

TURNER BARRY'S Reporter

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the newsmagazine for the food industry professional



Chinese pork prices: lowest since 2015

The Chinese hog herd and the country's pork production have gradually been improving in recent years, resulting in weaker domestic prices for pork and a decline in the need for pork imports from the U.S. and other nations.

Chinese wholesale pork prices are the cheapest they've been in over two years. When converted from Yuan/kg to \$/lb, the Chinese wholesale pork price, which is similar in concept to the U.S. pork cutout, averaged roughly \$1.32/lb in July. This is a 24 percent decline from last July and is

"Since that point, Chinese wholesale pork prices have been on a nearly uninterrupted decline, representing a recovery in their own production levels."

the lowest figure that we have seen since April 2015.

U.S. pork exports to China peaked in late spring of 2016, but were generally

strong for the entire first half of that year. This event was no coincidence as it aligned with all-time highs in the price of pork within the country, and a period in which excess U.S. production resulted in a U.S. pork cutout that was roughly a full dollar per pound cheaper than the Chinese counterpart.

Since that point, Chinese wholesale pork prices have been on a nearly uninterrupted decline, representing a recovery in their

Continued on page 68

Weaker U.S. dollar roiling seafood imports ...

Currency places pressure on crab, lobster and shrimp producers



Suddenly currency swings are back in the news again. After a period of dollar strength that contributed to record seafood imports of commodities like shrimp and salmon in 2016, the dollar reversed course and has fallen about seven percent since January of this year against a composite of foreign currencies.

This kind of change in currency values can have a big impact on profitability for overseas exporters to the U.S.

Take lobster and Canadian snow crab for example. From May 1, 2017 until July 31, 2017, the Canadian dollar strengthened nearly 7.5 percent.

Executive Director of the Lobster Council of Canada Geoff Irvine noted, "A strong dollar is the last thing we want as exporters of Canadian seafood products. Our live and processed lobster products are

Continued on page 69

On the inside



22 AEB rolled out new campaigns.

Marketing helps promote the importance of including high-quality protein foods like eggs in diets.



38 Choice ribs hit record levels during summer 2017.

Learn what other impacts this had on the beef trade.



48 Rising cost of chicken wings and its impact on restaurant industry.

Demand isn't the only factor affecting wing prices.

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Center of the plate

Page 1 ►

Chinese pork prices:
lowest since 2015



◀ Page 1

Currency places pressure
on crab, lobster and
shrimp producers

Main ingredients

- 10 Surging sockeye leads to jump in retail promotions in July
- 12 Livestock weights; multiple factors contribute to seasonal highs, lows and swings in between
- 14 Egg product prices still near decade lows
- 18 Year-to-date beef cow and sow slaughters are up from '16
- 28 Mexican Beef in the U.S. and the world
- 30 Herd expansion remains strong in 2017
- 32 Generic egg promotions stifle cage-free sales
- 33 U.S. beef exports continue rebound
- 38 Choice ribs hit record levels during summer 2017
- 40 Shrimp imports continue to soar ►
- 48 Chicken wings reach record high ahead of football season
- 64 Bellies, bacon and freezers: a record setting summer



- 44 Holly Poultry: expanding its footprint
- 54 'The Oyster Farmers' documentary sheds light on New Jersey's lost oyster culture
- 56 Oyster: Sample page from the Commercial Guide to Fish and Shellfish
- 58 Bringing new turkey trends to the table
- 60 U.S. chicken consumption remains at all-time high, growth tempers somewhat
- 71 Hot hen houses mean cool profits

A la carte

- 6 Summer 2017 in foodservice
- 8 U.S. poultry provides positive economics
- 15 Fishing for a future
- 19 The skinny on fats
- 20 Fresh seafood from the markets – fall edition
- 31 Millennial parents' eating choices are influenced by a blend of lifestyle and generational attitudes
- 34 Amazon's vision for your grocery shopping
- 43 Easing the restrictions on nutrition
- 46 American Royal World Series of Barbecue
- 47 Fake food labels
- 50 Enticing consumers with personalized packaging
- 52 Seafood-inspired beers are the refreshing drink you didn't know you wanted ►
- 59 Ag business requires specialized solutions to common concerns
- 62 U.S. shoppers use grilling as a way to celebrate
- 66 A changing collection
- 70 Mobile ordering is making lives simple



News bites

- 4 Repositioning pork to reach a changing audience
- 16 Spending some time with NPFDA's Kristin McWhorter
- 22 American Egg Board campaigns capitalize on key opportunities
- 25 Recap of the 2017 growing season
- 26 Trinity Seafood relocates to new 30,000 square foot warehouse and distribution center
- 36 Farmed seafood health myths: why we should be eating more, not less
- 42 Former governor of Georgia heads agriculture post

Repositioning pork to reach a changing audience

Contributed by the National Pork Board

With the consumer market for pork and other protein sources changing rapidly, the Pork Checkoff is putting the finishing touches on a plan to capitalize on those changes by repositioning pork marketing. Terry O'Neel, president of the National Pork Board, told an audience at World Pork Expo in June. "The Pork Checkoff has embarked on a journey to determine how best to market pork today," O'Neel, a pork producer from Friend, Neb., said. "The direction may be drastically different than we've seen in the last quarter century."

The big changes that require a new marketing plan, the National Pork Board's chief executive officer Bill Sutton said, are driven by what he called "the three M's":

MILLENNIALS

America's largest generation has increasing buying power and makes buying decisions differently than its predecessor generations.

MOBILE

The speed of communication and access to information fuels demand, requiring constant attention to new means of communication.

MULTICULTURAL

Currently 36 percent of the U.S. population, the newest arrivals to the U.S. and their families will make up 50 percent of the population by 2050.

Even said that responding to those drivers in a way that assures pork demand remains strong prompted the National Pork Board to spend the past year conducting extensive research to define the critical needs of pork marketing. The research has included in-depth discussions with producers, packers, processors, retailers, foodservice, and consumers.

Jarrod Sutton, the National Pork Board's vice president of domestic marketing, said the research was designed "to find the marketing sweet spot at the intersection of market trends such as population growth and growing market diversity; market opportunity that capitalizes on pork's flavor, convenience and value, and marketing tools the Checkoff can use to reach younger and more diverse audiences.

Sutton views the changing marketplace as an opportunity to inspire all segments of the pork chain to find new ways to succeed. The signs are positive, Sutton said. Demand for protein remains strong. Red meat and poultry production is projected to grow over

the next three years—by 6.6 percent for beef, by 9 percent for poultry and by 12.3 percent for pork, starting with projections that 2017 will be a record year for pork production.

Sutton said the new direction of Pork Checkoff-funded marketing will build on the three pillars of pork's brand identity—quality, trust and value—and "will provide a unique value to

the pork supply chain to position itself as the industry leader in knowledge of the consumer's requirements and preferences, insights into category growth, and future-proof solutions for stakeholders to grow and thrive in a rapidly changing world."

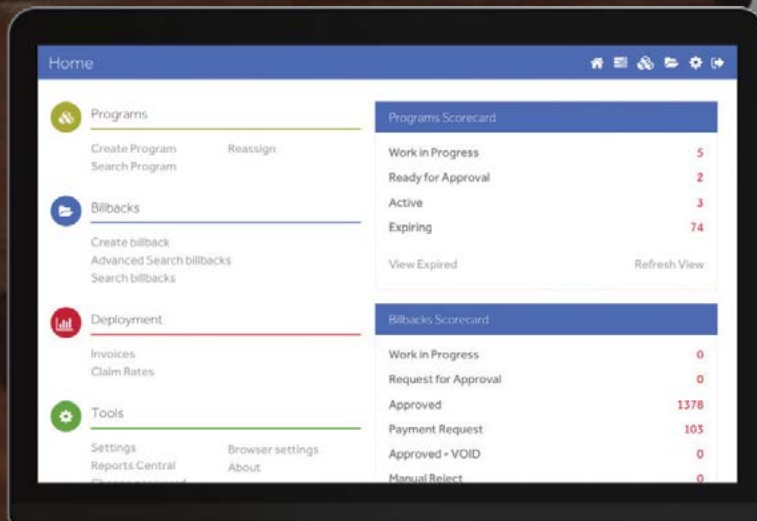
O'Neel said he expects that the new marketing strategy will be deployed early in 2018.

The National Pork Board has responsibility for Checkoff-funded research, promotion and consumer information projects and for communicating with pork producers and the public. Through a legislative national Pork Checkoff, pork producers invest \$0.40 for each \$100 value of hogs sold. Importers of

pork products contribute a like amount, based on a formula. The Pork Checkoff funds national and state programs in advertising, consumer information, retail and foodservice marketing, export market promotion, production improvement, science and technology, swine health, pork safety and sustainability and environmental management. For information on Checkoff-funded programs, pork producers can call the Pork Checkoff Service Center at (800) 456-7675 or check the Internet at pork.org. **US**



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Summer 2017 in foodservice



Summertime is peak foodservice season as Americans spend their time and discretionary income to travel, indulge and relax. With countless options for consumers to choose from, restaurant operators pulled out all the stops in order to grab a share of summertime spending and store traffic.

Outback Steakhouse introduced "Walkabout Wednesday's" for a limited time this summer, where diners could choose from a 6 oz. Center-cut Sirloin or Grilled Chicken on the Barbie for \$9.99. The meal included Aussie Fries and was paired with a small domestic draft beer or a Coca-Cola product. And speaking of Wednesdays, Bonefish Grill rolled out "Bang Wednesday" with their Bang Bang Shrimp signature appetizer featured at just \$6 every Wednesday for a limited time.

Other high profile chains brought back trusted staple events this summer, like Red Lobster's "Lobster and Shrimp Summerfest." Burger King promoted 79 cent Classic Grilled Hot Dogs for the entire month of July, while rival fast food giant McDonald's reportedly brought

back its infamous Lobster Roll to the Northeast for a limited time this season. As temperatures began heating up early on in the summer, Starbucks offered their customers a chance to cool off with BOGO free grande iced espressos each afternoon.

Just in time for summer, Chick-fil-A introduced a new Smokehouse BBQ Bacon Sandwich and Watermelon Mint Lemonade available in restaurants nationwide from May 15th through August 19th. It was the company's first seasonal entree, and featured their signature grilled chicken and bacon coated in a brown sugar pepper blend, served on a Hawaiian-style bun with Colby Jack cheese, green leaf lettuce and BBQ sauce.

Upon the debut, David Farmer, Chick-fil-A vice president of menu strategy and development said "We hope customers will enjoy the new ingredients and flavor combinations in our Smokehouse BBQ Bacon Sandwich and Watermelon Mint Lemonade all summer long."

In addition to limited time offers and new product launches, major cities around the country promote various versions of "Restaurant Week" to entice diners through the door by offering consumers a taste of the very best their city has to offer. From local dishes and prix-fixe menus to new restaurant concepts, Restaurant Week is a unique way to promote brands and eateries.

Dine Out Boston, formerly known as Restaurant Week Boston, is sponsored by the Greater Boston Convention and Visitors Bureau (GBCVB) and American Express. This summer, the week took place from August 6th to 11th and 13th to 18th. Each participating restaurant selects one of three price options, then designs a menu to delight. From upscale bistros and fine-dining establishments in the North End, to gastro-pubs and steakhouses downtown and in the surrounding area, restaurant-goers can sample a wide array of options at a promotional price.

“Dine Out Boston spotlights Boston as one of America’s premier culinary destinations, providing patrons from Boston and afar with a unique opportunity to enjoy exceptional value, variety and hospitality in Greater Boston restaurants,” said Patrick B. Moscaritolo, President & CEO of the GBCVB.

New York Restaurant Week was July 24th through August 18th this summer. Participating restaurants offer three-course, prix-fixe menus specially priced for lunch and/or dinner. NYC Restaurant Week prices are featured at a discount of 20-50% or more off the regular menu price, according to NYC & Company, Inc., the official destination marketing organization for the five boroughs.

Overall in 2017, the National Restaurant Association reports restaurant industry sales will post modest sales growth to \$798.7 billion. The tableservice segment remains the largest, projected to reach \$263 billion this year, up 3.5% over 2016. However, the quickservice sales growth rate

“... restaurant-goers can sample a wide array of options at a promotional price.”

is higher, gaining 5.3% over the year prior to \$233.7 billion.

Despite modest sales growth, the restaurant industry currently faces some obstacles going forward, including the widening cost spread between food at home and food away from home. In June, Consumer Price Index (CPI) data showed the food at home index fell 0.2% over the past year, due in large part to the impact of a 2.1% decline in the index for meats, poultry, fish and eggs. Meanwhile, the index for food away from home has risen 2.3% over the same time period.

Restaurant operator’s optimism for sales growth and the economy remains positive, but has waned somewhat in recent

months, according to NRA research. In May, 15 percent of operators expected restaurant sales volume to decline over the next six months, up from 9% the month prior. At the same time, 19% expected general economic conditions to worsen, up from 12% the previous month and represented the weakest outlook since October 2016.

This summer, the foodservice sector will be looking to actively promote restaurant sales that attract customers by placing additional focus on menu concepts, technology, innovative recipes and unique dining experiences. **UB**

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U.S. poultry provides positive economics



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The poultry industry is undeniably an active and important part of the economy, and now there's a new set of numbers to back it up. The U.S. Poultry and Egg Association, National Chicken Council, National Turkey Federation and United Egg Producers recently published a study by John Dunham that illustrates exactly how important the poultry and egg industries are to the nation's economy as a whole.

Poultry and egg jobs together compose just over one percent of the employed American workforce, but the split amongst chicken, turkey and eggs is far from even. Chicken is clearly the heavyweight contributor among the three, providing just shy of 1.2 million jobs for American workers and distributing more than 65 billion dollars in wages. As one of the most popular and efficient protein sources, it's unsurprising to see chicken putting up such big numbers. Turkey

"Chicken is clearly the heavyweight contributor among the three, providing just shy of 1.2 million jobs for American workers..."

takes up a smaller share of the market, largely due to a lower level of annual demand and a highly seasonal schedule. Interestingly enough, turkey employs about a third of the people chicken does, and it takes a turkey about three times as long to reach its full weight potential.

However, the employment numbers associated with poultry don't reflect the number of people who come nose to beak with a bird. Raising a chicken or turkey involves incubators, barns, and feed and watering systems, among other utilities. Everyone whose trade focuses on one of these services—and how they relate to putting protein on plates—is a part of the industry as well.

	CHICKEN	TURKEY	EGG
Jobs	1,195,745	374,600	81,515
Wages	\$68 Billion	\$21.3 Billion	\$4.99 Billion
Economic Activity	\$313.2 Billion	\$97.46 Billion	\$22.77 Billion
Gov't Revenues	\$24.14 Billion	\$7.5 Billion	\$1.78 Billion

Compared to live birds, eggs don't take long to produce, and they consume production resources in a completely different way. The fraction of the workforce that's occupied with eggs is therefore quite a bit smaller, just shy of a hundred thousand. Eggs need only to be washed and graded between hen and supermarket as well, operating independently from the many costs associated with packing and processing birds.

Perhaps another reason why chicken is the most prominent economically is the prominent position chicken holds on many restaurant menus. At most fast food chains chicken is on the menu in the form of chicken nuggets or a patty. Turkey, though, is seemingly relegated to delicatessens and supermarkets in the public mind. Nonetheless, the poultry and egg industries as a whole make an undeniably positive contribution to the national economy—and as long as poultry and eggs make it to American plates, this contribution will continue. **UB**

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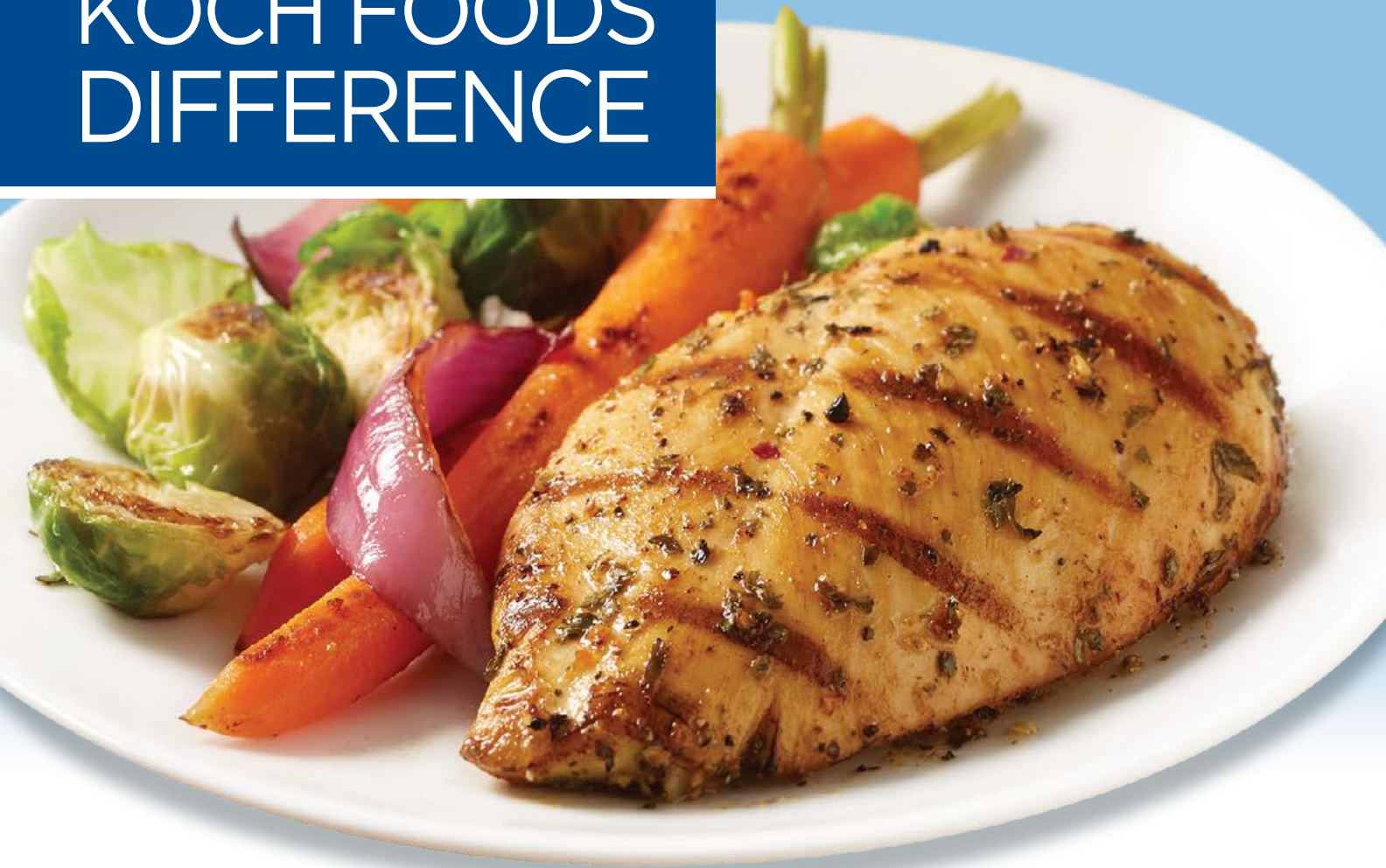
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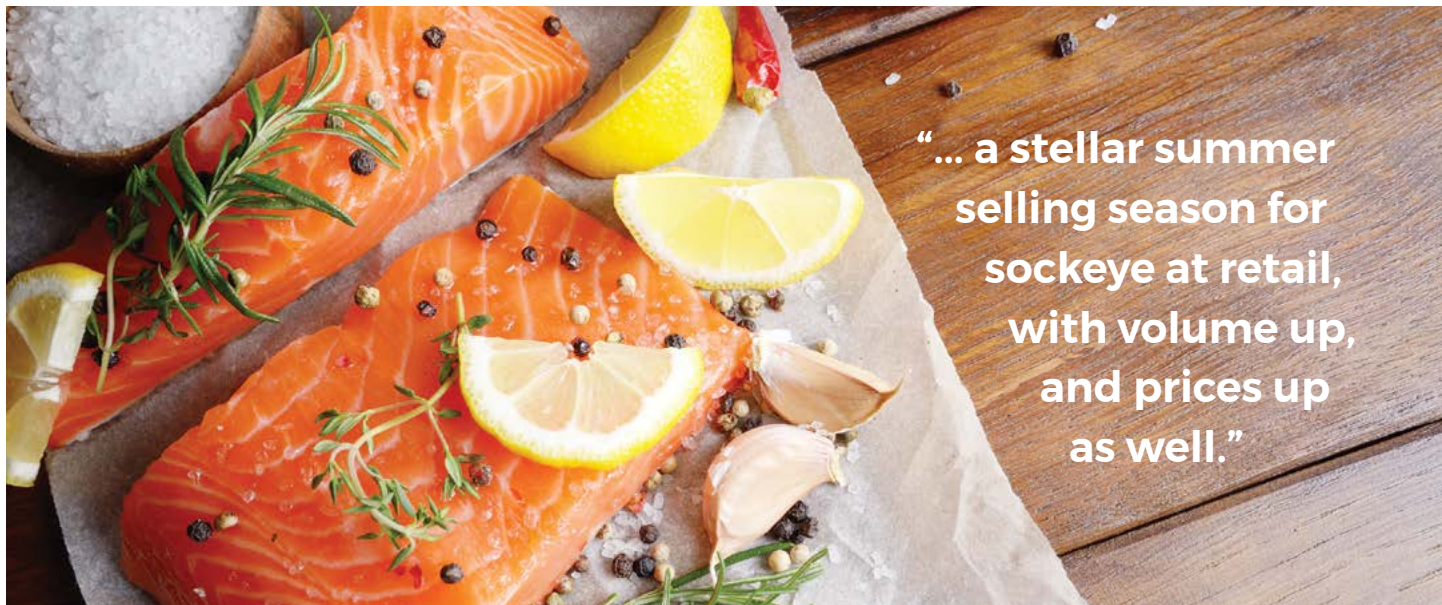
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Surging sockeye leads to jump in retail promotions in July



