about 41% of total soybean meal fed to all livestock.
- Hogs are the largest feed users of both corn and soybean meal in Minnesota.

**MN Corn Utilization (2008)**



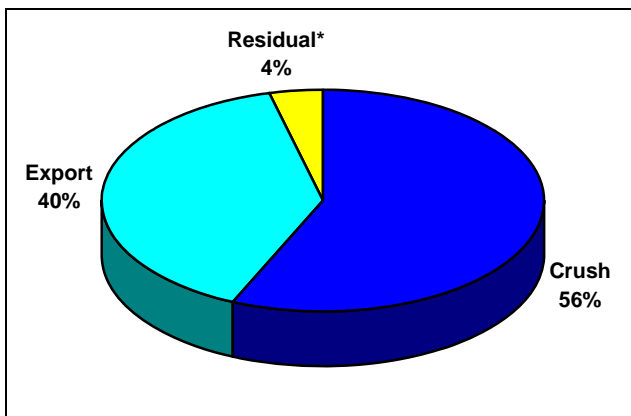
\*Residual: all other uses

**Corn: Feed Use by Hogs (2008)**



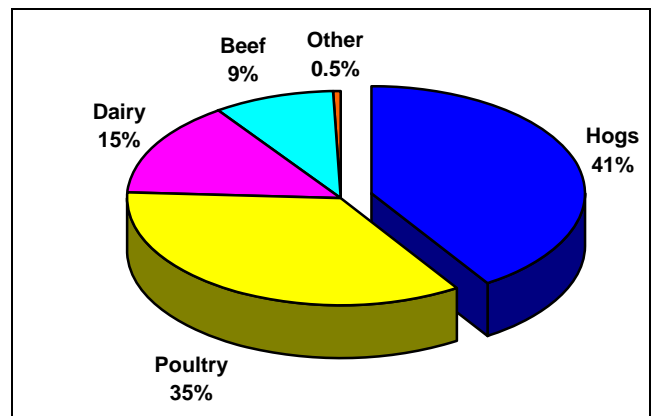
Source: PRX and MDA/AMS

**MN Soybean Utilization (2008)**



\*Residual: all other uses

**Soybean Meal: Feed Use by Hogs (2008)**



Source: PRX and MDA/AMS

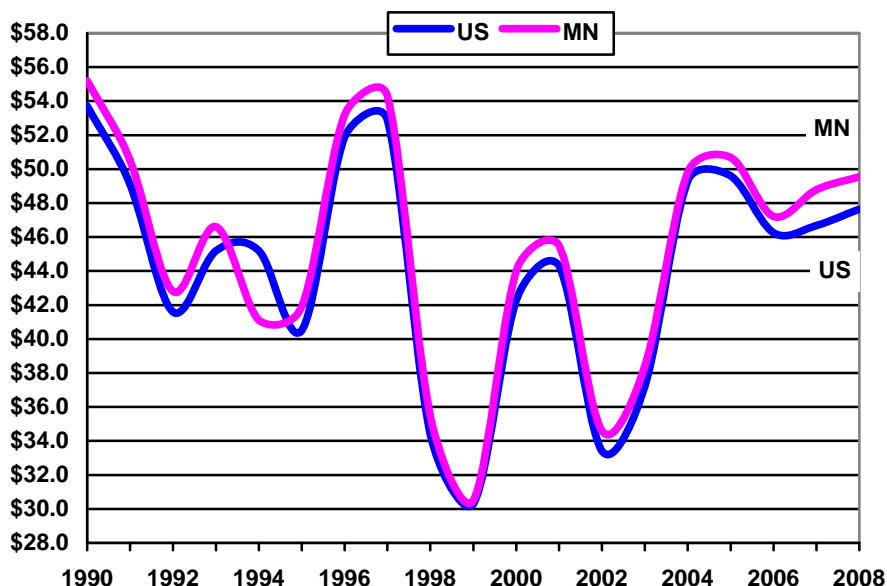


# MINNESOTA PORK INDUSTRY

## Prices

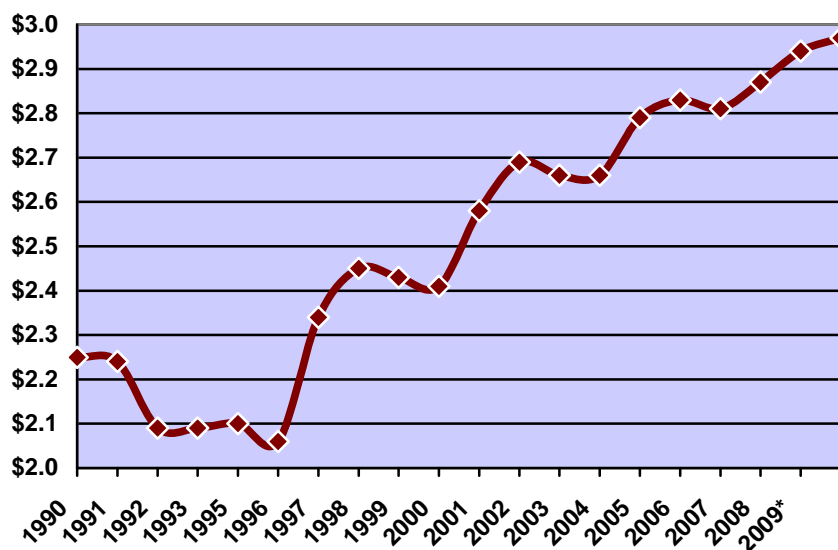
- In 2008, hog prices received by Minnesota growers averaged \$49.50/cwt.
- Hog prices fluctuated from a low of \$38.40/cwt. in January 2008 to a high of \$65.00/cwt. in August 2008.
- Minnesota hogs prices are generally higher than the U.S. national average.
- Retail pork prices has increased 31% from 1990 to 2008, compared to a -10% decrease in grower prices.

