Pork Cooperative

(Continued from Page A1)

tries, including swine.

Right now the co-op is looking for a CEO and is in the middle of its foundation membership drive, Adams said. The board includes nine directors, including six producer-members and three from the outside.

The bylaws have been written to begin seeking membership in the top 25 states. Pennsylvania has already been approved.

The co-op offers different types of membership, Adams noted:

• Regular membership for producers who bear the risk of production. This will allow producers to sell hogs and pork through the cooperative.

• Associate membership. This can include a nonproducer, swine organization, or producer-related council, such as the Pennsylvania Pork Producers Cooperative (PPPC), already a member.

Memberships cost \$500. Cost to market hogs is 10 cents per hog, with a minimum of 5,000 hogs.

Costs of hog registration are \$500 for 5,000 head, \$1,000 for 10,000 head, and \$2,500 for 25,000 head. Hog registration

does not commit a producer to participate in the co-op.

The co-op may have to rely on existing processors to deliver the hogs in a certain region on a custom basis and fabricate the products according to specifications.

Members so far represent several million hogs per year.

Pork America has more members with hogs than they can move meat, noted Adams. But the opportunities are presenting themselves, he noted, and the cooperative needs membership money to give them negotiating power.

Foundation memberships offer a "first crack," noted Adams, at market opportunities.

Slaughter has been a low-margin business. But the changing face of the business — with some companies leaving the business entirely and others restructuring — leaves room for a producer cooperative such as Pork America to start and thrive.

"It's called demand, it's called opportunity," Adams said.

Adams, who owns a 500-sow hog business in the eastern part of North Carolina, provided some facts at the meeting:



John Adams, center, spoke about the new swine cooperative, Pork America, at a special meeting in Harrisburg Monday evening. At left is Ken Kephart, Penn State swine specialist and at right, Barb Wiand, president of the PPPC. *Photo by Andy Andrews*

- Smithfield, at number 1, holds 20.6 percent of all hog processing in the country. They own their own hogs.
- Number 2 hog processor, IBP, holds 17.8 percent. Pork America can capture some independent business as restructuring and repositioning take place.

• Number 3, Swift, at 10.1 percent and 4, Excel, at 9.9 percent, have no plants on the East Coast. And some may not stay in the packing business because of low margins.

The future for hog farmers is to be part of an integrated, coordinated, or aligned system, it work."

Adams said the cooperative is

"trying to change the way we do things. In the future, we have to be able to learn how to be in an integrated or coordinated system to survive and prosper. That's what we're trying to create here — a coordinated system."

For more information about Pork America, contact Adams at (252) 568-1147 or e-mail at patadams@greene.k12.nc.us.

The of Choice of Champions

Pork Value Chain - 10 year average

The value of a 250 lb. live weight hog as it \$340 < moves through the processing system to attractive (approx. 135 lbs.) consumer. The sale of the live hog to the growth processor in this example is \$0.40 per from ound (live weight). export \$185 \$160 \$122* \$107 \$100 SJH & Company, 1

This chart shows how much value, at the start of processing and through retail sales, pork producers could capture through a cooperative. Information is supplied courtesy of Pork America.

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