“... a stellar summer selling season for sockeye at retail, with volume up, and prices up as well.”

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High spring 2017 Atlantic salmon prices, coupled with surging production of sockeye this summer, has had a significant impact on retail promotions of salmon. These factors have lead to a stellar summer selling season for sockeye at retail, with volume up, and prices up as well.

As shown in chart 1 below, retail sockeye promotions normally surge in July. However, this year they have surpassed farmed salmon promotions by the largest margin in the past three years.

Retail promotions of Atlantic salmon have been declining year by year in reaction to a sustained period of high farmed salmon prices. By contrast, wild sockeye salmon

promotions have gone up significantly in 2017, using both frozen inventory from last year, and current season production.

The first two weeks in July saw over 4,000 buying opportunities per week across the U.S. with sockeye salmon promotions. Chart 2 shows that even during the big run of 2015, this was achieved for a single week only.

Currently fresh farmed salmon prices are under continued strong downward pressure as ramped up production is finally exceeding current retail demand.

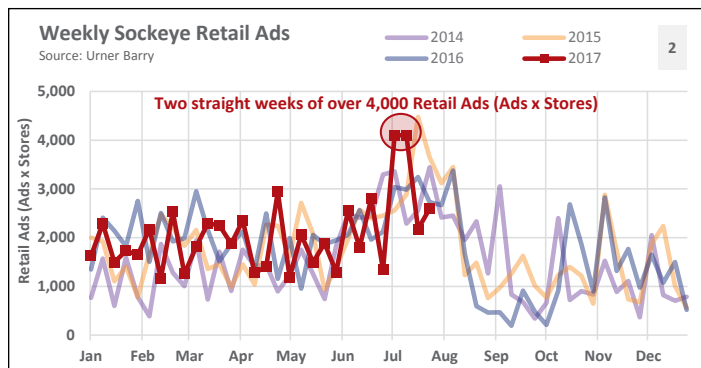
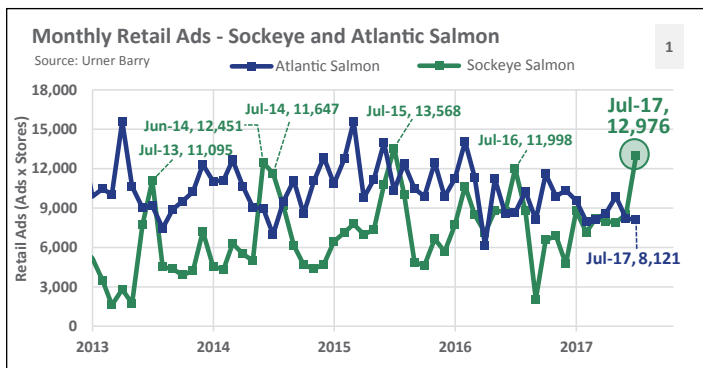
The farmed producers are lowering prices and begging for more retail support,

according to analysts. Supermarkets are likely to respond to these inducements and increase their promotions as prices continue to fall.

But in the meantime, it is an excellent summer selling season for sockeye salmon, which is averaging a retail promotional price of \$10.49 vs. \$9.99 last year, and is pulling similar to higher volume to boot. **UB**

Adapted from a story that originally appeared on SEAFOODNEWS.COM

by John Sackton on July 31, 2017



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Livestock weights; multiple factors contribute to seasonal highs, lows and swings in between

It's not a coincidence that the seasonal highs and lows for livestock weights typically occur within a fairly short period of time most years, but multiple factors affect the level and times that those peaks and valleys take place.

Over the past five years, the highs for weekly average steer carcass weights occurred from mid October to mid-December but three of the five happened in mid-November, according to USDA data. Conversely, the lightest weekly steer weights occurred from late April to mostly May.

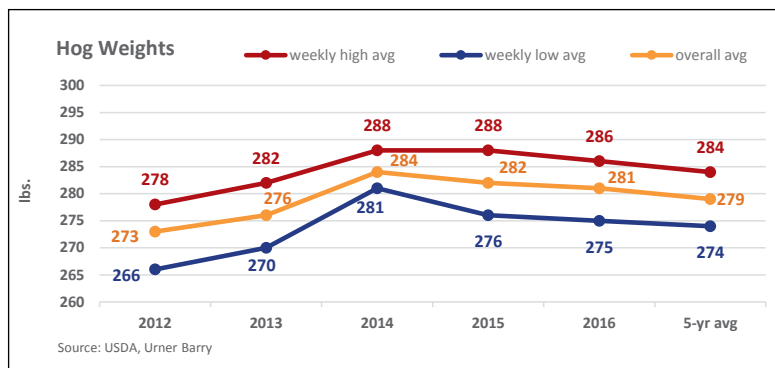
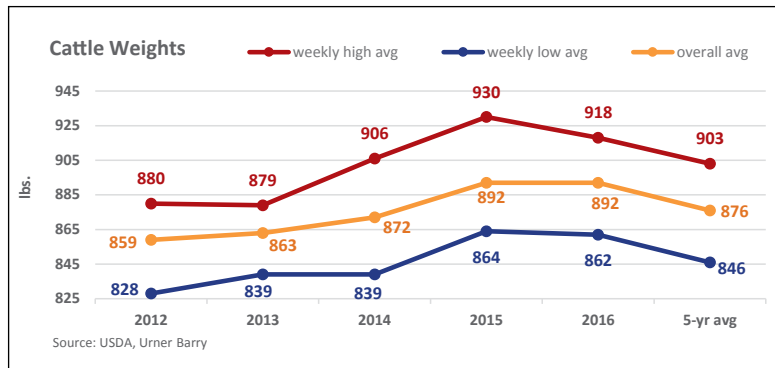
For hogs in Iowa/southern Minnesota, the largest producing region in the country, the heaviest weekly averages occurred in late December through mid-January while the lightest average weights were seen in mid-August to early September.

Among the numerous factors that contribute to the annual highs and lows in cattle weights along with swings throughout the year include the size and ages of the animals that enter the feedyards throughout the year, overall feedlot conditions (particularly so during the winter and early spring), weather conditions including temperatures, precipitation amounts, corn prices along with the market direction and futures prices. The availability and cost of young replacement animals relative to the fed cattle market, along with projected profitability or losses, also affect decisions at the feedlots on how heavy to take the animals currently on feed.

The annual highs in steer carcass weights for 2012 through last year varied from 879 to 930 pounds, and the average of the highs was 902.6 pounds, or 56 pounds above the average for the annual lows. The annual low weekly averages ranged from 828 to 864 pounds. These carcass weight differences can quickly add up in terms of beef output to the tune of around 25 million pounds a week.

For swine, temperatures have more influence on average weights than do some of the other factors that affect cattle. Hogs perform the best in moderate to cooler temperatures due to their physiology. Severe cold or hot temperatures are detrimental to successful breeding and to daily weight gains, so the industry has adapted by raising nearly all of the animals inside where temperatures and other conditions are under better control.

Despite the efforts of producers to better control the temperatures for swine housing through the use of fans and water mists for cooling, the heat and humidity of mid summers in the regions where most of the hogs are fed still trim about 10 pounds per animal off the annual highs. The heat also affects successful breeding so producers typically breed more females during the hottest part of the summer to compensate. The 10 pound difference between the annual high and low weekly average live weights means about 7.5 pounds of edible pork per animal, or roughly 16 million pounds on a weekly slaughter of 2.2 million head.



Industry participants as well as futures traders and analysts also keep an eye on the weekly changes in livestock weights as indicators of how current, or up to date, the supplies are and what that may mean for prices in the days and weeks ahead.

OUTLOOK

While the seasonal trends point to heavier live and carcass weights for cattle as well as hogs into the fall, concerns about larger supplies and weaker prices ahead should cause producers to be aggressive sellers. Live cattle futures project lower prices for October while lean hog futures point to weaker markets through December. This may result in weights below year-ago levels and in the end be somewhat price supportive for later on. **UB**

Article contributed by **Curt Thacker** | cthacker@urnerbarry.com



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Egg product prices still near decade lows

Since correcting from highs associated with Highly Pathogenic Avian Influenza (HPAI), the shell egg market has responded to seasonal demand shifts, production adjustments, retail promotions, and moderate export recovery. Egg product prices, on the other hand, have struggled at or near decade lows in most categories.

Since 2009, egg product demand has been bolstered by positive shifts in consumer trends, dietary guidelines, international issues, competing protein prices and economic recovery. Perhaps no channel responds more to these shifts than the quick service restaurant (QSR) arena. Menu innovators are constantly monitoring price trends, value propositions, and the wants of consumers to grow and maintain market share in a competitive space. In the period since Avian Influenza outbreaks though, these promotions have become less prominent. Beef and pork prices moderated from the highs associated with drought, heat, and PEDv issues, allowing menu makers to once again promote the entire spectrum of proteins over the last few years.

Manufacturers of consumer goods like cereal bars, cake mixes, and commercial bakers have traditionally been drawn to eggs by their functional properties, but also because of the recent push for clean labels and added protein. Many of these companies were faced with product shortages and record raw costs due to the influenza outbreaks. Buyers were forced to make usage adjustments or find egg replacers and extenders. No category was impacted more here than egg whites. Buyers saw dried egg white prices hit all-time highs of \$14.65/lb. in 2014 and then moderate before hitting a new all-time high of nearly \$18.00/lb. during the 2015 outbreak. Users had already done research on how they would react if they saw prices spike again and quickly made adjustments. This demand has been slow to return domestically, even with prices now quoted below \$2.00/lb., but is slowly recovering in international egg white channels.

As far as exports are concerned, U.S. processors enjoyed record international shipments from 2012 through the first quarter of 2015. Demand was mainly driven by the EU cage ban, Mexico's bought with HPAI, and an unexpected uptick in consumption north of the border. International shipments were essentially cut in half in 2016, while buyers imported the equivalent of about five million layers worth of production.

Oversupply in the consumer market also hasn't helped. Graders competed regularly for nest runs during the five years prior to the flu, raising raw costs and helping to elevate product prices. Production moderated from the record 319 million layers reported by the USDA last December, but is still over 310 million layers. Processors are also breaking more eggs. In 2016, 2.3 billion dozen

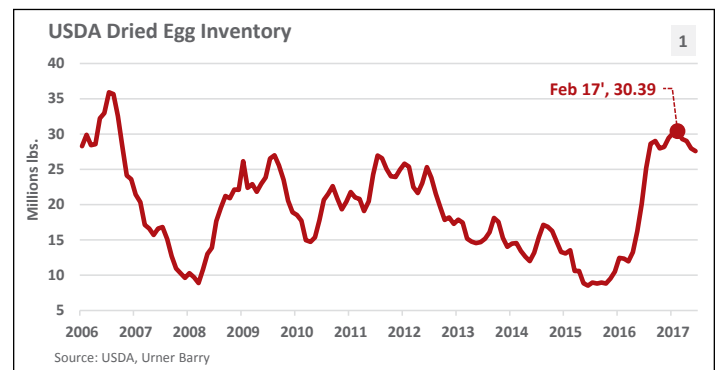
"Buyers were forced to make usage adjustments or find egg replacers and extenders."

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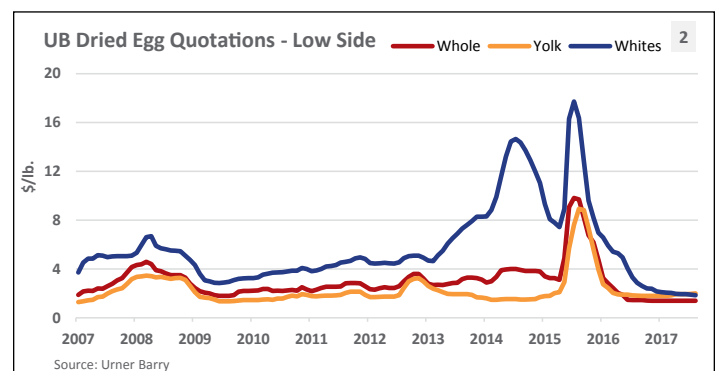
eggs were broke, more than any other year. Cases broken through the middle of July 2017 are up 1.2% YTD versus last year.

Conditions are no more evident than in the dried

egg inventory statistic released monthly by the USDA (Chart1). Total dried stocks peaked at 30.3 million pounds in February, the highest level seen since 2006. Though they have trended slightly lower since, current holdings are the highest they've been in the last ten years as of June.



Urner Barry quotations across the whole egg and white markets have struggled to come off decade lows since bottoming from HPAI-related highs. Yolk has been an exception though. Finished stocks of egg whites and demand destruction in the category limited separation schedules. Meanwhile, yolk demand has rebounded nicely in seasonal items like dressings, mayo, and ice cream (Chart 2).



Shell egg prices rallied to the highest levels seen this year in July due to demand improvements across the globe and production cutbacks. Egg product prices stayed mostly flat though, as processors work to motivate users off the sidelines and hope that low prices will create new initiatives to spark demand in the QSR, institutional and export arenas. **UB**

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Fishing for a future



More than 50 boats were fishing for the children and families of Olive Crest.

On June 16, 2017, over 150 retailers and suppliers in the food industry and beyond fished with 50 Pro Anglers on the beautiful Long Beach, California coast for the 7th Annual Olive Crest Pro-Am Fishing Tournament.

Although a championship was on the line, the fishermen weren't concerned about a victory for themselves.

More than 50 boats were fishing for the children and families of Olive Crest. Since 1973, Olive Crest has transformed the lives of over 100,000 abused, neglected, and at-risk children and their families. They work tirelessly to meet the individual needs of kids in crisis by providing safe homes, counseling, and education for both youth and parents. Their many innovative programs reflect their passion that strengthening the family is one of the most powerful ways to help heal children. With unwavering compassion, the Olive Crest family maintains a lifelong conviction to the youth and families they serve, even after they have graduated from its programs.

Retailers and suppliers from across the food industry came out to support this

deserving cause. Participants included Jack Links, Hormel, Supremas, Farmer John, John Soules Foods, Sanderson Farms, and Sprouts Markets.

Those participating purchased a day to fish with one of the 50 best Pro Anglers from the top professional fishing tournaments, and the proceeds benefitted the children and families of Olive Crest. The participants of the fishing tournament raised a record amount of donations for the 3,500 children and families that Olive Crest helps every day throughout California, Nevada, and the Pacific Northwest.

Urner Barry's poultry market reporter Terence Wells was fortunate enough to attend the event. He stressed the value of Olive Crest and their continuing contributions to the families they serve. "Olive Crest helps thousands of children every day; whether it's in the form of food, family or friendship, they're helping these children build a better foundation for their lives. I'm proud to have been able to participate in this event; I'm especially proud of the food industry as it continues to serve our communities both in and out of the kitchen."

The event truly embodied the foundation's values of truth, grace, and servanthood by raising a whopping \$277,950 for Olive Crest. Although many impressive fish were



caught on the sunny California day, the real winners were the children and families of Olive Crest—who receive another chance at life through the power of family. **LB**

Article contributed by **Emilie Zuhowski**
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Retailers and suppliers from across the food industry came out to support this deserving cause.



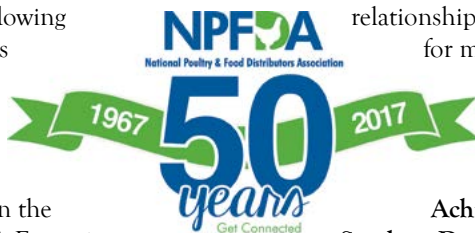
Urner Barry's poultry market reporter Terence Wells was fortunate enough to attend the Olive Crest event.

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Spending some time with NPFDA's Kristin McWhorter

Since 1967, the National Poultry & Food Distributors Association (NPFDA) has long been a "forum to foster long term business relationships for the specialized industry of processors and distributors." Now, 50 years later, NPFDA continues to adhere to its original mission of fostering relationships. Through continuous growth it is stronger than ever allowing the association to better serve the needs of its members and improve the poultry, food distribution and processing industries. *Urner Barry's Reporter* had the opportunity to speak with Kristin McWhorter, the Executive Director of NPFDA, to catch up on the growth of the company, her vision as NPFDA Executive Director, and the opportunities available to its members.



Kristin McWhorter: The growth and the current financial position have been great for the organization. The more members, the more opportunities to share ideas, challenges and solutions to issues our constituents face every day. Our most active and successful members will tell you that "it's all about relationship building." It is hard to put a price on that, but for many, what they get by meeting, networking and learning from other members is "priceless."