**MN and US: Hog Prices Received by Growers - 1990-2008 (\$/cwt)**



Source: USDA, NASS

**U.S. Retail Pork Prices - 1990-2009 (Dollar/lb.)**



\*2009: Jan-Mar

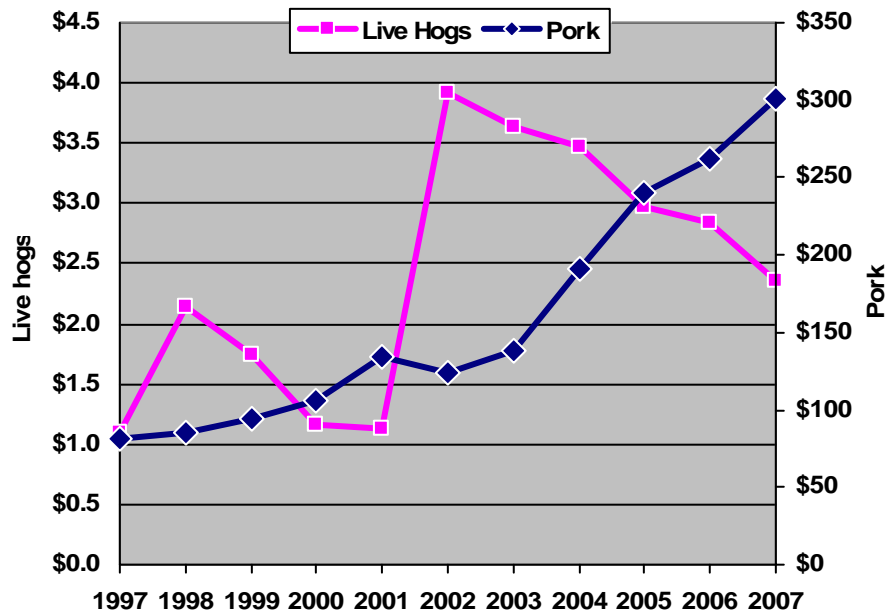
Source: USDA, NASS

# MINNESOTA PORK INDUSTRY

## Export

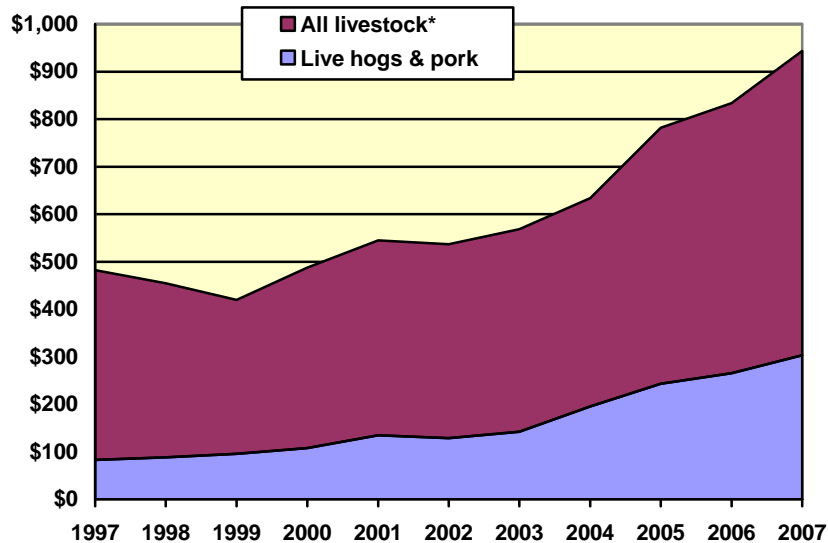
- Minnesota is the third largest pork exporter among all U.S. states.
- In 2007, about 14 percent of Minnesota's total pork production was exported. Ten years ago, 7 percent was exported.
- From 1997 to 2007, Minnesota pork exports were increasing at an annual average rate of 15 percent, higher than the 11 percent U.S. national average.

