

OVERVIEW OF INDUSTRY PORK VALUE

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Studies conducted in the last few years show that while cholesterol and calories are major concerns among consumers, fat is the greatest concern. Almost 50 percent of the consumers surveyed indicated a negative reaction to fat in pork.

Realizing a need to increase the lean content of the nation's hogs, a committee of the National Pork Producers Council encouraged sponsoring a Pork Value Conference in August, 1981.

The conference drew representatives from all segments of the industry and resulted in a consensus that inadequate price differentials were being paid for hogs of varying value which meant that producers had little incentive to produce the lean product consumers desired.

Following the Pork Value Conference, a 16-member Pork Value Task Force was appointed to investigate the marketing situation and recommend a program which would provide incentives to produce a lean hog. Task Force members represented the packing industry, auction markets, terminal markets, independent buying stations and producers using various selling methods.

A large, industry-wide program was recommended by the Task Force one year after its appointment. The information used as the basis for the Pork Value program came from data generated by an NPPC/USDA research project involving several state universities and the USDA Meat Animal Research Center. The objective of the study was to determine the most easily measurable characteristics that would most accurately reflect the lean content and value of live hogs and carcasses.

From this study, the Task Force developed a LEAN GUIDE and STANDARD OF PERFORMANCE to enable pork producers to evaluate their herds and produce leaner pork.

Standard of Performance

The Standard of Performance is a visual image of the ideal hog and can be used to subjectively and visually depict differences in cutability or lean yield when estimating differences in live-hog value.

Established by a team of pork producers, seedstock producers, and university researchers, the Standard of Performance is a 240 pound market barrow composed of three or more breeds and is from a litter of ten pigs marketed. He demonstrates a feed conversion efficiency of

2.5 from birth to a market age of 150 days. At slaughter, his last rib fat depth measurement was .7 inches and his loin eye area was 5.8 square inches. The average of his three backfat measurements was 1.0 inches. His 180 pound, 32 inch long carcass would yield 105 pounds of lean pork. He demonstrated a lean gain of three-fourths pound per day of age.

Lean Guide to Pork Value

The Lean Guide is based on measurements of backfat at the last rib and live or carcass weight. As an example, when these two criteria result in a percentage of 103, the producer of that hog should receive three percent more than the base market price (100%) for that hog. Assuming that carcass quality (color, marbling and texture) is acceptable, an additional one and a half percent is added or subtracted depending on whether that hog or carcass is heavily or lightly muscled.

Packers can use the same procedure to determine their premiums and discounts as the Task Force used to determine the premiums and discounts shown in the Lean Guide. However, these premiums and discounts are only an example — each packer would base his premiums and discounts on cutout tests and the current value of wholesale products from the hog carcass.

LEAN GUIDE TO PORK VALUE ^a

Based on a Percentage of Base Market Price

Live Wt. Lb.	Carcass ^b Wt. Lb.	Last Rib Fat Thickness (In.) ^c %						
		.7	.8	.9	1.0	1.1	1.2	1.3
200-210	146-153	104	103	102	101	100	99	98
211-220	154-161	104	103	102	101	100	99	98
221-230	162-168	104	103	102	101	100	99	98
231-240	169-175	103	102	101	100 ^d	99	98	97
241-250	176-182	102	101	100	99	98	97	96
251-260	183-190	101	100	99	98	97	96	95
261-270	191-197	100	99	98	97	96	95	94
271-280	198-204	99	98	97	96	95	94	93
281-290	205-212	98	97	96	95	94	93	92

^a Muscle and fat quality assumed to be acceptable, +1.5% for thick muscling and -1.5% for thin muscling.

^b Based on 73% dress.

Based on average 1981 prices; however, when calculated on 1982 prices, no major changes were evident.

^d Represents the average hog marketed in 1980-81