UBR: There have been many influential recipients of the Poultry Industry Lifetime Achievement Award, such as Colonel Harland Sanders, Don Tyson, and Frank Perdue. How has working with these industry icons and the annual presentation of the award contributed to NPFDA as we know it today?

UB Reporter: Congratulations on your 25 year anniversary with NPFDA, while simultaneously celebrating 50 years since the association's inception! Under your leadership, the organization has grown tremendously. How has this growth impacted both NPFDA and its members?

KM: The annual presentation of the NPFDA Poultry Industry Lifetime Achievement Award has certainly increased the organization's exposure. Twenty plus years ago, some winners were completely unaware of NPFDA and did not realize how much

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The 2017 NPFDA Board of Directors.

of an honor it was to be selected by their industry peers as the award recipient. As years have passed, the reactions of those getting the award have definitely changed as the significance of the honor and the respect it commands sinks in.

UBR: As current Executive Director of NPFDA, what vision do you have for its continued growth and success moving forward?

KM: NPFDA must continue to change with the times. As a trade association, we must embrace change—especially new technologies to better serve our members. We need to provide them with more ways to connect electronically. NPFDA will always provide platforms or opportunities for our members to meet face to face. That will always be the core function of NPFDA—helping members connect and develop long-term business relationships.

UBR: There has been a lot of change within the food industry and the poultry segment specifically during NPFDA's 50 years. What challenges does the organization face today which were not a concern in 1967?

KM: Fifty years ago, the mission was to bring distributors together so they would have a united voice in the poultry industry. Now, we need to bring all segments of the food distribution industry together to share ideas, challenges and solutions. Distributors, processors, cold storage companies, logistic companies and other allied businesses need to understand the challenges each segment faces and work together to create opportunities.

Technology will continue to provide new platforms from which to work and instigate the potential for success and profit! NPFDA and our members must be willing to embrace whatever new opportunities the future brings. Change itself is a challenge. We need to make it easier for members to handle change.

The National Poultry and Food Distribution Association will be holding its Fall Meeting

*and celebrating 50 years September 24-27 in San Antonio, Texas. All members are welcome to share in this event and experience the opportunity to share their ideas and contribute to the betterment of the poultry industry. For more details visit their website at www.npfda.org. **UB***

Article contributed by
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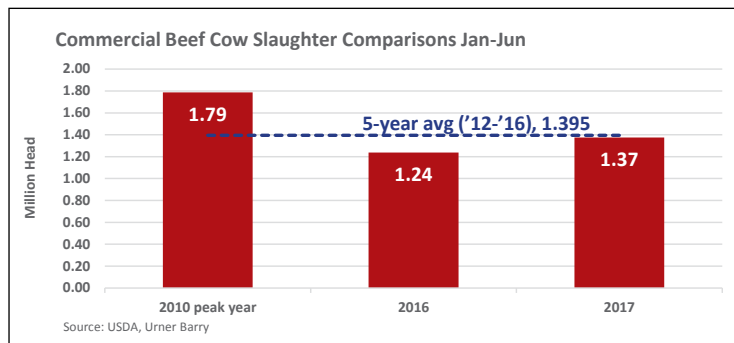
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Year-to-date beef cow and sow slaughters are up from '16

Just because livestock producers are sending more breeding females to the processing plants so far this year doesn't mean that the herds are in decline. Other farm data indicate that the beef cow herd and the number of sows on U.S. swine farms at midyear remain up from 2016 and some analysts look for additional growth in both herds the second half of this year.

Beef cow slaughters have varied widely in the past seven years due to several factors including severe drought in many areas from 2010 through 2012 which parched pastures and resulted in very large numbers



of cows being sold for slaughter. The heavy liquidation was followed by a rebound in prices and rapid herd re-growth when pastures in most areas of the country again had ample rainfall.

U.S. commercial beef cow slaughter during the first half of this year was up nearly 11% from a year ago but was down 21% from the January-June average of the severe drought years 2010 through 2012.

The drought in the Dakotas and surrounding region this year may be contributing some to the increase in beef cow slaughter as producers there do some deep culling of older cows and those with any conditions that may keep them from being highly productive over the next few years. However, good healthy younger cows will remain in the herd but some may have to be moved into other areas of the country where grasslands and water supplies are more plentiful.

Rich Nelson, chief strategist at Allendale, Inc, however, points out that beef cow slaughters have exceeded the previous year by double digit percentage levels in 12 of the past 14 months, which began well before the drought conditions developed in the Dakotas.

Cow-calf producers are currently profitable and the feedyards have had a good year so far regarding profitability, so the market is sending signals for farmers and ranchers to maintain or possibly even further grow the herd rather than constrict it just yet.

So, some of the cow slaughter may be attributed to replacing older cows with heifers to freshen the herds.

USDA projects steer prices this year to average slightly above a year ago despite 5% growth in output from 2016. The agency projects lower prices next year though and some analysts predict that

could be when the beef cow herd peaks for this cycle.

SWINE

In the June quarterly hogs and pigs report, USDA showed the breeding herd up 1.5% from a year earlier and the all hogs and pigs number 3.4% over a year ago. The all hogs and kept for marketing figures in that report were all-time highs.

Sow slaughter for the first half of the year was up about 3.5% from a year ago. But total hog slaughter during that period was also up about 2.8% from last year, so it stands to reason that sow slaughter would be larger than in the previous year as well.

The swine industry is in the process of growing as it prepares for the entry of two new pork plants in September and another in 2018, along with the addition of a second shift in May 2018 at a plant opening this year. Processing capacity is on its way to being near 500,000 head a day by 2019, up from around 450,000 currently.

If hog and pork prices come under pressure later on from the increased output, then producers may begin to pull back on output but that does not appear to be likely for at least two to three years. USDA forecasts pork production in 2018 to be up 3.5% from this year and for hog prices to be down \$1 to \$2 per cwt on a live basis from 2017 levels. **US**

Article contributed by **Curt Thacker**
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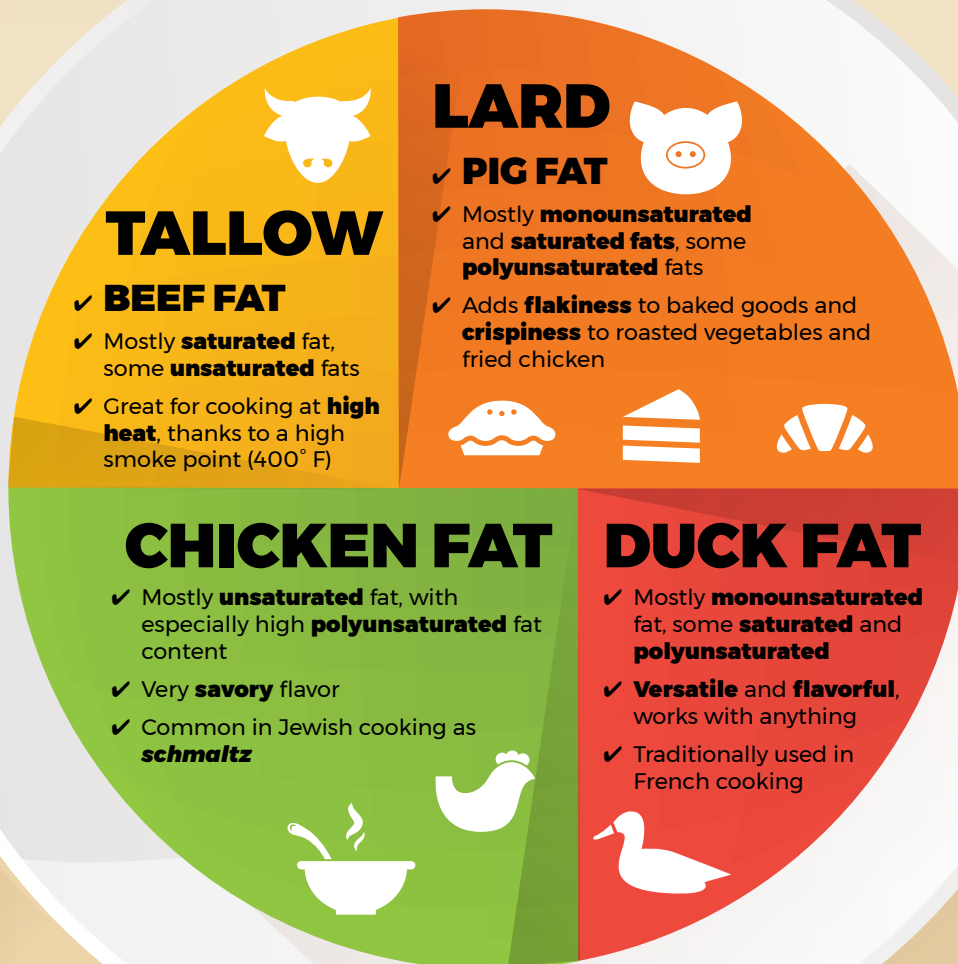
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The skinny on fats

With increased support from paleo dieters and foodies, healthy animal fats are coming back onto menus in a big way. We'll break down animal fat sources and the types of dietary fat they contain, as well as the effects these dietary fats have on the human body.



Article contributed by Jake Muldowney
mail@urnerbarry.com

UNSATURATED FATS

- ✓ Found in **animal** and **vegetable** products
- ✓ Two types, **poly-** and **monounsaturated** fats
- ✓ Both important in **preventing heart disease, insulin resistance, and some cancers**
- ✓ **Omega-3 and -6 fatty acids** are in this category

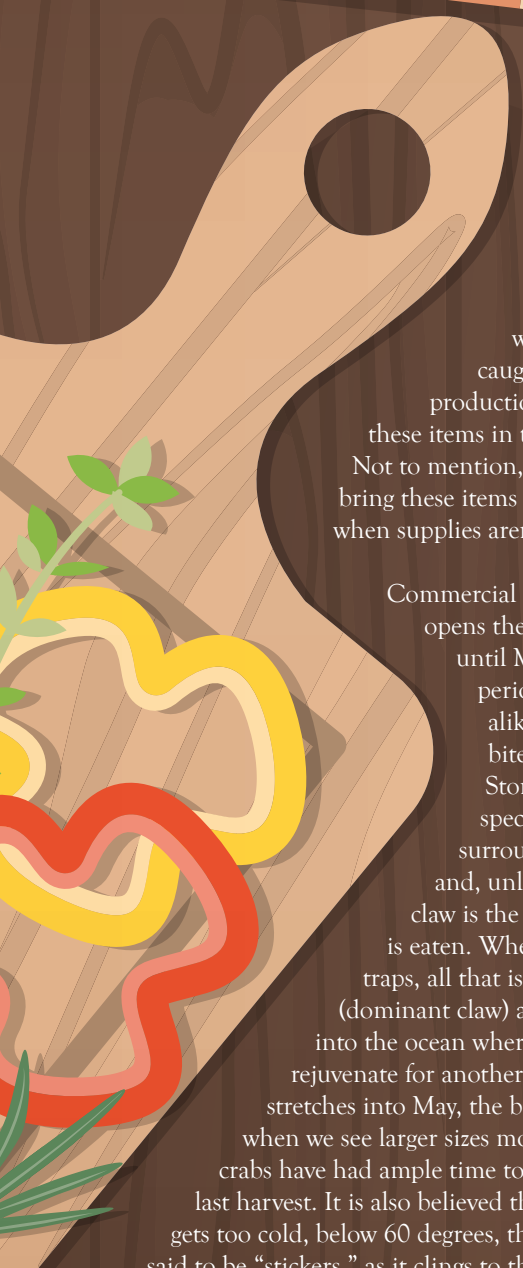
SATURATED FATS

- ✓ Found in **meat** and **dairy products**, as well as **nuts**
- ✓ **Typically solid** at room temperatures
- ✓ Once thought to cause heart disease, recent studies no longer confirm this

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- ✓ Not a notable presence in animal fats

Fresh seafood from the markets – fall edition



One of the greatest benefits of being a consumer of seafood in the U.S. is the seemingly endless amount of fresh and frozen seafood that can be found year-round from all over the world. However, with most wild caught varieties, there are peak production periods which make finding these items in the fresh case more accessible. Not to mention, the influx of supplies tend to bring these items in at a lower price point than when supplies aren't as readily available.

Commercial stone crab season in Florida opens the 15th of October and runs until May 15th. During that period, snowbirds and locals alike flock down south to get a bite of these tasty crustaceans. Stone crabs are a wild caught species pulled up in traps in the surrounding coastal areas of Florida and, unlike other crab delicacies, the claw is the only part of the crab that is eaten. When fishermen pull up the traps, all that is removed is its crusher claw (dominant claw) and the rest is thrown back into the ocean where it is believed the limbs rejuvenate for another harvest. While the season stretches into May, the beginning of the season is when we see larger sizes more readily available as the crabs have had ample time to grow since the end of the last harvest. It is also believed that if the water temperature gets too cold, below 60 degrees, the meat of the claws is said to be “stickers,” as it clings to the inside of the claw itself.

Preparation for these tasty critters remains basic. They are sold fully cooked, either fresh or frozen, so all you need to do is defrost and dip in your favorite sauce. Stone crabs are sold based on their piece count with colossal being the largest (1-2 claws per pound), followed by jumbo (2-4 claws per pound), large (4-6 claws per pound), and medium (6-8 claws per pound).

Haddock is a slightly firm groundfish with delicate flakes and has a similar flavor to cod. It is landed on both sides of the Atlantic and sold in a variety of forms including fresh fillets, single frozen fillets and twice frozen fillets. Frozen and fresh fillets are available year-round, however, the Fall is an optimal time to consume fresh haddock in the U.S. Part of this reason is because in the Winter we lose many days of fishing to weather—wind storms and icy water limit fishing efforts of the boats.

In the summertime, the flesh tends to become soft due to their diets—making the Fall and Spring an optimal time for purchasing these fillets. Haddock in the U.S. is sold skin-on and fillets are traditionally sold in three sizes: snapper, scrod, and large. On the whole fish you will find a black mark above its lateral fin named the “devil’s thumbprint” or “St. Peter’s mark.” In Ancient folklore, when St. Peter and the Devil were fishing, after catching a haddock St. Peter freed the fish from the devil’s grasp and the mark represents the devil’s thumbprint as he held onto the fish tightly before he swam away. In honor of this folklore, you may consider adding some extra hot pepper flakes to fire up this delectable dish.

With the start of October we begin to see significant amounts of mahi landed in both Central & South America as well as some in the U.S. Mahi is a highly-migratory fish and while it is landed year-round we see an influx in landings and imports from October to December and from March to May as they follow warm water currents throughout the tropics and sub-tropics of the world. Mahi mahi means “strong strong” and the fish is known to put up a fight when caught—the resulting stress turns the normally silvery fish a bright shade of yellow and blue. Mahi is a firm fish with large white flakes and when the flesh is cooked it becomes a bright white.

But don’t fret if you’ve read this article and these seasons have since passed! You can find all these species and more available year-round in frozen form. **UB**

Article contributed by **Nicole West**
nwest@urnerbarry.com

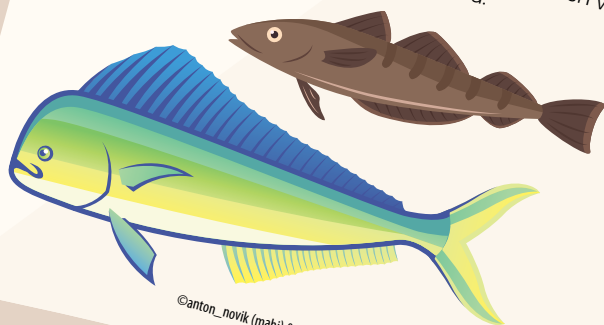
Devil's Thumbprint Haddock Puttanesca

Ingredients

- 4 (6-ounce) skin on haddock fillets
- ½ teaspoon salt
- ¼ teaspoon ground black pepper
- 3-4 tablespoons extra virgin olive oil
- 1 small onion, diced
- 3 garlic cloves, minced
- 2 anchovy fillets
- ½ teaspoon dried oregano
- 1-3 teaspoon red pepper flakes (depends on how much heat you want)
- 1 (14.5-ounce) can whole peel plum tomatoes (pureed or lightly mashed)
- ¼ cup pitted Kalamata olives, diced
- 1 teaspoon drained capers
- 3 tablespoons chopped fresh parsley
- Black Rice

Directions:

1. Pre-heat oven to 350°. Season haddock with salt and pepper on both sides.
2. On stove, add two tablespoons olive oil to a large Dutch oven and heat until very hot. Add the haddock fillets skin side down and cook for 2 minutes. Flip fillets and cook alternate side for additional 1 minute. Remove fillets to a plate.
3. In same Dutch oven add remaining olive oil, red pepper flakes, oregano, anchovies, and onions. Sauté for 5 minutes or until the onions are translucent. Add minced garlic and cook for an additional minute.
4. Add tomatoes, capers, and olives into the Dutch oven. Allow to simmer for approximately 5 minutes or until slightly reduced.
5. Add haddock fillets back into Dutch oven and transfer to oven for 8-10 minutes until the fish is opaque and flakes with a fork or reaches 145° internally.
6. Remove the Dutch oven from oven and top fish with fresh parsley - serve atop rice or pasta.



©anton_novik (mahi) & Ma-lina (haddock)

Mahi Mahi Tacos

Ingredients

- 1 clove garlic
- 1 teaspoon salt
- ½ teaspoon pepper
- ½ teaspoon cumin
- ½ cup Greek yogurt
- 1 tablespoon lime juice
- 1 avocado
- 1 cup cilantro
- shredded cabbage or cole slaw mix
- (4) 6 oz mahi portions
- blackening seasoning
- corn tortillas
- additional lime wedges
- pico de gallo

Directions:

1. To make the avocado slaw, combine first 8 ingredients in food processor or blender with ½-1 cup water until smooth (add water as needed to achieve creamy consistency). Season to taste and adjust if necessary.
2. Pour mixture over shredded cabbage and combine.
3. If time allows - make slaw ahead of time and refrigerate for 2-4 hours prior to serving.
4. Light grill to high.
5. Apply blackening season to all sides of mahi portions and let rest for 20 minutes.
6. Put mahi mahi portions onto grill - cook approximately 3 minutes per side. Internal temperature should reach 137°.
- *Tip: If fish is still sticking to grill then it is not ready to flip.
7. Once fish is removed from grill cover in tinfoil and let sit for 10 minutes.
8. Pull apart portions with a fork and lay atop warmed corn tortilla - top with avocado slaw, pico de gallo & lime wedges.

Stone Crab Claws with Mustard Dipping Sauce

Ingredients

- 1 ½ tablespoons Colman's dry mustard, or more to taste
- 1 cup mayonnaise
- 2 teaspoons Worcestershire
- 2 tablespoons heavy cream
- salt

Directions:

1. Combine ingredients in a small food processor and blend into a thick creamy consistency. Feel free to adjust ingredients to taste.
2. Serve sauce with chilled claws and a seafood cracker.

American Egg Board campaigns

Article contributed by American Egg Board

The American Egg Board (AEB) has book-ended the summer of 2017 with two national consumer campaigns and launched the first in a series of specialized outreach events targeting the Latino community as part of a strategic move to engage Hispanic consumers.

National Egg Month #EggChallenge Delivers 35.9 Million Impressions!