**Minnesota Live Hogs and Pork Exports (Million \$)**



Source: MDA/AMS

**Minnesota Total Livestock Exports vs. Hogs/Pork (Million \$)**



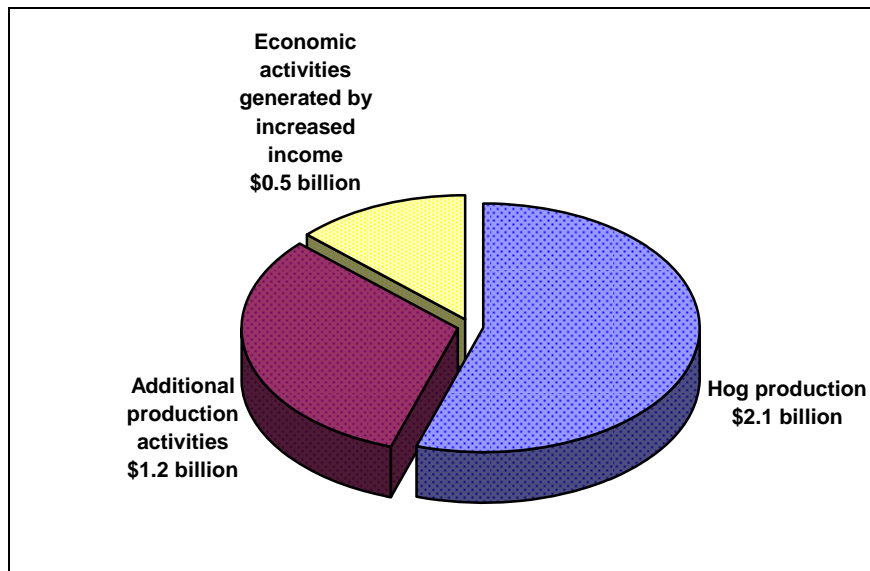
\*All livestock: live animals, red meat, dairy, poultry, and hides/skins. Source: MDA/AMS

# MINNESOTA PORK INDUSTRY

## Economic Impact

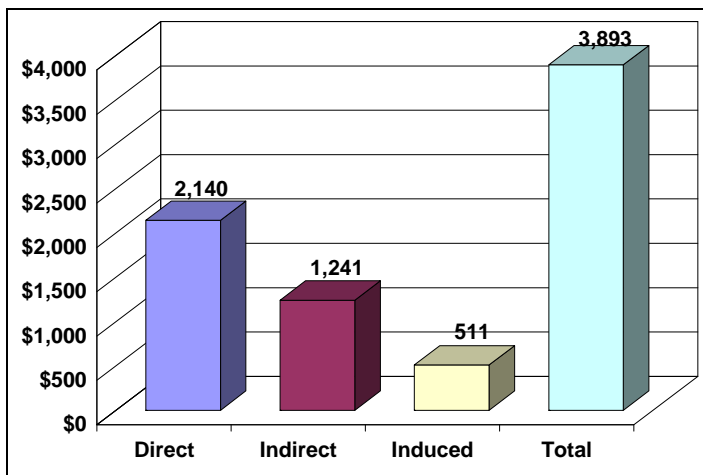
- In Minnesota, every dollar from hog production generates a total of \$1.8 in state-wide economic activities.
- The multiplier effect of hog production to the state economy:
  - Total economic output: \$3.9 billion
  - Total employment: 55,134 jobs.

### Hog Production Impact: \$3.9 billion

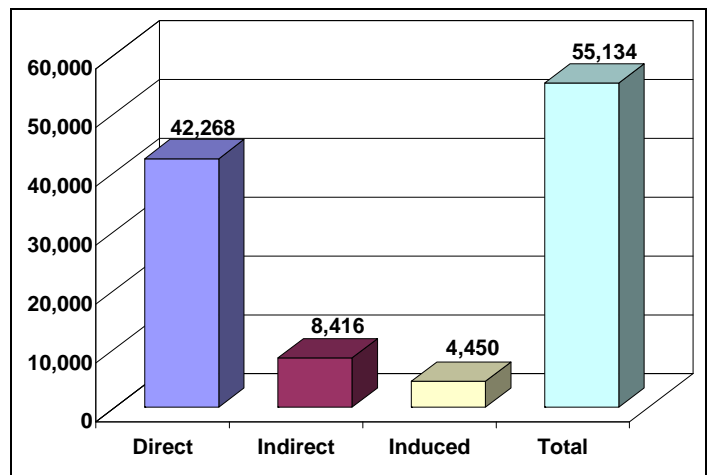


Source: MDA/AMS

### Output Impact (Million \$)



### Employment Impact (# of jobs)



Source: MDA/AMS

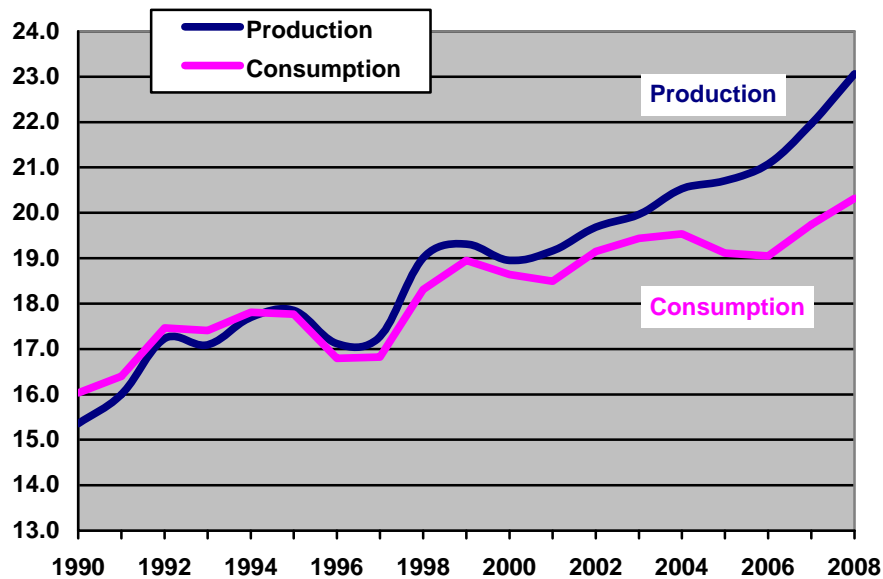
Note: Economic impacts include Direct, Indirect, and Induced impacts. **Direct Impact** represents hog production at farm-level. **Indirect Impact** represents the production activities of all other economic sectors related to hog production. **Induced Impact** represents the additional economic activities generated by the expenditures of new income from the direct and indirect impacts. **Total Impact** is the sum of direct, indirect and induced impacts.

