

## Price Determination for Swine Slaughtered for Sale by the Owner

Section 1230.14 of the Pork Promotion, Research and Consumer Information Order outlines the method of determining Market Value for remitting checkoff assessments on hogs slaughtered for sale by the owner.

The regulation states as follows:

“Market value” means with respect to porcine animals which are sold, the price at which they were sold. With respect to porcine animals slaughtered for the sale by the producer, the term means the most recent five market average for barrows and gilts as published by the Department. With respect to imported porcine animals, the term means the declared value. With respect to imported pork and pork products, the term means an amount which represents the value of the live porcine animals from which the pork or pork products were derived, based upon the most recent annual seven-market average for barrows and gilts, as published by the Department.

At this time the Department is basing its prices on a five market average which includes market hog prices at Omaha, NE, Sioux City, IA, Sioux Falls, SD, St. Joseph, MO and St. Paul, MN. USDA also quotes market hog prices on hogs sold by the producers directly to packers in Iowa and southern MN.

Over time it has become common to market pork vs. live animals. In many record keeping systems of these types of operations, the meat prices are based on current live hog values. Several remitters of checkoff have requested the ability to report and remit funds on a current price basis vs. the year old basis provided for in the regulation since daily prices are tracked and used as part of their enterprise record systems.

The following policy has been established by the National Pork Board (NPB) to determine the price on hogs slaughtered for sale by the owner.

1. The market value on hogs is to be determined by the most recent annual five market average reported by USDA, or,
2. Value market hogs based on the daily reported price of Southern Minnesota/Iowa market hogs as reported by USDA.

One or the other of the above systems must be followed consistently from year to year. Switching from one system to the other to provide for price advantage is not allowed.

For information on how to report checkoff due, go to  
<http://www.pork.org/NewsAndInformation/About.aspx>