The AEB celebrated National Egg Month in May with a highly successful new marketing campaign and contest that encouraged consumers to try new ways to enjoy eggs all month long and to share their favorite recipes on social media using #EggChallenge.

To add some egg-stra sizzle to the campaign, the AEB partnered with 15

notable social media influencers who showcased their own egg recipes and inspired fans to enter the contest. Several of them appeared subsequently on TV: Registered Dietitian Rebecca Scritchfield talked up the Egg Challenge and extolled the nutritional benefits of eggs on Let's Talk Live DC, RD Diane Henderiks did the same on Orlando's WESH, and RD Victoria Shanta Retelny was featured on Chicago's WGN.

Consumers across the country participated in the contest — fitness enthusiasts, health professionals, parents and even kids — and #EggChallenge garnered more than 432 entries. Each week, the AEB selected the participant who provided the most appealing and creative idea to win a kitchen prize pack and a year's supply of eggs. The contest even outperformed the AEB's highly successful #EggArt competition held just weeks earlier for Easter — a time of year when consumers are traditionally attuned to engaging with egg-related content — demonstrating that the opportunity to effectively engage consumers around eggs is not limited to the conventional marketing calendar.

Highlighting health benefits, versatility,



Registered Dietitian and author Rebecca Scritchfield was one of several nutrition experts who appeared on television to promote the AEB's #EggChallenge during National Egg Month.

all around ease of cooking and the delicious taste of eggs, the National Egg Month campaign achieved nearly **35.9 million impressions!** Check out the AEB's Spring 2017 video highlights reel for more information.


GUSTO Chicago Connects AEB and the Latino Community

In July, the AEB and LATINO Magazine hosted several hundred guests, including influential members of the Latino community and Chicago media, at the first-ever GUSTO Chicago — an exclusive networking event celebrating Latino culture and cuisine, featuring eggs.

American Egg Board

Held on the rooftop at the Wit Hotel Chicago, GUSTO attendees sampled a variety of Latino-inspired egg dishes created by executive chefs and mingled with AEB senior staff and America's egg farmers as part of AEB's commitment to supporting Chicago's Hispanic community and families.

At approximately 17 percent of the U.S. population and growing rapidly, Hispanics represent one of the most influential and important segments of America today. Hispanics are also among the largest consumers of eggs and they're a demographic priority in the AEB's 2017 strategic plan.



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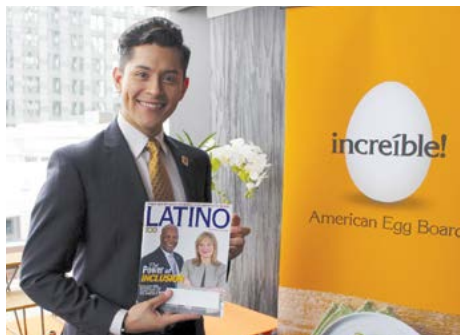


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This National Egg Month Instagram post by millennial influencer Rachel Mansfield for the AEB garnered more than 225,000 impressions!

capitalize on key opportunities



LATINO Magazine partnered with the AEB on GUSTO Chicago — a celebration of Latino culture and cuisine, featuring eggs!

“The role of food in Latino culture is legendary and eggs are a dietary staple in Hispanic households, so it was important to showcase our support for the Latino community,” said Anne L. Alonzo, President and CEO of the American Egg Board.

“For Hispanics, the cooking and sharing of meals are expressions of love. Latinos

want the best for their families, and eggs provide an affordable¹ source of high-quality protein and other important nutrients² that have been shown to help children develop and grow not just physically, but cognitively³. Eggs are a delicious, nutritious, versatile and affordable way for Latinos to delight and nourish their loved ones,” said Alonzo.

The AEB plans to repeat GUSTO in New York in October and potentially in other major cities in the months ahead as part of its commitment to inform and engage the Latino community and Hispanic consumers around the nutritional, economic and culinary benefits of eggs.



From left: AEB President & CEO Anne L. Alonzo; AEB Board Member John Puglisi; LATINO Magazine Editor & Publisher Alfredo Estrada; AEB Immediate Past Chairman Blair Van Zetten; and AEB Board Member Paul Sauder at GUSTO Chicago.

For more about GUSTO Chicago, including recipes for some of the delicious dishes from the event, event photos and additional information, please visit IncredibleEgg.org/Gusto

Continued on page 24

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American Egg Board

Continued from page 23

Incredible Kids Campaign Rolls Out for Back-to-School in August

In August, the AEB rolled out *Incredible Kids*, an ambitious back-to-school campaign highlighting the importance of including high-quality protein foods like eggs in students' diets.

The campaign includes a national contest and search for America's incredible kids — youth who are engaging in social good projects in their schools and communities, excelling in sports or extra-curricular activities or otherwise accomplishing remarkable feats.

To enter the contest, parents submit a photo or video of the incredible kid(s) to their personal Twitter or Instagram, as well as to the Incredible Egg's contest posts on Facebook with a brief caption explaining what makes the child incredible. Posts using the hashtags #IncredibleBecause and #Contest indicate contest entries and are



The #IncredibleBecause campaign encourages parents to nominate kids engaging in social good projects in their schools and communities, excelling in sports or extra-curricular activities or otherwise achieving wonderful and remarkable feats.

eligible for the grand prize and weekly prizes.

The grand prize winner will also receive an all-expenses paid trip with his/her family to Chicago for an Incredible Kids award ceremony, including a grant to help further the incredible mission for which he/she was nominated and a matching grant for his/her school. Throughout the contest entry period, a winner will be selected each week to receive a smaller monetary grant and back-to-school-themed prize pack.



Gymnastic gold medalist Laurie Hernandez poses in her kitchen with EggPops she prepared during a photoshoot for the AEB's #IncredibleBecause back-to-school campaign.



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In addition to the contest, the AEB has produced a collection of quick-and-easy back-to-school recipes in a downloadable booklet and specialized *You're Incredible Because...* lunchbox stationery for parents who want to send their child to school with an encouraging message of love and appreciation.

For more information, visit
IncredibleEgg.org/B2S



"You're Incredible Because..." downloadable lunchbox notes from the AEB's Incredible Kids back-to-school campaign provide an easy way for parents to send a message of love and encouragement to school with their kids.

Looking ahead...

With the Incredible Kids back-to-school campaign rolling out, the AEB is queueing up a roster of other high-profile campaigns for the remainder of 2017, including plans for Hispanic Heritage Month, World Egg Day, and the winter holidays. This is in addition, of course, to the AEB's core programming focused on Quick-Service

Restaurants, Egg Product Marketing and the AEB's Egg Nutrition Center research and promotions.

Finally, the AEB is delighted to report the successful fulfillment of its semi-annual Board Meeting held in Chicago in July 2017. With plans and budgets now approved for 2018, the AEB will be moving forward with high-profile initiatives slated for next year. Stay tuned for upcoming details!¹

¹United States Department of Agriculture. Economic Research Service. Retail data for beef, pork, poultry cuts, eggs, and dairy products.

²USDA, ARS, Nutrient Data Laboratory. USDA National Nutrient Database for Standard Reference, Release 28. Full report: 01123

³American Academy of Family Physicians. Familydoctor.org. Nutrition: Healthy Eating for Kids

Recap of the 2017 growing season

The 2017 growing season did not lack excitement with weather concerns that drove grain markets as traders cautiously watched drought conditions creep into major growing regions in the upper Midwest and Plains.

Weather plays a huge role in the development of crops, whether temperatures are too hot or too cold, or there's too much rain or not enough, any stress during key growth stages can be detrimental to crop yields. This year, weather's effect was felt throughout several crop species—but none so more than spring wheat.

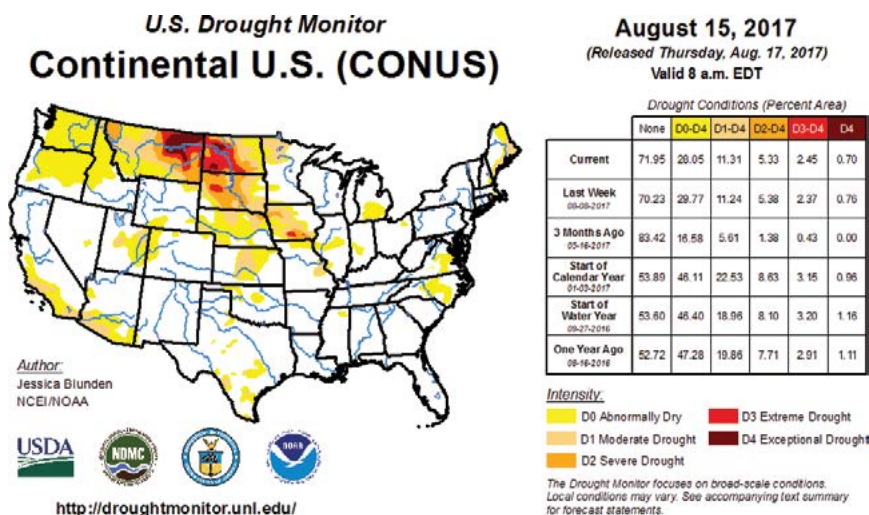
Spring wheat is grown in the northern regions of the U.S., primarily in Washington, Idaho, Montana, Minnesota, and the Dakotas. Part of the reason for that is to spare the crop from the stress of too much heat, so the milder summers of the northern part of the country are optimal. In 2017, however, the growing season turned out to be far less than ideal.

North Dakota ranks first in the U.S. for hard red spring wheat production, growing an average 250 million bushels a year, according to data from the North Dakota Wheat Commission. Looking at the U.S. Drought Monitor map from August 1st, the level of extreme to exceptional drought in the Dakotas and eastern Montana is evident, as abnormally dry conditions to moderate drought spread into other parts of the Plains, the Northwest, and the greater Midwest.

Spring wheat futures hit their high point year-to-date on July 5th, touching \$8.68 ¼ per bushel at the top and closing at \$8.19 ¾ per bushel on the day. This was a 4-year high for spring wheat on continuous front month charts. The rally began mid-May, and advanced 50% by the early July peak. Futures have since come down, trading around \$7.40 per bushel in early August as some cooler temps and scattered showers have begun to temper concerns in at least some areas, though much of the northern Plains still remains in the clutches of a persistent drought.

Drought conditions even threatened parts of the Corn Belt, primarily in the western part of the Belt. This sent corn and soybean futures higher as traders grew increasingly concerned over the potential effects of yield losses, further fueled by fear of what had already been done to spring wheat in the North.

The August World Agricultural Supply and Demand Estimates (WASDE) report showed corn production was forecast at 14.2 billion bushels, down 102 million from the July report. The season's first corn yield forecast came in at 169.5 bushels per acre, which is 1.2 bushels lower than the previous month's trend-based projection. South Dakota, Iowa, Minnesota and Illinois are expected to have yields below a year ago. Weather impacts, including drought and dryness throughout growing regions in the



North, Midwest, and western Corn Belt lowered yield expectations in parts of those areas.

Soybean production was forecast at 4.381 million bushels, up 121 million on higher yields. The first yield forecast for soybeans came in at 49.4 bushels per acre in the August WASDE report, 1.4 bushels above the previous month but 2.7 below last year.

Projected wheat supplies were decreased due to lower production, down 21 million bushels to 1.739 million. Production forecasts for durum and other spring wheat showed a significant decline compared to last year, primarily due to the continued severe drought conditions affecting the Northern Plains. Partially offsetting this decrease, however, was higher winter wheat production.

In late July, the USDA opened up Conservation Reserve Program lands for emergency grazing and haying in and around portions of Montana and the Dakotas affected by severe drought. This action helped alleviate drought effects on livestock producers struggling to find adequate pasture. Still, some producers were forced to cull their herds as feeding conditions worsened. Pasture and range conditions saw a combined 24% in poor to very poor condition overall in early August, versus 17% a year ago. North Dakota alone had 78% of their pasture and rangeland in poor to very poor condition, while South Dakota recorded 67%. Montana reported 68% in the poor to very poor category.

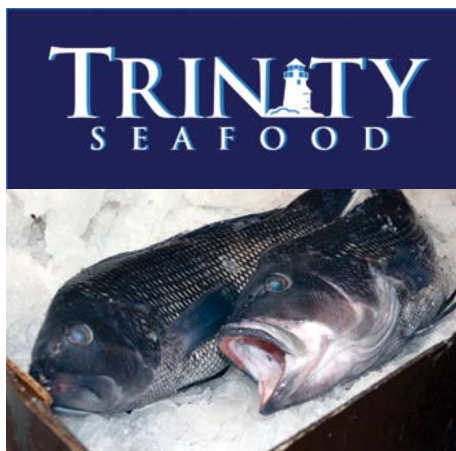
For grain, the USDA's projection for the season-average corn price in August remain unchanged at \$2.90-\$3.70 per bushel. The season-average soybean price was \$8.45 to \$10.15 per bushel, down 10 cents.

Time will tell what 2017 crop yields will be as we round out the summer growing season and head into the harvest. **UB**

Article contributed by **Jamie Chadwick** | jchadwick@urnerbarry.com

Trinity Seafood relocates to new 30,000 square foot warehouse and distribution center

Trinity Seafood was founded on July 4, 2001 in Asbury Park, New Jersey by three fish mongers who worked at the Jersey Shore: Evan Stark, Jerry Montanino and John Yates. With a combined total of 50 years experience in the seafood industry they shared one goal—to bring the freshest seafood to the Jersey Shore, and inevitably to the tri-state area. Their motto from the start was “off the bone is best.” To this day, Trinity continues to fillet fresh whole fish every morning and deliver same-day product to their customers in New Jersey, New York, Connecticut and Pennsylvania.



Black bass caught by local fisherman in NJ.

in the retail and foodservice sectors. One uncanny attribute Trinity has is a remarkable knowledge and level of expertise on a wide variety of species. This ability brought in many attractive offers from other distribution groups in the area. In 2014, Trinity Seafood was bought by Buckhead Meat Company—a subsidiary of Sysco Corporation, the largest broadline food distributor in North America. Currently Trinity Seafood packs and delivers fresh and frozen seafood to fellow Sysco houses as well as retailers, restaurants, and country clubs in the tri-state area.

Trinity Seafood's growth was impressive. The company was recognized for its ability to deliver the freshest seafood possible to its ever-expanding group of consumers

Since partnering with Buckhead Meat under its seafood division, Trinity outgrew their original 6,000 square foot packing and

Photographs by Amanda Buckle

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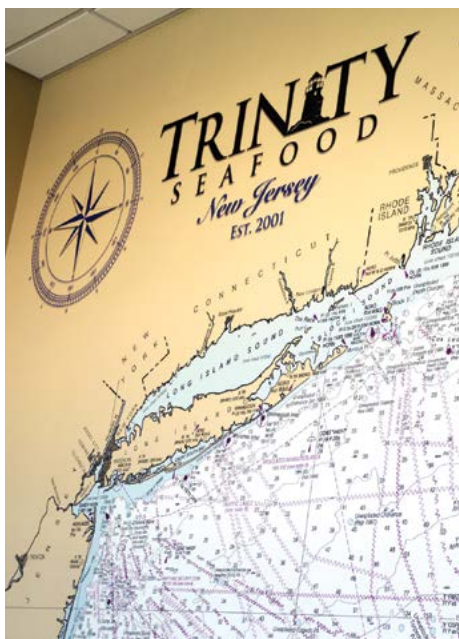


“Their motto from the start was “off the bone is best.”

Fresh fillets hand cut daily.

distribution facility in Asbury Park, New Jersey. A move was necessary, and so they ventured only 20 miles south on Garden State Parkway where the company found its new residence in Lakewood, NJ.

Relocation was nearly seamless, however, Mother Nature had another plan. In January of 2016, as Trinity’s staff of 45 packed up their offices and began to move product into their (at that time) 18 trucks—warnings of what would soon be called Winter Storm Jonas reared its ugly head. Determined to not let down their customers, Trinity moved their inventory and trucks through the blizzard (which produced 36 inches of snow) and opened that very Monday only shutting down deliveries for one day; a true testament to the company’s dedication to seeing that its customers receive the most timely and fresh seafood.



Trinity delivers fresh product throughout NJ, NY, PA & CT.

As the seafood industry continued to evolve, so did Trinity. Its new 30,000 square foot facility meant new achievements. Trinity Seafood implemented a strict food safety culture. Within the first 65 days of opening, Trinity was audited for and achieved the

(SQF) Level II Certification. Shortly thereafter by the spring of 2017, Trinity was re-audited and advanced to a Safe Quality Food (SQF) Level 3 rating with a score of 99. They are also the original author of a Fishery Improvement Program (FIP) in Costa Rica which focuses on yellowfin tuna and swordfish.

Currently, Trinity mainly focuses on local and domestic product, and receives new product 24 hours a day. The company also deals with imported seafood and always

ensures its customers are receiving the freshest fish from all over the world. As of 2017, Evan Stark and Michael Carson (who was hired as General Manager in 2011) run the business. Evan remains the only original founder at Trinity, and to this day, nearly 17 years later, fresh fish is still hand cut off the bone and delivered to customers Monday through Saturday all year.**UB**

Article contributed by Nicole West
nwest@urnerbarry.com



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Mexican Beef in the U.S. and the world

The Mexican beef story continues to be very similar to what we have been reporting over the last few years with exports growing year after year, in addition to the opening of new markets. However, 2017 could mark a pivotal year due to NAFTA re-negotiations that are currently underway and the establishment of a meat grading system close to that of the U.S. and Canada.

Through July 2017, Mexican beef exports have managed to grow by nearly 9 percent compared to last year, according

to Mexico's official data (Chart 1). Approximately 90 percent of those exports end up in the U.S. market. What is important to mention is that overall beef imports into the U.S. have declined 7 percent (Chart 2). Yet, according to U.S. data, imports of Mexican beef through June have increased 31 percent compared to 2016 (Chart 3). Still, the Mexican Beef Exporters Association (Mexican Beef) continues to work hard in their search to opening new markets. By the time this article goes to press, the first Mexican beef shipments will be arriving in Qatar.

Mexico has also increased its imports by about 8.3 percent, from 101.2 thousand metric tons in 2016, to 109.5 thousand metric tons in 2017 (Chart 4). Mexico's beef imports are largely dominated by U.S. product, and per U.S. official data, beef shipments to Mexico have increased 8.6 percent during the first half of the year, from 180 million pounds in 2016 to 195.4 million pounds in 2017 (Chart 5).

In terms of pricing, Urner Barry's Mexican Beef cutout value has remained well above the levels seen in the previous two years, despite noticing a downward, yet gradual adjustment since early May. Much of the strength could be largely attributed to the relative strength the U.S. market sustained until early July; this situation would encourage Mexican beef exporters to ship more product into a strong U.S. market and discourage Mexican importers from bringing relatively expensive meat from abroad. However, a strengthening Mexican peso has partially offset the higher purchase price of U.S. beef, hence, making sense of increasing U.S. beef exports to Mexico and the downward and gradual price adjustment since May. Still, seasonal value expressed in Mexican pesos remains historically high (Chart 6).