# U.S. PORK INDUSTRY

## U.S. Pork Production and Consumption

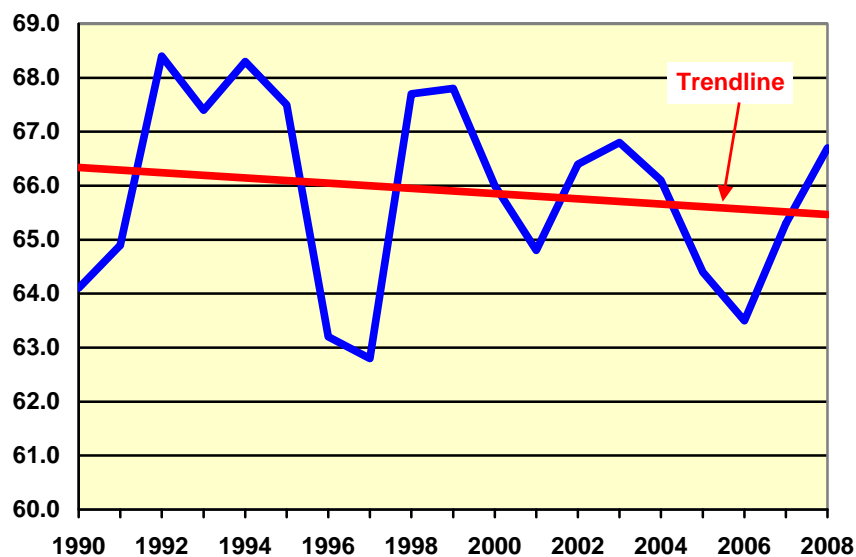
- U.S. production increase by 50% from 1990 to 2008, while consumption increased by 27%.
- Pork consumption in the U.S. averages 67 pounds per person per year, which is about 42 percent of all red meat consumption on a per capita basis.
- Per capita consumption of pork has been declining in the U.S.