Much of the Mexican beef that is sold into the U.S. is negotiated well below U.S. price benchmarks, including Urner Barry and the USDA. Part of this could be attributed to the lack of a meat grading system. And Mexican beef packers have been working on a meat grading system similar to that in the U.S. and Canada. The intent is

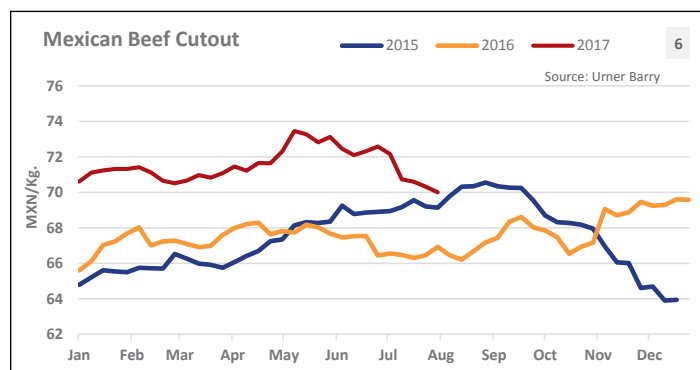
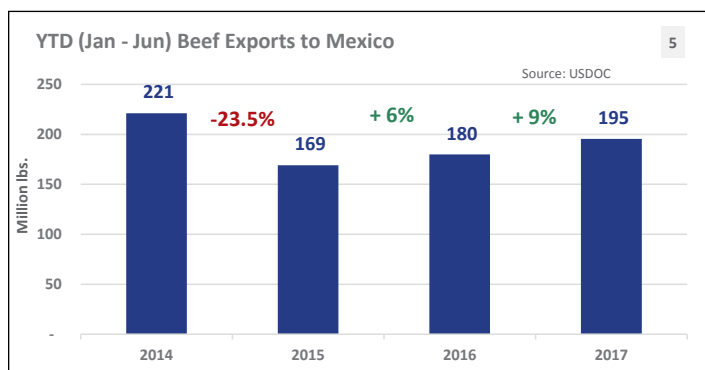
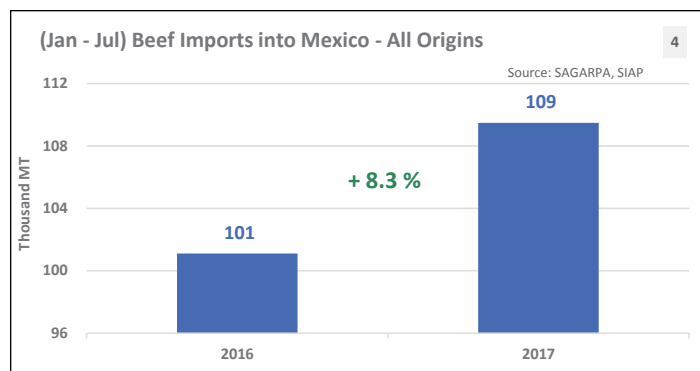
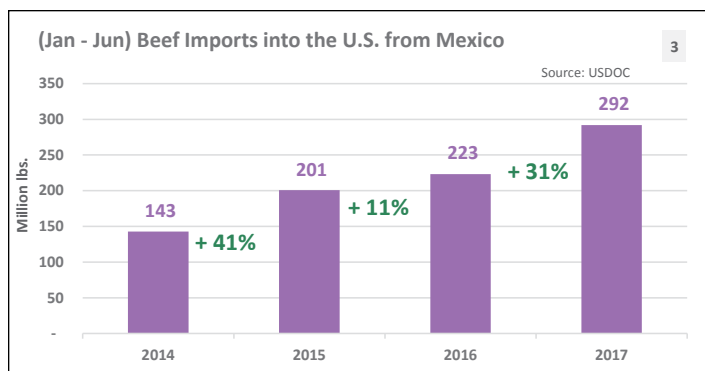
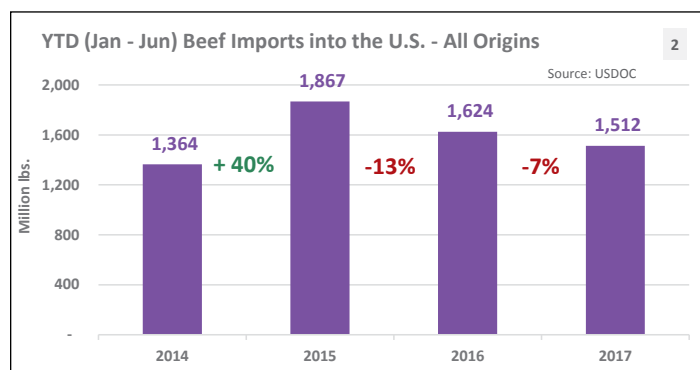
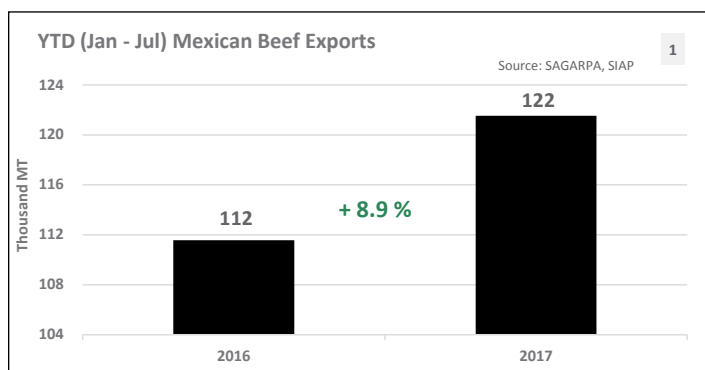


to compete, in terms of price, whenever Mexican beef reaches the standards say for the equivalent of a Select or Choice grade product. This system is expected to be implemented within the next year with the help of Mexico's SAGARPA, which is the U.S. equivalent to the USDA.

All in all, Mexican beef continues to make strides in this industry. Exports continue to grow, as well as production and meat quality standards. The latter will permit Mexican beef not only to lay the foundations to compete against an advanced and mature U.S. beef industry,

but also to penetrate new and demanding markets. U.S. consumers could increasingly see more and more Mexican beef at the grocery store and restaurants. **UB**

Article contributed by Angel Rubio
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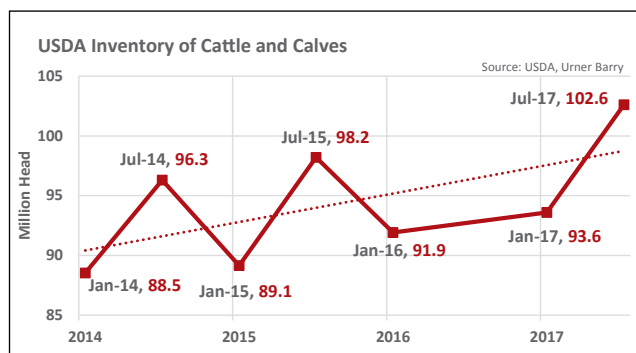


Herd expansion remains strong in 2017

The United States Department of Agriculture (USDA) released its mid-year Cattle inventory report on July 21, 2017. The semi-annual report was cancelled last July due to budgetary constraints, so figures are instead compared to the July 2015 data.

The report showed the total herd as of July 1 at 102.6 million head, up nearly 4.5% from the last mid-year report released in 2015.

This year's calf crop is projected to be 36.3 million head, compared with last year's figure of 35.083 million head and 34.087 million in 2015. Allendale, Inc., a Chicago area agricultural commodity analysis and brokerage firm, had predicted the 2017 calf crop at 35.998 million head and the all cattle and calves figure at 101.457 million. USDA reports the all cattle figure at 102.6 million.



The number of heifers held for beef cow replacement was reported at 4.7 million head, down slightly from 4.8 million in 2015.

The data show that herd expansion has occurred and at a rate likely exceeding the expectations of many market observers.

The July Cattle inventory report seasonally shows a significant increase from the January report. This swell in cattle

numbers is due to the spring calf crop—as most cow-calf operations in the U.S. do the majority of their calving in the spring so that the young animals can grow in optimal conditions and have ready access to ample pasture in the summer months.

The difference between the January 2017 all cattle and calves figure and the July 2017 figure was plus 9.015 million head. This compares to the 5-year average growth rate of 8.275 million head (taking 2016 out of the equation since it is unknown).

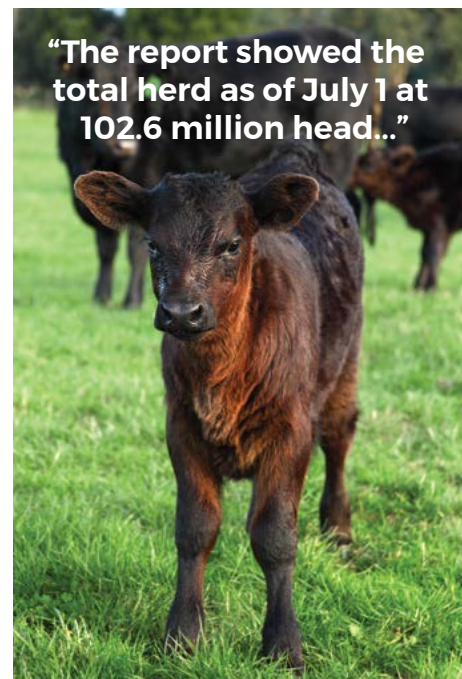
This indicates that the rate of growth in 2017 is still relatively strong, since the average size of the spring calf crop over the last five years pales in comparison to the recent uptick in numbers. However, with an albeit small decrease in the number of heifers held back for breeding this year, it could support expectations that herd expansion is, in fact, slowing. This is further supported by a cash cattle market that fallen back to multi-year lows.**UB**

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Millennial parents' eating choices are influenced by a blend of lifestyle and generational attitudes

Adapted from an article that originally appeared on Foodmarket.com on August 15, 2017



Millennials are growing up and having kids and while some of their generational attitudes remain intact, their lifestyle as parents often change the how, what, and why behind their consumption choices. Breakfast is a meal occasion where being a Millennial parent necessitates convenience over satiation, which is the primary motivation for breakfast choices of Millennials without kids, according to a recently released report by The NPD Group, a leading global information company.

Like most parents, Millennial parents express a higher demand for convenience and look for breakfast foods that can be eaten quickly, are portable, and don't require cooking. Whereas Millennials without kids look for breakfast foods that give them energy, are high in protein, tide them over, and keep them feeling full longer, according to the NPD study, Consumption Drivers: How Need Shapes Choices. This means the foods Millennials choose differ slightly based on the presence of kids. Millennials without kids take the time to make eggs or more complex items in the morning, but their counterparts with kids seek time-savers such as bars or yogurt.

Millennial parents still share with their generational counterparts without children the want for healthy breakfast options. With or without children, Millennials have a commitment to eating fresh, less processed foods, and organics. NPD's ongoing food and beverage research forecasts that Millennials and Gen Zs will maintain their attitudes regarding fresh and organic food consumption throughout their life stages, and as a



©MSPhotographic

result, consumption of fresh food will increase by 9 percent and of organic food by 16 percent over the next several years. In addition to fresh and organic food

consumption, Millennials also share the motivation to start the day with a healthy/nutritious meal and want to eat foods that tide them over the next meal.

"Millennials are forming their families and undergoing tremendous life stage and lifestyle changes, their motivations and needs are changing," says Darren Seifer, NPD food and beverage analyst. "It's important for marketers not to treat this generation as a monolithic group. Simply examining them by the presence of children alone reveals great differences in the ways they behave. Your product attributes and communications need to ensure they match the right needs with the right consumers." **UB**



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Generic egg promotions stifle cage-free sales

Cage-free eggs have traditionally been categorized as a specialty style of production. Initiatives put in place over the last few years, however, are quickly changing that landscape. Retailers, distributors, foodservice organizations, institutional businesses and quick service restaurants jumped aboard the cage-free bandwagon too. The USDA estimates that more than 70% of the total U.S. flock will need to be in cage-free systems in order to fill demand.

With that in mind, producers have grown or added new cage-free facilities. In 2007, the USDA reported total cage-free layers at 9.1 million. Production climbed steadily, hitting 17.2 million by 2014. It took essentially seven years for the flock to double. Between 2015 and 2017, the cage-free flock more than doubled again, and was reported at 41.9 million layers by the USDA in June.

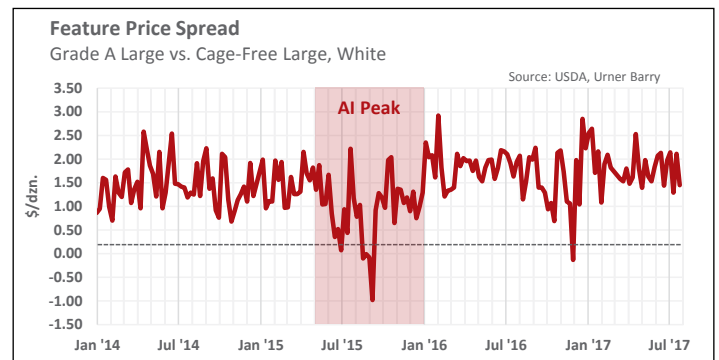
This growth was clearly motivated by the initiatives, but what drove the push for cage-free in the first place? One of the main factors was pressure from animal rights groups, though another key driver was how price spreads between generic and specialty eggs were impacted by Highly Pathogenic Avian Influenza (HPAI). During peak commodity egg markets, consumers were actually able to buy cage-free eggs cheaper than they could generic eggs. This is due to the fact that contractual prices for specialty eggs traditionally use set prices or cost-plus based formulas, which didn't reflect surging prices in the spot market. Consumers traditionally purchase the cheapest egg in the store, creating a spike in cage-free egg sales.

Generic egg prices have since moderated. In fact, Urner Barry's Midwest large quotations hit decade lows during several occasions in 2016. Producers expanded the overall flock in addition to adding cage-free layers since HPAI, while buyers in the products and international arenas have yet to return to pre-outbreak usage. Retailers have taken advantage of the low prices, promoting aggressively at some of the lowest levels seen in years. Again buying the cheapest egg in the store, demand has shifted back toward commodity eggs, hampering prior growth of the cage-free category.

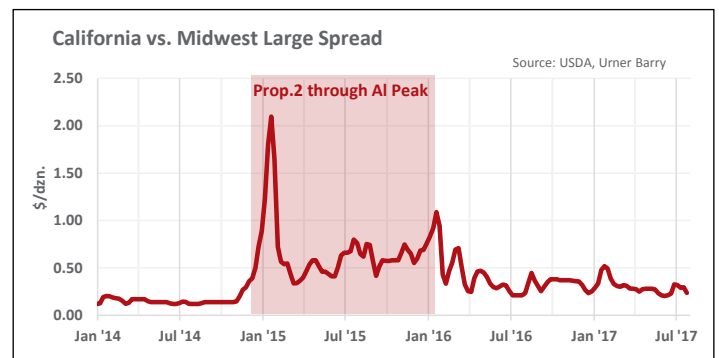
In the year and a half prior to the HPAI outbreak, retail feature prices reported by the USDA showed a spread of \$1.46 per dozen between cage free large dozens and grade A generic large dozens at retail. In the year and a half since HPAI, the same statistics show that the spread is up 21.3% to \$1.76 per dozen more. That means consumers are shelling out \$0.31 more for cage-free eggs compared to generics, which is more money than some chains promoted a

full dozen for during parts of this year. It isn't a matter of cage-free eggs being priced higher, but more a factor of how aggressively generic eggs are being offered at major chains.

Spurring these ads are low wholesale price points, but also retail "wars." Brick-and-mortar retail business has become extremely competitive. The giants in the space are using staple items like milk, bread, and eggs to drive consumer traffic away from their competitors, especially as new ones enter for market share.



The situation muddies the short-term prospects for producers that have already made the transition toward cage-free production. Surpluses in this category are shopped into alternative markets like California or export, before moving into generic channels, at times as breaking stock. Offerings of cage-free eggs into the CA market have stifled spreads with the rest of the market since Proposition 2 was implemented.



Cage-free initiatives are set to change the commodity egg market over the next 7-8 years, but for now, supplies are outpacing demand. Surpluses are moving into non-specialty channels at non-specialty prices and retailers are aggressively promoting conventional eggs to drive traffic. Most expected the transition to be a bumpy road, but the post-AI oversupply of both conventional and cage-free eggs has disheartened many early adopters. **UB**

Article contributed by Brian A. Moscogiuri | brianm@urnerbarry.com

“... consumers are shelling out \$0.31 more for cage-free eggs compared to generics...”

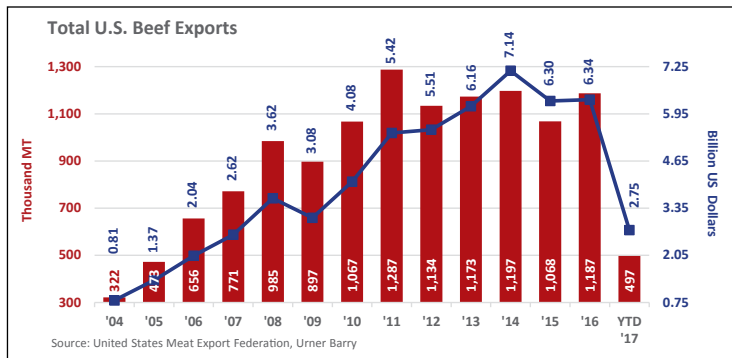
U.S beef exports continue rebound

After a stunning rebound that started in mid-2016, this year is shaping up to be a very good one for U.S. beef exports. Our major trade partners have been leading once again, but on June 12, after more than 13 years, China permitted shipments of U.S. beef. The growing demand from this region is welcome news to the industry.

The increased imports have been supported by a weakening USD against trade partners and lower overall prices and have helped with larger production levels.

Beef exports through May are at 497,322 metric tons, up 12.4 percent from last year's 442,627 metric tons. The value of these shipments is nearly 16 percent higher year-to-date at \$2.372 billion. May beef exports to both Mexico and Canada fell which shook up the top five.

Exports to market leader Japan remained strong; from January to May they are up 28 percent in volume and 32 percent in value



to \$731.4 million. Mexico still remains number two in terms of volume (95,379 mt) so far but has slipped to third in value. Mexico is the only major region that value is down year-to-date. The U.S. became South Korea's largest chilled beef supplier. Volume is up 12 percent on the year and 21 percent in value. Momentum in exports

to Hong Kong/China continued to trend higher; up 7 percent and 14 percent in volume and value, respectively. Rounding out the top five is Canada which still showed small gains from last year. Taiwan also contributed positive growth and is worth noting as U.S. beef makes more and more inroads there.

With supplies across all proteins growing, beef packers will certainly welcome the larger export business. U.S beef producers are sure to face continued competition but are looking to take advantage of some new opportunities. **UB**

Article contributed by Gary Morrison | gmorrison@urnerbarry.com

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Amazon's vision for your grocery shopping

As of late, it seems like we can't get away from seeing Amazon, the Seattle-based company, in the news.

We are reading about "Amazon Fresh," the Whole Foods acquisition, and now meal-kits? No wonder it can be hard to keep up with and distinguish among Amazon's latest ventures. When looking at each one and their sequence, we can see the path that Amazon seems to be paving for itself. We can also theorize about their logic behind each new development and what it all means for the industry.

AmazonFresh, launched in Seattle in 2007, is a grocery delivery and pickup

service available exclusively to Amazon's Prime members in select cities. Prime members can receive

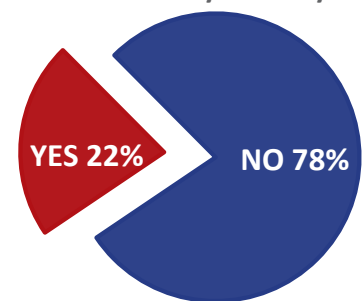
amazon

AmazonFresh benefits at an additional \$14.99/month.

According to Amazon's website, "meats, fresh produce, bread, dairy, household essentials and more" are available through AmazonFresh. At the time of this writing, AmazonFresh grocery delivery is available in Seattle, Northern California, Southern California, New York, and Philadelphia areas. Pick-up is free for Prime members with no order minimum; however, they may experience later pickup times than those who pay the additional fee for AmazonFresh. Those who pay the extra fee can pick-up within

as little as 15 minutes of ordering. There are two locations in Seattle's SODO

Have You Ever Used an Online Retailer for at Home Grocery Delivery?



Source: Morning Consult's National Tracking Poll #170606 June 20-21, 2017

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and Ballard neighborhoods that offer the pickup feature.

Amazon's \$13.7 billion bid to buy Whole Foods Market on June 16, sent many into speculation about what exactly Amazon's objective

was and what the acquisition meant for brick-and mortar stores as well as online shopping. Amazon will no doubt benefit from the new access to data involving consumer preferences and grocery operations. One of the greatest benefits is that 62% of Amazon's Prime subscribers already shop at Whole Foods, according to Morgan Stanley. Rebranding Whole Foods to shift focus to Amazon will thus be an easy transition for consumers. Amazon can facilitate and expedite the shift by using Whole Foods to build consumer trust in AmazonFresh. Online grocery services face the obstacle of consumers preferring to examine the produce they buy for quality. As Business Insider puts it, "if consumers trust that they're getting the same quality of produce through AmazonFresh as they do in Whole Foods stores, it would solve the issue." Amazon could also use Whole Foods locations as different store formats to maximize value. For example, Amazon could use Whole Foods' retail outlets as pickup locations, augmenting AmazonFresh Pickup.

On July 17, just weeks after making a bid to purchase Whole Foods, Amazon seemed to set its sights on a meal kit delivery service. According to the U.S. Patent and Trademark Office, Amazon filed a trademark for the slogan, "We do the prep. You be the chef." Research firm, The NPD Group, reports that although



Amazon Fresh Pickup store opens in the Ballard neighborhood of Seattle, Washington.

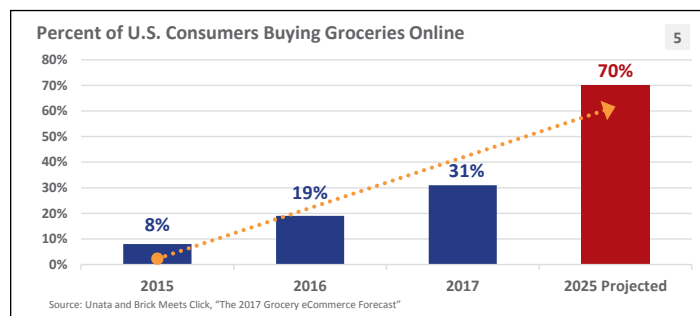
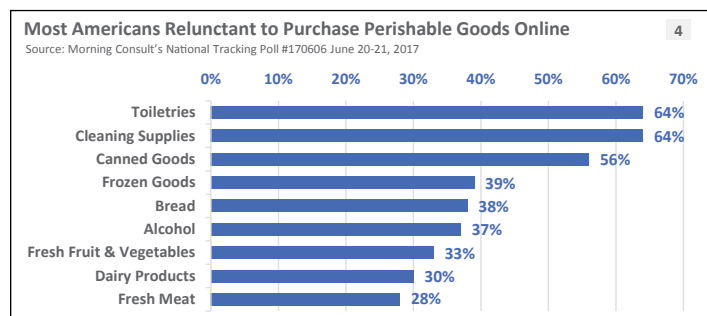
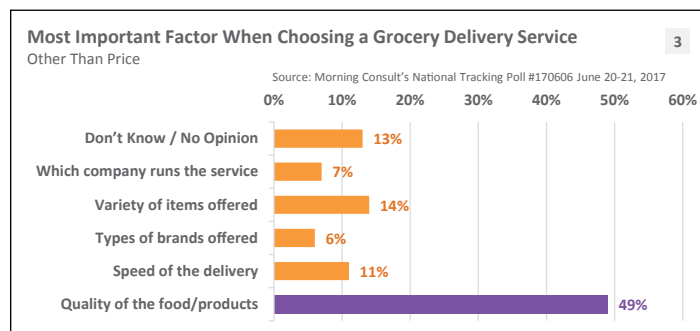
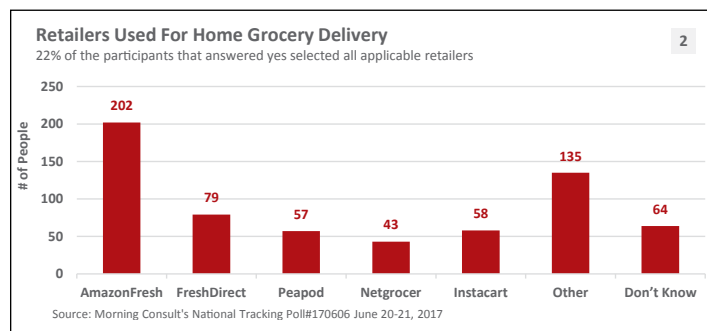
5% of U.S. households are using meal kits, the industry remains small. A concern among industry watchers is that meal kit delivery services are too expensive, but with Amazon entering the picture as a competitor, this

will ideally have the effect of bringing prices down for consumers. It is important to note that Amazon already offers third-party meal kits from Tyson through AmazonFresh.

When Amazon decides it wants to do something, pressure is put on the industry to compete on prices and logistics. AmazonFresh and the Whole Foods acquisition is expected to bring change to online and retail grocery. The purchase of Whole Foods is expected to put fresh pricing pressure on food companies. In recent news, the government has also shown concerns for the impact the merger could have. A letter signed by Marcia Fudge and 11 other Democrats in Congress, urged the Department of Justice and the Federal Trade Commission to conduct a more in-depth review of Amazon's plan to buy Whole Foods.

The deals are coming at a time consumers are becoming more conscious of the food they purchase. Such change can be reflected in companies dropping chemicals, additives, and other artificial ingredients to keep up with "fresh" demand. Amazon is seeing and seizing this opportunity. No doubt it will impact the industry. Exactly how it will impact the industry is to be seen. **UB**

Article contributed by Jocelyn Garcia Rojas | jgarcia Rojas@urnerbarry.com



Farmed seafood health myths: why we should be eating more, not less

Contributed by
Global Aquaculture Alliance

Myth 1. Farmed seafood isn't healthy to eat

Reality Check: Aquaculture is just as healthy, if not healthier, than wild seafood

The diets of farmed seafood are carefully monitored to ensure the fish produced are safe and healthy to consume. Regulations surrounding aquaculture practices are among the most stringent in the world¹. Fisheries strive to produce high quality farmed seafood while lessening their impact on the environment. One common health debate concerning aquaculture is whether farmed fish have the same amount



of omega-3 fatty acids as wild-caught fish. Omega-3s, notably alpha-linolenic acid (ALA), docosahexaenoic acid (DHA), and eicosapentaenoic acid (EPA), are healthy unsaturated fats that have been linked

to maintaining healthy blood pressure and normal brain function². New studies suggest that omega-3s may even lower the risk of several chronic diseases, including breast cancer and cardiovascular disease³. ALA is found in plant oils whereas DHA and EPA are commonly found in seafood³. Cold water fatty fish—such as salmon, mackerel, tuna, herring, and sardines—contain particularly high amounts of these omega-3s³.

In the wild, fish get their omega-3s fatty by consuming smaller fish⁴. Farmed fish are similarly fed high protein feed pellets that provide the same omega-3s⁵. Farmed fish usually contain higher levels of DHA and EPA than wild-caught fish, but these exact levels depend on the composition of the specific feed⁵.

Fish with a lower fat content—such as bass, tilapia and cod—contain lower levels of fatty acids. Even with lower omega-3 levels, these fish and other shellfish are still excellent sources of low-fat protein⁶.

Myth 2. Fish are farmed in dirty water and crowded conditions

Reality Check: Fish prefer to live together

Many fish naturally live in schools or shoals, even when there is a lot of open

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Continued on page 67



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Choice ribs hit record levels during summer 2017

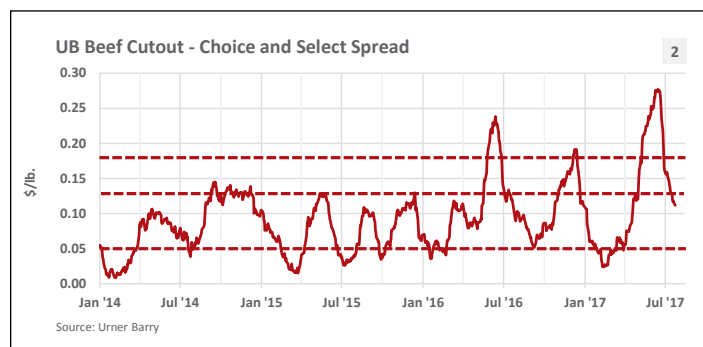
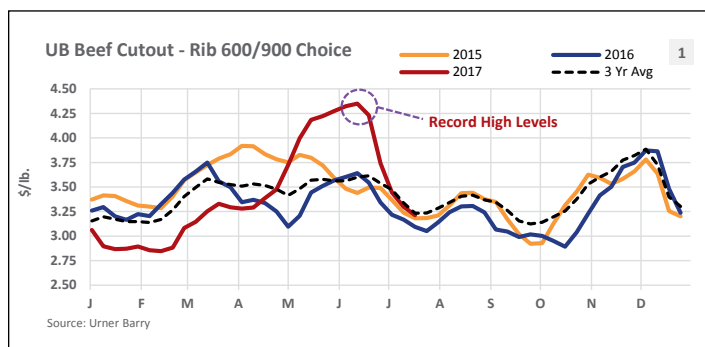
While middle meats overall carried boxed beef prices in the second quarter, it was ribs that were the true leaders.

The Urner Barry Choice rib cutout hit record levels in the middle of June (chart 1). Retailers set holiday ads for July 4th weekend but seemed to miscalculate the level of competition for product. Most appeared to think that growing beef supplies combined with normal seasonal trends afforded them the opportunity to delay

purchasing decisions, but seemed to be mistaken as they found themselves short-bought of product. The boneless ribeye was bid up to historical levels, which led to record cutout values.

As a result, there are a couple of things that happened:

First, the spread between the Choice and Select UB cutout hit record levels as well (chart 2). Grading remains good with every



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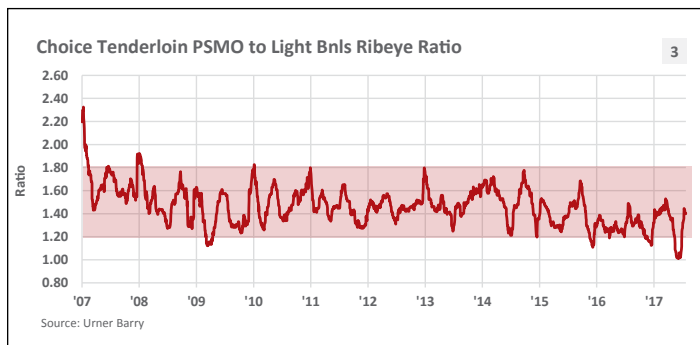
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week except one (69.83 percent) above the 70 percent level in 2017. The average is nearly 2 percent above last year. Earlier in the year, we saw records of nearly 75 percent grading Choice. The widening of the spread is indicative of strong demand from both U.S. and export consumers.

The second impact from this situation was that it resulted in altered trading relationships during this time. Ribeyes narrowed the gap to tenderloins to record lows and the former almost traded on par with the latter (chart 3). Tenderloins at one point were only 1.23 percent higher than ribeyes. How unprecedented was the ratio of 1.0123? If we look back to all our historical data, the ratio seems to find a trading range with support and resistance levels of 1.2 and 1.8, respectively. In fact, the data is within this range 91 percent of the time. Tenderloins have averaged around 150 percent of the price of ribeyes during this time and have stretched to over double the price. The outliers to the downside occurred even less than those to the upside, happening only 4 percent of the days—and 30 percent of those times have happened during this period.

There are a few headwinds that helped pushed Choice ribs to record levels which have been positive for U.S. beef packers. This has impacted some other things as well in the industry. But for the most part, it looks like both have returned to more normal levels. **UB**

Article contributed by Gary Morrison | gmorrison@urnerbarry.com



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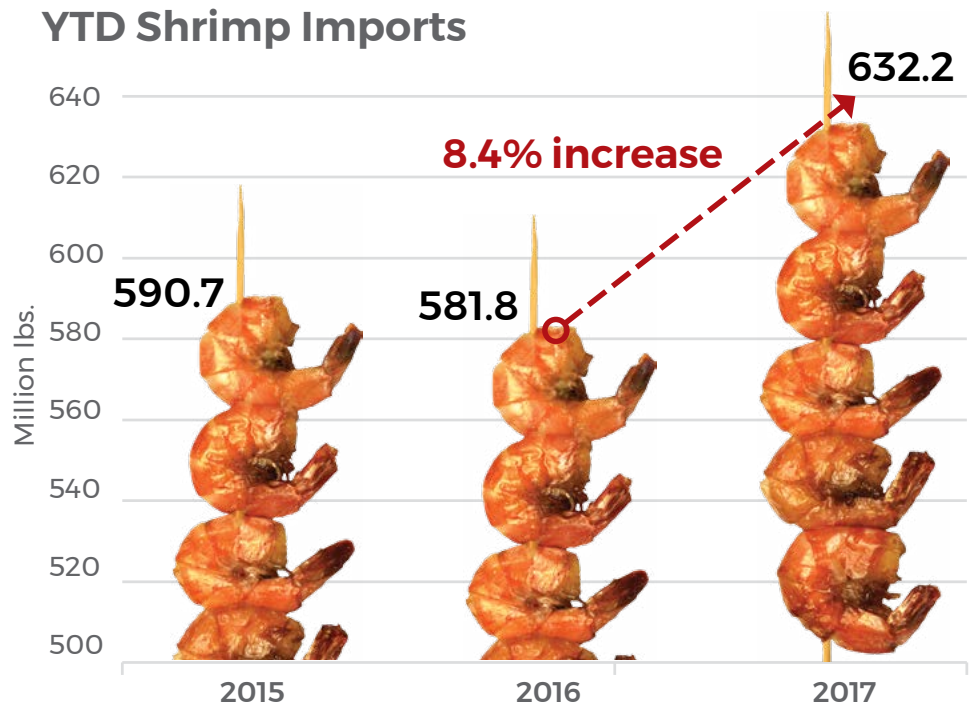


Shrimp imports continue to soar

Shrimp imports continue heavy and on record pace for the year. Imports for the month of June compared to a year ago were 15.7% higher while YTD imports were up 8.4%. Indian imports, by far, lead the supply of shrimp and account for the increase. June imports from India were up 75.6% with YTD imports 58.8% higher. Indonesian imports were 17.3% lower in June and down 3.6% YTD. Ecuador imports, despite record production, were down 8.7% for the month, but about even YTD as much of their production goes to Asia and Europe in a head-on form. Thailand and Vietnam imports were both down YTD. HLSO imports were up 3.1% for the month and only 1.6% YTD. The big increase was in peeled shrimp with a 30.8% advance for the month and 13.8% addition YTD. Cooked and breaded imports were also significantly higher. **UB**

Article contributed by **Paul Brown**
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YTD Shrimp Imports



Source: USDOC, Urner Barry

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Former governor of Georgia heads agriculture post

Former Governor of Georgia, Sonny Perdue, took the office of Secretary of Agriculture within President Trump's cabinet on April 25, 2017. Perdue, who has a lifetime of experience in agriculture, has promised to support and protect U.S. workers who make their living off of the land, "I am committed to serving the customers of USDA, and I will be an unapologetic advocate for American agriculture." According to Perdue, his advocacy will be rooted by four principles:

- Remove obstacles that inhibit the success of Americans in the agriculture labor force
- Conduct the Department as a business, and be as efficient as possible
- Provide a secure supply of safe food
- "...leave [the land] better than we found it"

A news release from the USDA following Perdue's appointment made several mentions to his goal of promoting and advancing the United States' position as a global provider of agricultural products. This is consistent with his personal business ventures that he undertook after leaving the office of Governor in 2011. Perdue Partners, as the name suggests, was founded by Sonny Perdue and his business partners. The Atlanta-based company focuses on facilitating U.S. exports. In the six years between leaving office and being appointed to Secretary of Agriculture, this business has been Perdue's main priority.

Perdue's experience in agriculture includes growing up on a farm, becoming a veterinarian, and being elected as a state legislator and eventually Governor of Georgia, an agricultural powerhouse. This history of a close relationship to agriculture is why President Trump felt so strongly about him, "Sonny Perdue is going to accomplish great things as Secretary of Agriculture.... and he is going to deliver



Sonny Perdue, with his wife Mary, takes the oath of office administered by Associate Justice Clarence Thomas.

big results for all Americans who earn their living off the land." After he was nominated for his position, the Senate confirmed the nomination of Perdue with a vote of 87-11.

The POTUS isn't the only one who is excited about Perdue. Several organizations in agricultural segments have released statements expressing their approval of the new Secretary as well as optimism for what he can do. The National Turkey Federation cited Perdue's personal experience as his biggest strength, "He understands that agriculture is the foundation of our nation and that, given a strong economic environment, America has an unmatched capacity to help feed a hungry world."

National Pork Producers Council President Ken Maschhoff stated his pleasure with the new head of the USDA, "Sonny Perdue is the kind of leader the pork industry, and the entire livestock industry, needs at the U.S. Department of Agriculture." Maschhoff also alluded to one of the challenges Perdue will face in his term in the official NPPC statement, "Also, he takes over at a critical time for agriculture, with work starting on a new farm bill and possibly on free trade agreements that would open new markets to U.S. pork and other agricultural products."

The National Cattlemen's Beef Association too was pleased with the confirmation, with President Craig Uden giving praise to Perdue, "We are excited to have a

Secretary that comes from the industry, understands the complexities of our business, and is willing to stand up and fight for the hard-working men and women in rural America."

Agricultural Retailers Association President and CEO Daren Coppock, like many others who have commented on Perdue's new position, is enthusiastic about his Perdue's life experience, "This familiarity is critical in the agricultural world, as the nature and nuances of the issues to be addressed are quite different than other sectors of the economy. His experience leading to this point gives him a firm understanding of the importance of issues like regulatory reform, trade, and agricultural labor to everyone in the food supply chain."

Barry Carpenter, President and CEO of the North American Meat Institute, echoed the optimism of Perdue's outlook on global relations, "His experience as a farmer and veterinarian will be valuable in his new role as he works on behalf of U.S. agriculture, a critically important sector of the U.S. economy and responsible for feeding Americans and people around the world."