**U.S. Pork Production & Consumption (1990-2008) – Billion Pounds**



Source: USDA, ERS

**U.S. Per Capita Pork Consumption (1990-2008) – Pounds**



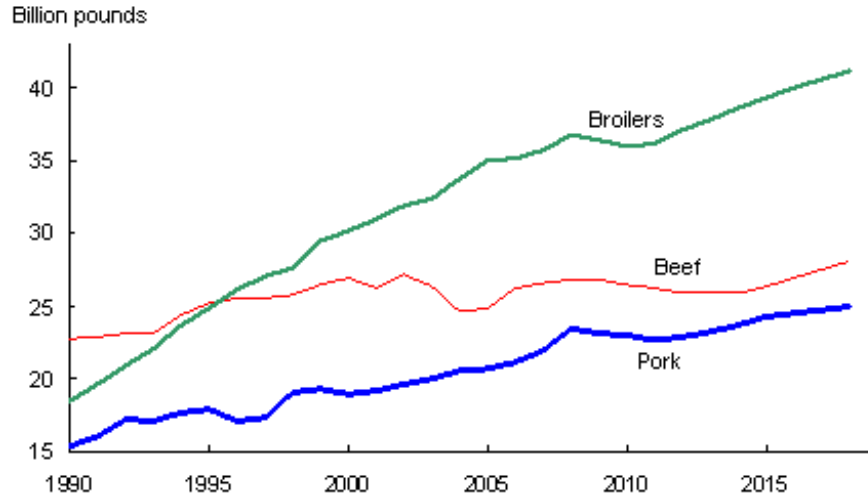
Source: USDA, ERS

# U.S. PORK INDUSTRY

## Long-term Projections for U.S. Meat Production and Consumption

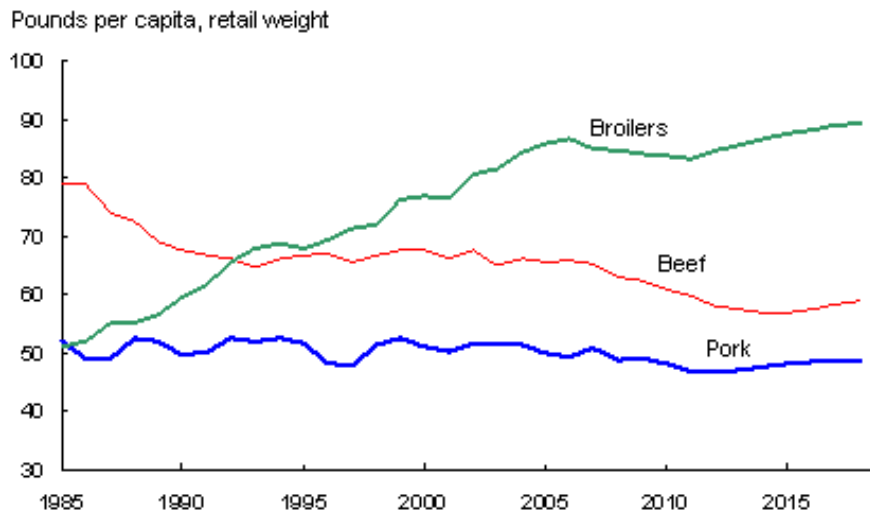
- According to the latest USDA projections, pork production will decline between 2009 and 2011 in response to higher feed prices.
- Per capita pork consumption will also decline through 2012.

### U.S. red meat and poultry production



Source: *USDA Agricultural Projections to 2018*, February 2009.  
USDA, Economic Research Service.

### U.S. per capita meat consumption



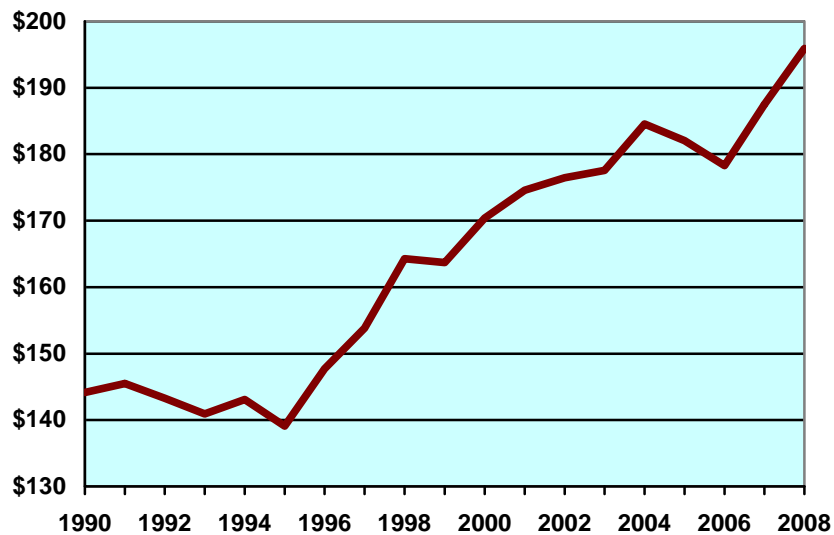
Source: *USDA Agricultural Projections to 2018*, February 2009.  
USDA, Economic Research Service.

# U.S. PORK INDUSTRY

## Long-term Projections for U.S. Meat Spending

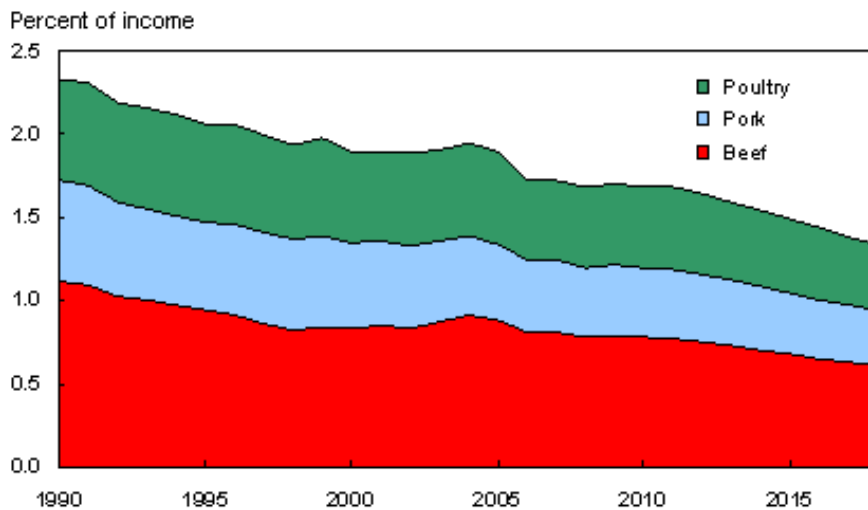
- With higher pork prices and rising income in the U.S., consumer meat spending will increase.
- However, overall meat expenditures represent a declining proportion of the U.S. disposable income in the long term,

**U.S. Per Capita Spending on Pork (1990-2008) – Dollars**



Source: USDA, MDA/AMS

## U.S. spending on meat



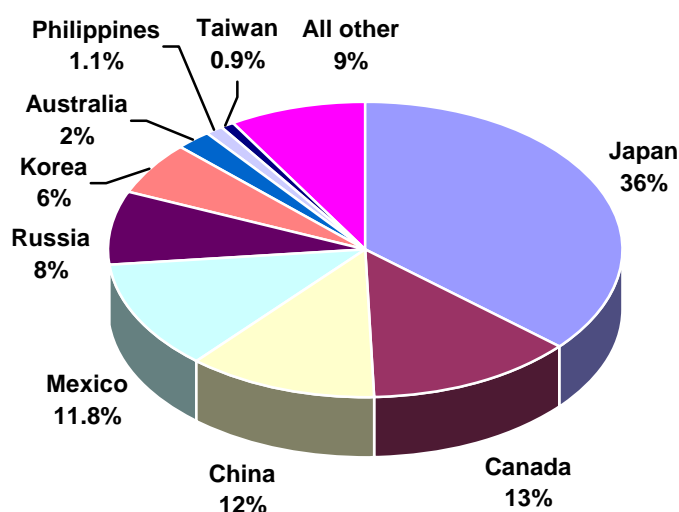
Source: USDA Agricultural Projections to 2018, February 2009.  
USDA, Economic Research Service.