Even though he was one of the last cabinet members to be both nominated and confirmed, Perdue has already been able to have an impact in his role. Among the work he has done so far, Perdue has met with leaders of Tribal Colleges and Universities, signed a meal-nutrition initiative for school lunches, created two new positions within the USDA, including Undersecretary of Trade and Foreign Agricultural Affairs, and awarded \$43.6 million in loans to expand broadband infrastructure in rural areas. Only months into his new role, Secretary of Agriculture Sonny Perdue is already on pace to live up to the expectations of his constituents. **UB**

Article contributed by **Thomas Lloyd**
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Easing the restrictions on nutrition



©Highwaystarz-Photography

The Trump Administration wants to “make school meals great again.”

USDA Secretary Sonny Perdue announced that the administration is beginning a new campaign to do away with some of what’s been perceived as strict school lunch standards set in place by Michelle Obama and the “Let’s Move” campaign.

According to the USDA’s website, the Healthy, Hunger Free Kids Act of 2010 allows for an “opportunity to make real reforms to the school lunch and breakfast programs by improving the critical nutrition and hunger safety net for millions of children.” The program, sparked by Michelle Obama’s mission to make America’s children healthier and more active, enacted several big changes to America’s cafeterias, which included making fruits, vegetables, protein, and whole grains a necessity.

Although the program had good intentions, it had many critics that doubted the positive impact of the campaign. The biggest skeptics? The students themselves. In fact, students began social media campaigns across the country protesting the excessively healthy meals. The satirical Twitter hashtag, #ThanksMichelleObama, went viral in 2014 and portrayed disturbing photos of student’s often inedible looking meals that were served at school.

As lunch menus in our nation’s schools got healthier, garbage cans began to fill

up—thus adding fuel to the food waste fire. In fact, Secretary of Agriculture Perdue blames food waste for the failure of these restrictions.

“If kids aren’t eating the food, and it’s ending up in the trash, they aren’t getting any nutrition—thus undermining the intent of the program,” said Mr. Perdue.

Beginning with the next school year, meals will be able to contain just a little bit more sodium, and a little less whole grain. Additionally, students will be able to get their calcium fix through 1 percent fat flavored milk, instead of the nonfat that they have been used to for the past few years.

Instead of scaring kids away from the lunch line by insisting that serving ultra-healthy cuisine is the only way to dine at school, the Trump Administration and the USDA feel that the new leniency will provide students with a fresh take on nutrition.

Although these seem like small changes, some, including the former First Lady herself, are worried that the easing of these restrictions is opening up the door to serious conditions like obesity.

According to the Center for Disease Control, 1 in 5 school-aged children has obesity. For years, both health and government officials have tried to combat this epidemic in school cafeterias. Although one nutritious meal a day may

“...the new leniency will provide students with a fresh take on nutrition.”

not be enough to keep these kids healthy, the effort has not gone unnoticed. Even Sonny Perdue himself applauded Obama’s actions for the cause that was close to her heart, saying, “I applaud former First Lady Michelle Obama for addressing those obesity problems in the past.”

All eyes will be on America’s lunchrooms this fall to find out if the new changes will help us get one step closer to achieving happy and healthy students across the nation. **UB**

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Holly Poultry: expanding its footprint

Holly Poultry, a family-owned Baltimore-based chicken processor and wholesale meat distributor, held a ribbon cutting ceremony in June to celebrate the opening of its brand new 37,500 square foot processing facility.

Zach Fine, CEO of Holly Poultry, told those who were present that “The opening of our new processing facility will enable us to quadruple our production capacity,



Zach Fine gives a tour after the ribbon cutting ceremony. Local state and city politicians, Baltimore Development Corporation staff and others enjoy an informative tour.

explore new markets, and accelerate growth throughout the Mid-Atlantic. We will be better able to serve our customers and continue to support the city of Baltimore.”

Holly Poultry has been in business under the current management since 1990, when Zach’s father Mike bought the business. The company, which serves customers from New York to Richmond, VA., currently employs about 250 people, of which about 80 percent live in Baltimore. The new plant could mean an additional 150 people will be hired.

Baltimore’s unemployment rate of 6.1 percent is higher than the state rate of 4.3 percent. Manufacturing jobs, like the ones at Holly Poultry, usually have low barriers to entry and generally require nothing more than a willingness to learn a new skill. Compensation for positions at Holly Poultry’ starts above the minimum wage and comes with health care, plus bus fare to get to work.

Labor, or the lack thereof, has been a growing concern for the chicken industry for years. In fact, it’s a problem many meat manufacturers are facing across all center of the plate proteins. Processors and further processors alike are struggling not only to hire, but also retain quality workers for their deboning and portioning lines—hence why Holly Poultry is receiving so much praise and attention. At a time when so many companies are opting out of



Zach Fine delivers the introduction at the Ribbon Cutting Ceremony. Pictured are Reverend Jones of Heart to Heart Ministries and Mike Fine.

this end of the business, they’re increasing their production capacity and adding more employees.

Holly Poultry debones, portions, and marinates chicken, currently producing about 15-20 truckloads of chicken each week.

The company also runs a wholesale commodity business, State Street Poultry & Provisions LLC, whose operations will also undergo significant renovations in 2017, including an updated cooler, freezer and offices. **UB**

Article contributed by Terence Wells
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American Royal World Series of Barbecue

Pit masters, prize money, and the prestigious title of world champion were all up for grabs Labor Day weekend at the 2017 American Royal World Series of Barbecue. For the first time in 38 years of long-standing tradition American

breast were set to infuse the competition with a fresh new flavor in hopes to take the beloved American Royal crown.

The 2017 World Series of Barbecue hosted over 50,000 attendees who anticipated

the sights and smells of barbecue's best. This year the competition kicked off August 31-September 3 at the Kansas Speedway in Kansas City, Missouri. Beloved BBQ fans have always been enthusiastic about the event as it is said to be a smoky finish to the summer!

This September was no exception as on September 3 the inaugural Turkey Smoke competition took place and the participants demonstrated their excitement about the addition to the new

auxiliary protein. More than one third of the registered teams chose to prepare turkey. The partnership between American Royal and the National Turkey Federation for this year's World Series of Barbecue was a great addition to the competition as teams were presented an extra protein to showcase even more of their BBQ expertise, flavors, and techniques.

The World Series of Barbecue is the largest barbecue competition in the world, which brings together over 500 chefs, pit masters, and amateur teams to compete in

Open Meats, Open Sides, Invitational and Kids Que Competitions. The Open Competition is available to any team wanting to compete in chicken, pork ribs, pork shoulder and beef brisket. The competition is then narrowed by judges who are looking for taste, tenderness and appearance. To advance to

the grand championship, teams must serve up their best barbecue creations for each of the meat categories. Winners of the competition are separated by what they prepare such as: brisket, pork, chicken, and pork ribs, as well as an overall crowned champion. The addition of turkey added a new flare to the competition, which turned up the heat in both the flavor and the competition. The National Turkey Federation connected with distributors to make sponsorship arrangements as a way to promote brand recognition.

In addition to the flavorful festivities, American Royal provides scholarships to aspiring agriculture and veterinary students. American Royal manages \$400,000 in scholarships and contributes \$1,000,000 annually to agricultural education, scholarships, and competitive learning. Scholarships are given out to advocate the food and fiber industry and develop leadership skills within the food industry.

Additionally this year was the chance to experience famous Kansas City barbecue, giving guests the opportunity to purchase a sample of barbecue from some of the



The Kansas Speedway, the venue for the 38th annual World Series of Barbecue.

Royal introduced the Turkey Smoke auxiliary competition in addition to the Open Competition and Invitational Competition. The event was hosted by National Turkey Federation in union with the American Royal Association, marking the addition of the first new meat allowed to compete in the almost half-century old traditional BBQ event. The festivities were highly anticipated as the best barbecue chefs were competing head to head in Kansas City, Missouri.

As the most talented BBQ buffs were on hand to compete to please the judges, the addition of this protein was instrumental in demonstrating the versatility of turkey in both smoking and grilling. The ability to incorporate turkey drumsticks, pulled turkey, turkey tenderloin, and savory turkey



Recipients of the 2016 American Royal Royal Scholarship.



The World Series of BBQ 2016 at Arrowhead Stadium in Kansas City, Missouri.

famous restaurants, caterers, and BBQ teams in Kansas City. This portion of the event was also classified as part of the festival, where BBQ enthusiasts are invited to enjoy the BBQ and food along with live music. **LB**

Article contributed by **Caroline DeMartino**
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Fake food labels

The USDA National Organic Standards Board determined that “organic” food must be produced without the use of conventional pesticides, petroleum-based fertilizers, sewage-sludge-based fertilizers, herbicides, pesticides, genetic engineering, antibiotics, growth hormones, or irradiation.



This may seem like many hoops to jump through just to get the “organic” USDA certification, but the growing demand for organic foods has made those hoops worthwhile for competitors in the industry. However, with the increased demand comes a price. Certified organic food averages 43% more expensive than its conventional counterpart. As the market for certified foods expands, it is inevitable that producers will need to try harder to get a piece of that 43%.

Other official food certifications vary extensively. These include, but are not limited to: organic, gluten-free, fair trade, made in America, natural, non-GMO, fat-free, as well as religious certifications such as Kosher, Halal, and the list goes on and on. The big takeaway is that the exact definition and standards to be met to receive these certifications are occasionally dim. For example, for a product to be considered “fat free,” the product needs to contain less than 0.5 grams of fat per serving. The product still technically contains fat while giving the façade of being completely devoid of such. Additionally, if a consumer has more than one serving of the product, the grams begin to add up. Manufacturers end up making serving sizes small in order to work around this. The serving size recommendation on a bag of Oreo cookies is two; who only has two Oreos? In other cases, a production company may slap a label on a product making claims that never needed to be claimed in the first place, such as “gluten-free water.” This strategy targets audiences who identify

themselves with stagnant diets, such as gluten-free, and brings attention to aspects of their product which were previously assumed and did not need to be labeled.

There is also the notion of a person’s innate feeling of duty that he/she owes it to society to purchase a product that is beneficial to themselves, others and the planet. There is an emotional appeal in purchasing a product that is natural because the purchaser feels that they are committing a good deed for themselves and the environment by supporting natural options. It is this exact emotional appeal that producers target in labeling foods. While there is a rigorous and selective three-year process for obtaining the USDA organic certification seal, there is no such process for the “natural” label. Hypothetically, a grower or manufacturer could include all of the banned components in organic products and still put the label “natural” on the product. There are varying definitions for a manufacturer to consider its product “natural,” but there is still no certifiable, enforceable standard to say how the product was raised or fed. The variance in claims is particular to personal care products where ratings have not been as clearly defined as it has for food.

Both consumers and retailers benefit when the retailers, manufacturers and processors do their due diligence on products related to quality, safety and transparency of information and labeling. Going through the rigorous, selective three-year process

of receiving the USDA organic certification is, in many cases, worth it considering the new appeal it has in the market. The USDA stamp of approval provides reassurance, credibility and trust to a company and its products. A large part of why food label irregularities are a problem in today’s market is a result of loose

regulation on the terminology of labeling. It is imperative that a manufacturer as well as consumers alike do their research and ask questions accordingly to ensure the delivery of accurate food labeling. **UB**

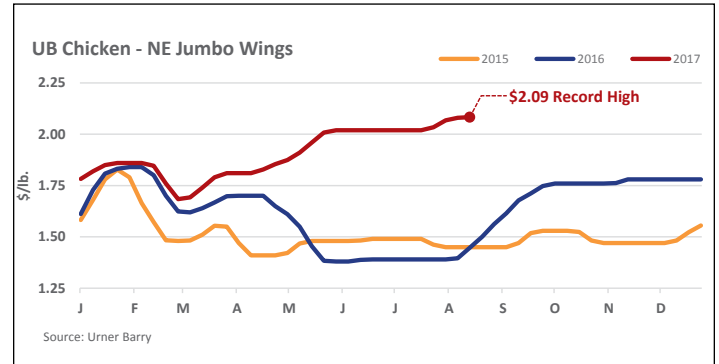
Article contributed by Joseph S. Govea
jgovea@urnerbarry.com

An advertisement for Turkey Valley Farms. At the top is the logo 'TURKEY VALLEY FARMS GROWER-OWNED SINCE 1913' with a small farm illustration. Below the logo is a red banner with the text 'DRESSED FOR SUCCESS!' in white. In the center is a large image of a turkey in its packaging, which also features the Turkey Valley Farms logo. At the bottom, the text reads 'CALL US FOR YOUR CO-PACK TURKEY NEEDS' in red, followed by the phone number '507.337.3100' and the website 'www.turkeyvalleyfarms.com'.

Chicken wings reach record high ahead of football season

A number of articles have been written over the last couple of months highlighting the rising cost of chicken wings and its impact on the restaurant industry. Most of the journalists who have covered this story have focused their analyses on increased demand and how it's driven wholesale wing prices to record-high levels. Very true. Not only are there more wing-focused restaurant chains today than there were 10 years ago, but many of them are adding units at an accelerated pace. Furthermore, there's a growing number of non-wing-focused restaurant chains that feature wings on their menus (i.e. pizza shops, fast food, QSR, etc.). And don't forget about the retail sector (fresh prepared foods department), convenience stores, or stadiums either! Wings have become one of the most popular finger foods ever; they're wanted everywhere, which is making it more difficult to buy and supply them.

“Wings have become one of the most popular finger foods ever...”



In May, jumbo whole wing values eclipsed the previous record high of \$1.92/lb., which was set in 2013. Since then, they haven't looked back. At the time of this writing, Urner Barry's NE Jumbo Wing quotation was listed at \$2.09/lb. and climbing. Typically, in May (following the NCAA March Madness Tournament), chicken wing values are either trending towards or have already hit their offseason low. This year however, fresh demand was so strong that market values never adjusted any lower. But there's more to it.



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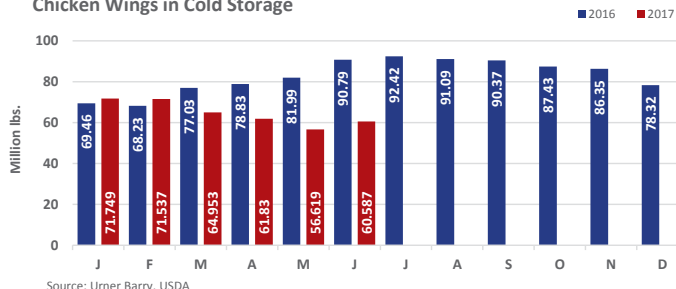
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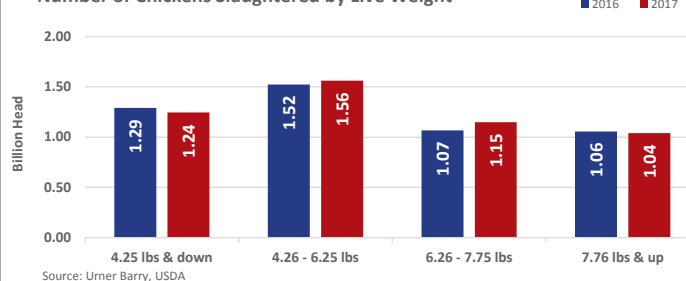
Chicken Wings in Cold Storage



One of the ways we can confirm that fresh demand is as strong as being reported is by looking at the USDA Cold Storage report. Between July 2016 and May 2017, freezer inventories of chicken wings declined month-to-month; that's 10 straight months! Typically freezer inventory levels move higher after the Super Bowl and March Madness tournaments. However, that wasn't the case this year. In June, there were just 60 million pounds of wings in cold storage. That's 30 million pounds or 33% less year-over-year and equates to about 750 truckloads of wings. Again, what this tells us is that the chicken wing market was not propped up artificially. Wings are being consumed at this pace in fresh form—ergo, increased demand.

In recent years, the chicken industry has not only increased its head count year-over-year, but average live weights have grown at a considerable rate too—until this year. Total head count through August was up about 1.5%, but average live weights were trending lower. Why is this important? Well, if the total head counts increase, but not the average live weights, then the change in total ready-to-cook pounds may be minimal. Through late August, total ready-to-cook pounds was higher by less than 1%, which is light in comparison to previous years and less than what the USDA had forecasted. Also, if bird weights decline, then it takes more wings to fill a box.

Number of Chickens Slaughtered by Live Weight



Each week, the USDA releases a slaughter report that breaks down the total head count by various weight ranges. While total number of chickens slaughtered this year has risen by 1.5%, the jumbo bird category (7.76 lbs. & up) has actually declined by 1.6%. If that's the sized wing that everybody wants and they want more of them, then it's no wonder why buyers are struggling to secure additional loads—especially being that there's fewer chickens available out of the jumbo bird category.

So while demand is certainly playing a key role in the chicken wing market this year, a number of other factors are contributing to the year's record setting market. To view more analyses like this, visit www.ubcomtell.com. **UB**

Article contributed by Terence Wells | twells@urnerbarry.com

Enticing consumers with

Packaging has always been an essential aspect of telling a product's story. Every aspect from the look, feel, and design of a package can make or break consumer perception of the product or brand. There are several new trends being introduced within the packaging industry that could affect consumer buying habits.

Eco-friendly packaging is not a new concept; however it is one that continues to evolve over time. In the beginning, key industry players were the ones implementing environmentally friendly aspects into their product packaging. Now, even the smaller industry players are trying to reduce their company's carbon footprint and attract consumers with an eco-friendly message. Many are encouraging recycling of their product by changing the packaging. For example, PepsiCo's popular "Naked" beverage comes in a 100% post-consumer recycled plastic bottle. Also, because they

cannot be separated, packages that have multiple layers are sometimes difficult to recycle. As a result companies are now implementing strategies to reduce the amount of layers to allow for better recyclability. Some also look to make packaging lighter, which in turn could be cost-effective and environmentally friendly. That said, being an environmentally conscious business sometimes forces them to face difficult fiscal decisions and they must be attentive in their approach.

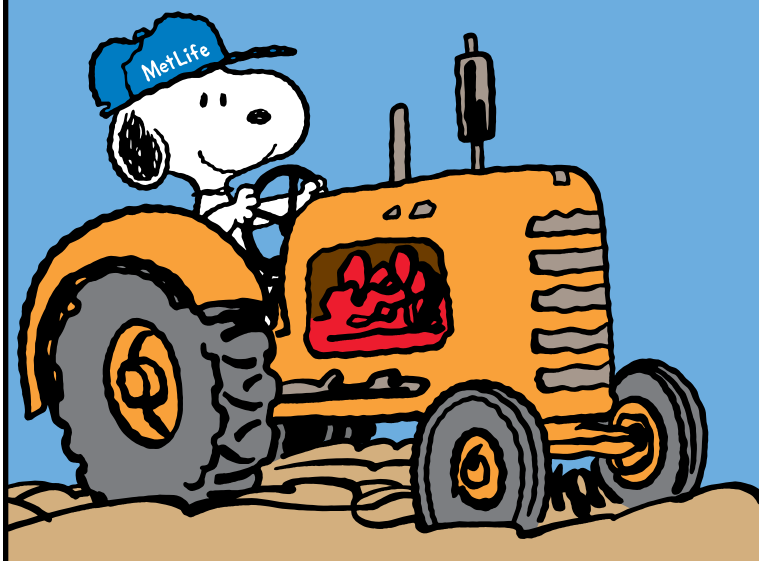
Personalization is a trend that can tug at consumers' heart strings and enhance the buying experience. We have seen the introduction of names on Coca-Cola bottles with the "Share a Coke" campaign, the "MyHeinz" customer ketchup bottles, and the Kellogg's "Photo-on-a-box" campaign, what will follow next? Brands are now trying to reach consumers on a more personal level, engaging with them

"Brands are now trying to reach consumers on a more personal level..."

to deliver a more positive, rewarding experience. According to Forbes, "61% of U.S. customers feel more positive about a brand when the marketing message is personalized." Companies focusing on personalization of everyday products are certain to attract positive attention as they appeal to their customers as unique individuals rather than one size fits all.