# U.S. PORK INDUSTRY

## Largest Export Markets and U.S. Pork Trades

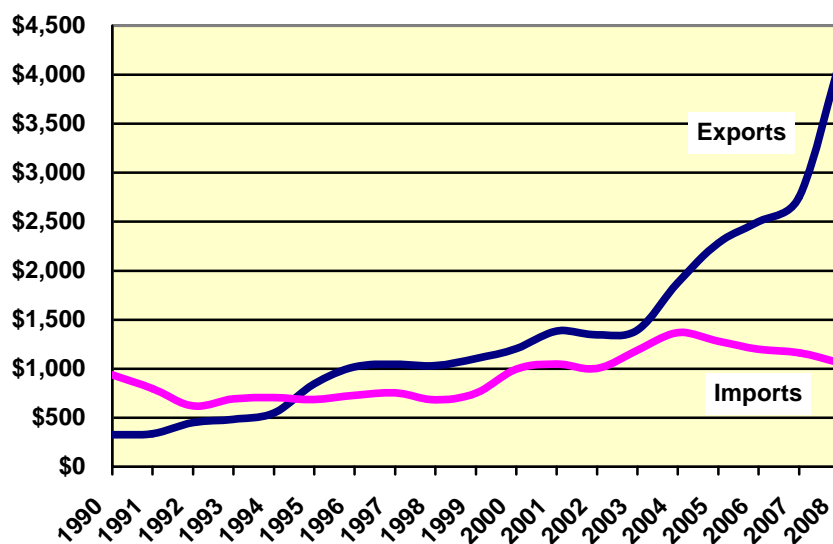
- U.S. pork is exported to 107 countries in the world.
- The top six markets - Japan, Canada, Mexico, China, Russia, and Korea – account for 87 percent of the total U.S. pork exports.
- The U.S. is also importing pork and pork products from 16 countries, among which, the largest suppliers are Canada, Denmark, Italy, Poland, and Mexico.
- Canada is the major supplier of live hogs imported by the U.S.
- Before 1995, the U.S. was a net pork importer.

### U.S. Largest Pork Export Markets (2008)



Source: USDA-FATUS

### U.S. Pork Export and Import: 1990-2008 (Million \$)



Source: USDA-FATUS

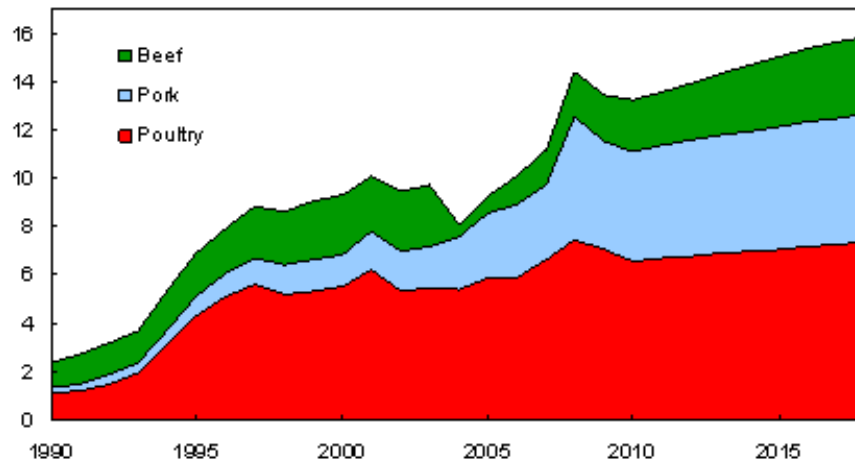
# U.S. PORK INDUSTRY

## U.S. Meat and Pork Export Projections

- Although the domestic market remains the dominant source of total meat demand, exports account for a growing share of U.S. meat use.
- The weak US. dollar will be a contributor for the near-term export growth.
- Pacific Rim nations and Mexico are key markets for long-term growth of U.S. pork exports.

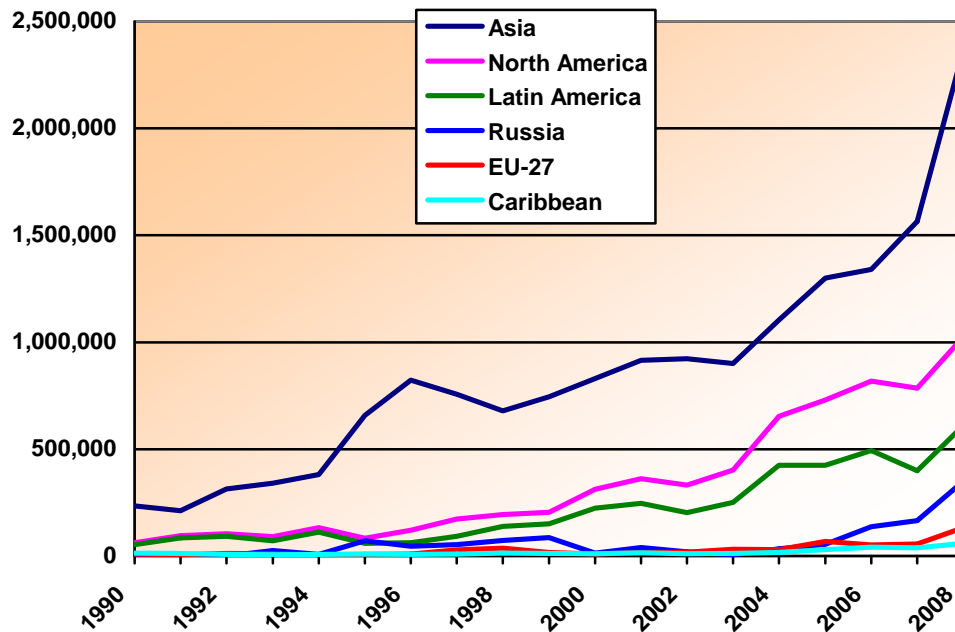
### U.S. meat exports

Billion pounds



Source: *USDA Agricultural Projections to 2018*, February 2009.  
USDA, Economic Research Service.

### U.S. Pork Export Trends: Largest Regional Markets (\$1,000)



Source: *USDA-FATUS*



# WORLD PORK SITUATION

## World Pork Production, Export, and Import

- The U.S. is world's No. 2 pork producer and exporter, and No. 3 importer.
- The U.S. accounts for 9% of the world's pork production, 19% of the world's pork export, and 10% of the world's pork import.
- China is the largest pork producer in the world, accounting for 53% of the total production.
- China's pork production and exports have declined since 2006 due to swine disease and other problems.
- China became a net pork importer in 2008.
- In the long term, China is projected to resume growth in pork production and export.

### World's Top Pork Producers, Exporters, and Importers (2007)

Ranking	Top Producers	Production (MT)	Top Exporters	Export (MT)	Top Importers	Import (MT)
1	China	61,150,000	Denmark	1,154,908	Germany	553,447
2	<b>U.S.</b>	<b>9,952,709</b>	<b>U.S.</b>	<b>906,508</b>	Russia	515,991
3	Germany	4,670,000	Germany	471,124	<b>U.S.</b>	<b>342,256</b>
4	Spain	3,221,700	Belgium	351,195	Mexico	238,812
5	Brazil	3,130,000	Spain	286,769	Italy	229,830
6	Viet Nam	2,500,000	France	285,598	China	178,890
7	Poland	2,100,000	Netherlands	247,967	Greece	168,226
8	France	1,982,000	Poland	187,249	UK	142,080
9	Canada	1,894,380	Canada	165,507	Romania	135,988
10	Russia	1,788,000	Brazil	134,687	France	101,756
11	Denmark	1,750,000	Austria	67,917	Poland	89,242
12	Italy	1,600,000	Hungary	56,723	Netherlands	83,672
13	Philippines	1,501,000	UK	55,582	Austria	69,702
14	Netherlands	1,295,600	Chile	53,991	Czech	64,109
15	Taiwan	1,215,000	Ireland	50,869	Portugal	63,564
16	Mexico	1,200,000	Australia	44,853	Denmark	51,450
17	Japan	1,164,500	Finland	38,313	Hungary	51,236
18	Belgium	1,000,100	China	37,441	Australia	45,208
19	Korea	915,000	Belarus	36,034	Slovakia	37,253
20	Thailand	700,000	Italy	32,542	Ukraine	33,327
21	UK	700,000	China	19,582	Spain	30,539
22	Ukraine	650,000	Viet Nam	15,966	Belgium	27,500
23	Indonesia	597,000	Czech Republic	15,356	Sweden	26,166
24	Serbia	560,000	Sweden	11,868	Lithuania	26,118
25	Romania	525,571	Slovakia	7,586	Belarus	25,405

Source: FAO and MDA/AMS

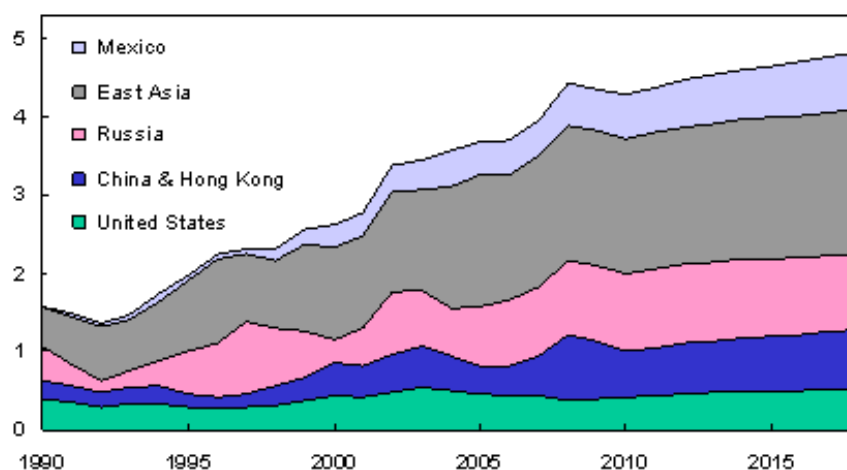
# WORLD PORK SITUATION

## Outlook for Global Pork Imports

- The world major pork importers are projected to increase purchase by about 500,000 tons (11 percent) between 2009 and 2018.
- China's increasing income boosts per capita pork consumption and raise imports in the coming years. It will remain a small net exporter until 2018.

### Pork imports 1/

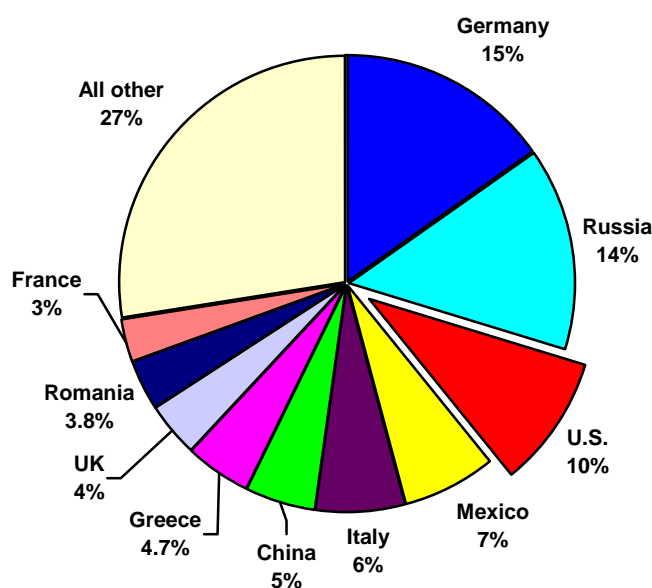
Million metric tons



1/ Selected importers.

Source: USDA Agricultural Projections to 2018, February 2009.  
USDA, Economic Research Service.

### World's Top Pork Importers (2007)



Source: FAO

# WORLD PORK SITUATION

## World Pork Consumption

- Pork is the most widely eaten meat in the world.
- The U.S. ranks No. 2 in total consumption and No. 28 in per capita consumption.

## World's Top Pork Consumers

Rank	Consumer Market	Total Consumption (MT)	Consumer Market	Per Capita Consumption (Kilograms/Year)
1	China	46,309,933	Austria	74.00
<b>2</b>	<b>U.S.</b>	<b>8,848,957</b>	Spain	66.00
3	Germany	4,465,638	Denmark	63.00
4	Spain	2,730,713	Serbia	56.00
5	Italy	2,503,801	Germany	54.00
6	Brazil	2,424,229	Hungary	52.00
7	Japan	2,421,029	Poland	50.00
8	Russian	2,316,756	Cyprus	45.00
9	France	2,298,887	Ireland	44.00
10	Poland	1,933,040	Czech	43.00
11	Viet Nam	1,790,735	Italy	43.00
12	UK	1,545,677	Portugal	42.00
13	Philippines	1,425,830	Taiwan	42.00
14	Mexico	1,328,995	Slovenia	39.00
15	Korea,	1,291,181	France	38.00
16	Taiwan	916,000	Sweden	37.00
17	Canada	862,390	Netherlands	36.00
18	Romania	633,723	Belgium	35.00
19	Ukraine	626,135	Bulgaria	35.00
20	Thailand	613,414	China	35.00
21	Austria	603,538	Switzerland	35.00
22	Serbia	589,630	Finland	33.00
23	Netherlands	582,435	Lithuania	33.00
24	Hungary	514,203	Malta	32.00
25	Indonesia	503,728	Slovakia	32.00
26	India	489,419	Belarus	30.00
27	Czech Republic	443,136	Estonia	30.00
<b>28</b>	Portugal	426,206	<b>U.S.</b>	<b>30.00</b>
29	Australia	415,461	Bahamas	28.00
30	Belgium	367,450	Romania	28.00

Source: FAO and MDA/AMS



## Minnesota Department of Agriculture (MDA)

Our mission is to enhance Minnesotans' quality of life by ensuring the integrity of our food supply, the health of our environment, and the strength of our agricultural economy.

Our three general areas of responsibility include:

- Protecting our food supply;
- Protecting our natural resources; and
- Cultivating our agricultural economy.

The MDA's **Agricultural Marketing Services Division (AMS)** works to develop and diversify Minnesota's agricultural industries, markets and products through market research, market promotion, education and technical assistance. Division programs focus on developing domestic and international market opportunities for Minnesota producers and marketers.



### For more information, please contact:

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Minnesota Department of Agriculture  
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St. Paul, MN 55155  
Tel: 651-201-6384  
Fax: 651-201-6114  
E-mail: [su.ye@state.mn.us](mailto:su.ye@state.mn.us)  
Web: [www.mda.state.mn.us](http://www.mda.state.mn.us)*

April 2009

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES' ACT, AN ALTERNATIVE FORM OF COMMUNICATION IS AVAILABLE UPON REQUEST. TTY: 1-800-627-3529