Visually attractive packages will no doubt catch a consumer's eye, but what about appealing to their senses? Many companies are using the sensation of touch to enhance consumer perception of their

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personalized packaging

product. Using various techniques to create tactile packaging—whether creating grooves for texture, indents for better grip, or a gel indicator that lets you know when an item is past its expiration date—is an increasingly adopted practice. The use of specialty paper, embossing techniques, laser-etching, and a host of other creative packaging applications leads to endless possibilities.

These days there is an easy way for consumers to get information on a product aside from the overview given directly on the labeling. Mobile-engaged packaging is no doubt a trend that is perfect for tech-savvy consumers. By using QR codes, technological developments such as Bluetooth low-energy and near-field communication, companies can use these signals to communicate further product information directly to the consumers' Smartphone. In some instances, a simple tap pulls up an abundance of information



from nutritional facts to ingredients, expiration dates and more.

As businesses and their brands look for innovative ways to engage and connect with consumers, the mobile environment in addition to eco-friendly

and tactile packaging along with endless personalization options is the new tactic to win brand loyalty while telling the story of the product within. **UB**

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Seafood-inspired beers are the refreshing drink you didn't know you wanted

Lobster or oysters: We're not naming options for dinner at a seafood restaurant—we're talking about beers.

The craft beer industry has introduced a number of unique kinds of brews, from grapefruit IPA's to coffee stouts, but perhaps one of the biggest head scratchers when it comes to a good ol' glass of suds is beer that's inspired by seafood.

Pat Mullen, brewer and owner of Belfast Bay in Maine, first began brewing his Lobster Ale in the late 1990s. A copper "red" ale with medium hops, beer drinkers along the East Coast can easily spot the tap handle, which was designed to look like a

giant lobster claw—and not just any lobster claw, one that Mullen personally caught. But Mullen doesn't actually brew his Lobster Ale with the crustacean.

"Lobster is very difficult to put in the beer because it could mutate the yeast," he says. And that's not the only reason why. He doesn't want those who are allergic to shellfish to miss out on drinking his ale.

"A lot of people not only ask us if there is lobster in the beer because they're curious, but because they're allergic to seafood and won't dare drink the beer until they ask us if there is lobster in it," Mullen explains. And those that call the number on the side

of a bottle of Belfast Bay Lobster Ale can ask Pat Mullen himself if there is lobster in it. The number is Mullen's direct line.

How did Lobster Ale get its name then? The inspiration came from Mullen's wife, who told him that if he's going to make a red ale, he's got to call it Lobster Ale. And Mullen's wife was certainly onto something. Shore communities carrying Belfast Bay's Lobster Ale sell the beer because it's a novelty—a nod to sunny days on the beach, fishing excursions and summer vacations.


But not every beer bottle that has a lobster or some other sea creature on the label is simply there for looks. Take the Pearl Necklace Chesapeake Stout from Maryland based brewery Flying Dog, for example. This stout is made with roasted barley, midnight wheat, cara-pils and, oh yeah—real oysters from the Rappahannock River.

As Maryland's largest brewery, Flying Dog brewmaster Ben Clark says that they wanted to bring awareness to the Chesapeake Bay. A couple years ago the crew at Flying Dog met with the owners of Rappahannock River Oysters to form a partnership. They learned about their re-seeding program and found some parallels with brewing. Clark says that it just seemed like a "natural fit" to work with them.

And so the Pearl Necklace Chesapeake Stout was born, with proceeds benefitting the Oyster Recovery Partnership, a non-profit that coordinates and conducts oyster restoration in the Chesapeake Bay. Yup, beer can be delicious and helpful.

If you dare to be as adventurous as us, be sure to check these seafood-inspired beers off your bucket list. **UB**

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Belfast Bay Lobster Ale

Brewed with the red ales of Canada in mind, Belfast Bay's Lobster Ale is "user-friendly" and easy to drink. If seafood in beer doesn't sound appealing to you, this is the one beer on the list for you.

Flying Dog Pearl Necklace Chesapeake Stout

"We work with a lot of non-traditional ingredients," says brewmaster Ben Clark. And anyone who looks at Flying Dog's portfolio will certainly agree. This rich stout does feature oysters in it, but that won't stop someone with a shellfish allergy from enjoying it. Clark explains that they sent the beer out for independent testing and even quadrupled the amount of oysters in the beer to be sure that it wouldn't trigger an allergic reaction.



Kelpie Seaweed Ale

Made in Scotland, this microbrew might be labeled an ale, but it tastes more like a stout. Fresh seaweed is actually included in this beer; however, the aftertaste is more of a "seabreeze" than a mouthful of seaweed.

Oxbow Saison Dell'Aragosta

Maine's Oxbow collaborated with Italian craft brewery Birrificio del Ducato to make their Saison Dell'Aragosta. Oxbow founder Tim Adams says that the idea to brew a beer with live Maine lobsters came about over a lobster roll dinner with their Italian guests. But this beer is anything but fishy. "We don't use a large quantity of lobsters, just enough to add a subtle sweetness and salinity," says Adams. The result is a tart, yet refreshing sour-style beer. One batch is brewed annually, making the release highly anticipated in the area.



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'The Oyster Farmers' documentary sheds light on New Jersey's lost oyster culture

An oyster renaissance is happening in Ocean County, New Jersey, and you probably don't know much about it.

When it comes to the salt water bivalves, most shellfish lovers just focus on dipping them in mignonette or topping them with some horseradish. But where do those oysters come from? How are they getting to your plate? It's an interesting answer for those who live in or visit the Barnegat Bay area.

Oysters have been in the Barnegat Bay since pre-colonial times; harvested for decades by local fishermen who made a living selling them along the shore. But that hasn't been the case for many years. Overharvesting, disease, storms and land development have caused the oyster population to decline. The good news is that there are plenty of people working



These piles of oyster shells were collected from restaurants in Ocean County, New Jersey, that are participating in the Oyster Recycling Program.

together to rebuild the lost oyster culture—and *The Oyster Farmers* documentary has captured just a small part of their journey.

Directed by Corinne G. Ruff, produced by Angela Anderson and edited by Brendan Walsh of Oak Leaf Media, *The Oyster Farmers* introduces viewers to the faces of the baymen, baywomen, oyster farmers and aquaculturists who are the driving force in the oyster resurgence.

The film walks viewers through the steps of oyster farming—touching on the regulatory road blocks that Forty North Oyster Farms faced prior to opening, all the way to a shell recycling program that is now in place to help oysters grow. It's an informative and eye opening look at something that most people probably don't think of while they're shucking and sucking oysters at a raw bar on Friday night.

"The point of the film, at least for [Ruff], is that there is supposed to be this cycle in nature to return the shell, to give a habitat and to grow the animal again," says Walsh. "We've been taking, but we haven't been putting back for hundreds of years."

That's certainly changed now. The documentary looks at a 2015 partnership with Stockton University's Marine Field Station, Parson's Mariculture

and the American Littoral Society, which resulted in funding from the Barnegat Bay Partnership to build an on-the-bottom restoration site in the southern Barnegat Bay watershed, create

a two-acre research site and launch the Oyster Recycling Program.

"The recycling program is a huge piece that's been missing for a long time," says Walsh. "Long Beach Township is the first municipality in New Jersey to really invest in a bigger way. They're collecting shells from five to 10 restaurants

right now and Dale Parsons Jr. [a fifth generation oysterman who is featured in the documentary] is curing them and bringing them out to the research reef that he built."

The Oyster Recycling Program is what Walsh views as the bigger picture of the film.

"The challenge with documentaries is that there is no real ending to the story," says Walsh. "At least in this case it's still going on ... it's just the beginning."

The Oyster Farmers story continues on Instagram thanks to the Oyster Recycling Program's @followtheshell account. **UB**

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Oyster

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Oysters on the half shell.

©iStockphoto.com/James Antrim

Oysters are bivalve molluscs in the family Ostreidae. There are some 200 species worldwide, but fewer than a dozen are used commercially. Commercial oysters are all from two genera, *Ostrea*, which are the flat oysters, and *Crassostrea*, which are the cupped oysters. Oysters were farmed 2,000 years ago by the Romans, and almost all commercial production today is farmed to some extent. Oysters generally prefer estuarine conditions where the salinity is quite low.

Oysters are filter feeders, which means that they absorb their food by pumping water through their systems and extracting the small organisms they need. Like other shellfish, oysters are subject to the controls of the National Shellfish Sanitation Program which covers all aspects of shellfish growing and harvesting and requires all containers to carry the tag of the shipper.

Typically eaten raw, oysters can be prepared in a number of ways including baked, boiled, broiled, fried, grilled, roasted, smoked or steamed. They are low in calories and rich in iron and the whole animal is eaten except for the shell. Oysters are expensive and many times reserved for special occasions and holidays like Thanksgiving and Christmas.

Oysters have developed a subculture among purists much like the communities that have developed around wine and cigars. These purists insist on eating oysters raw with little or no accompaniments. Flavor, texture and meat content vary a great deal among varieties and regions and are typically marketed by name indicating their locale.

Entire restaurants have been conceived around the oyster. The most famous, The Grand Central Oyster Bar & Restaurant in New York City, offers 30 different varieties of oysters.



Live oysters on display at Fulton Market.

In the East, oysters have several names:

Blue Points (Long Island, New York)

Apalachicolas (Florida)

Wellfleets (Cape Cod, Massachusetts)

Malpeques (Quebec, Canada)

On the West Coast a few varieties that are commercially available are as follows:

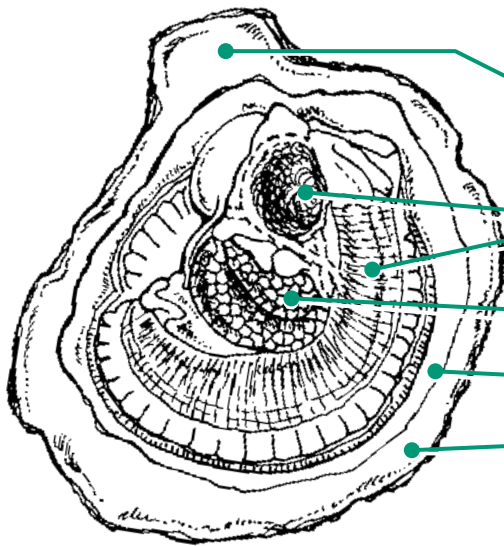
Cortez Island and **Fanny Bay** (British Columbia)

Westcott Bay Sweet (Washington State)

Yaquina (Oregon)

Hog Island Pacific (California)





Oyster Anatomy

- **Hinge** – The ligament that joins the two shells and acts to open the shell.
- **Gills and Stomach** – The gills filter and collect food which the stomach digests.
- **Adductor muscle** – The muscle that closes the shell.
- **Mantle** – The meaty body part.
- **Valve** – The shell. The oyster has two shells and is therefore called a bivalve.

Oyster Products

Shellstock

Oysters in the shell. Used mostly for serving oysters on the half shell.

Frozen whole and half shell oysters

Easier and cheaper to distribute and, if processed correctly, indistinguishable from those freshly shucked.

Oyster meats

Fresh shucked oysters are offered in containers ranging from half a pint to one gallon.

Frozen oyster meat products

Individually quick frozen in small molds, the oysters are uniformly shaped. Also available in blocks.

Coated oyster meat products

Available in a number of different coatings. Utilized for fried or battered offerings.

Canned oysters

Frequently canned, the tougher meat is suitable for stews and chowders.

Crassostrea virginica



Ostrea edulis



Bringing new turkey trends to the table



Turkey bolognese stuffed shells.

On Wednesday, June 28, the popular chef and blogger, Gaby Dalkin of “What’s Gaby Cooking,” partnered with the National Turkey Federation to launch a Facebook Live broadcast which had viewers from all around the world tune in to see how to incorporate turkey into unique dishes.

In the highly-anticipated broadcast, Gaby cooked up a simple “Turkey Bolognese Stuffed Pasta.” The dish was made with white meat ground turkey, because it was what her local market had in store, but she added that dark turkey meat is incredible and she uses it “all the time!”

Gaby’s new spin on an Italian classic is as easy as it is

“Turkey is something near and dear to my heart. It’s lean protein, healthy, and I love it.”

delicious. She mentioned how traditional Bolognese would take hours to make, but no one has time for that these days. The entire dish, which is perfect for a dinner party or just a simple weeknight meal, was completed in only 25 minutes.

Gaby is no stranger to turkey, and talked enthusiastically of turkey’s health benefits and taste. According to Dalkin, “Turkey is something near and dear to my heart. It’s lean protein, healthy, and I love it.”

In fact, in her online adaption of this recipe on her website, Dalkin calls turkey the “perfect protein.” In addition to this particular recipe, Gaby also provided information on her Turkey Tacos and Turkey Meatballs, proving that turkey is a versatile protein and can be used in countless recipes.

With over 10,000 views, Urner Barry asked the question,—“Why do you think turkey is not used as often as chicken and beef in recipes?”

Gaby responded to the UB team, saying, “I think people just don’t know what to do with it all the time, and now you have recipes like this or the tacos I’m posting tomorrow or the meatballs I’m posting in a couple of weeks. You can use ground turkey meat for any recipe that calls for ground chicken, and you kind of have endless possibilities, and I love it! It’s really good for you too.”

The Facebook Live broadcast was the perfect way to celebrate the end of National Turkey Lovers’ Month, and give viewers an idea of how to incorporate this “perfect protein” into their kitchens. **UB**

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Ag business requires specialized solutions to common concerns

Environmental stewardship, plant efficiency, cost volatility, margin enhancement—each of these topics are shared concerns and responsibilities among America's corporate decision makers. Effective application of protocols designed to improve not only corporate profitability but consumer approval and support, is crucial to the successful execution of any business.

Business models vary widely, and the food industry is especially unique. Unlike traditional industries, agriculture is farm-based. This brings with it special problems and scenarios. True resolve of issues or successful implementation of profit-enhancing strategies is only possible through careful analysis of the challenge at hand, and then through proper application of the solution. With so many variables specific to agriculture—volatile feed costs, temperature and climate influences, animal disease and food-borne illness, worker and animal welfare issues, disposal of manure and by-products, not to mention the constant battle of answering to fickle and always-changing consumer dining habits—specialized software is helping some of the biggest players in food production accomplish what they can't get done on their own. By harmonizing all information and communications, everyday business decisions gain input and output transparency that would otherwise be unavailable. Whether industrial or agricultural, corporate America and its international counterparts are increasingly turning to progressive solutions designed to more effectively run their operations.

In the food and protein industry, specific software is available to help food purveyors with everything from pricing and budgeting to operator discounts and broker commissions. One example is Blacksmith Applications' FORGE®. This trade promotion management application is distinct in its application for retail and foodservice. Issues central to the food industry including volatile



commodity prices and thin margins (or no margins at all) create an environment with its own set of obstacles. According to Paul Wietecha, president and CEO of Blacksmith Applications, the difference is in the perspective FORGE® provides their customers. "The mission at Blacksmith

is to dramatically change the vantage point from which Foodservice decision makers consider strategies to improve profitability. Our application enables customers to gain unprecedented visibility into their trade spend data."

Software solutions for increasingly difficult challenges have helped enhance cost efficiencies and overall workflow for years. With advancement in technology, applications uniquely designed for specific industries, such as food production and distribution, are emerging. Now purpose-built software allows enhanced business-decision-making and business results from almost anywhere and at anytime. **UB**

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U.S. chicken consumption remains at all-time high, growth tempers somewhat

Contributed by the National Chicken Council

U.S. consumers report their chicken consumption remains high although 2017 levels have moderated and returned to those seen a couple of years ago, according to new research presented at the 2017 Chicken Marketing Summit in July.

Recalling behavior during the two weeks leading up to the survey, 84% of consumers said they ate a chicken meal or snack purchased from a supermarket and 67% ate a chicken meal or snack from a food service establishment. Both supermarket and food service establishment consumption numbers decreased, 3.4% and 6.9% respectively, and are now at parity with those seen in 2015.

“The U.S. Department of Agriculture projects Americans will eat close to 92 pounds of chicken per person this year, breaking last year’s record of 91 pounds,” said NCC Senior Vice President of Communications Tom Super. “Although consumers’ self-reported consumption is down slightly in the survey, the data show that chicken is still top of mind for consumers.”

Although past two week consumption has decreased somewhat, consumers’ taste for chicken shows no signs of waning. In the next 12 months, 21% of consumers anticipate eating more chicken from the supermarket and 13% anticipate eating more from a food service establishment. Consumers with the highest consumption levels tend to skew younger and be more ethnically diverse and live in larger households.

As part of the survey, consumers were asked to rank various factors on satisfaction and in order of importance. Regardless of purchase channel, the importance of freshness, taste and price rise to the top. Consumers are satisfied with freshness and taste, however satisfaction with price at supermarkets is somewhat lower.

Overall, the majority of consumers purchase uncooked or precooked chicken at the supermarket to prepare or reheat at home. While Gen Xers and Baby Boomers are more likely to purchase uncooked chicken to cook at home, Millennials are twice as likely as their older counterparts to buy pre-cooked chicken and eat it in the store.

When prompted, 69% of consumers were extremely or very concerned about food safety, and 57% about hormone/steroid use, and 55% about antibiotic use. Although still low, concern is growing about the time it takes to raise a chicken – 26% were extremely or very concerned this year while 19% were last year.

When it comes to reasons that consumers purchase chicken over other types of meat, its healthiness, versatility and convenience top the list.

Consumers are being exposed to media coverage relative to the care of chickens. Nearly three-quarters said they have seen articles in the past year and most of those would characterize the tone of the coverage as neutral or negative.

Consumers consider themselves to be knowledgeable about the care

of chickens yet most have incorrect perceptions. In an exercise where they were asked to identify statements about the care and raising of chickens as true or false, the majority answered incorrectly for most statements.

The survey was commissioned by the National Chicken Council and conducted online by ORC International June 5–8, 2017, among 1,013 adults. Funding was provided by Elanco and WATT Global Media. **LB**

The accompanying graphics are excerpts from the NCC Marketing Summit held on July 18, 2017 in Asheville, NC



©iStockphoto

Despite slight softening, consumption remains high



SUPERMARKET Chicken Consumption Behavior

Eaten Chicken Meal/Snack from Supermarket in Past 2 Weeks



Average Number of Times Eaten Chicken Meal/Snack from Supermarket in Past 2 Weeks



FOOD SERVICE ESTABLISHMENT Chicken Consumption Behavior

Eaten Chicken Meal/Snack from Food Service Establishment in Past 2 Weeks



Average Number of Times Eaten Chicken Meal/Snack from Food Service Establishment in Past 2 Weeks



Arrows indicate a significant increase/decrease from previous year at the 95% confidence level.

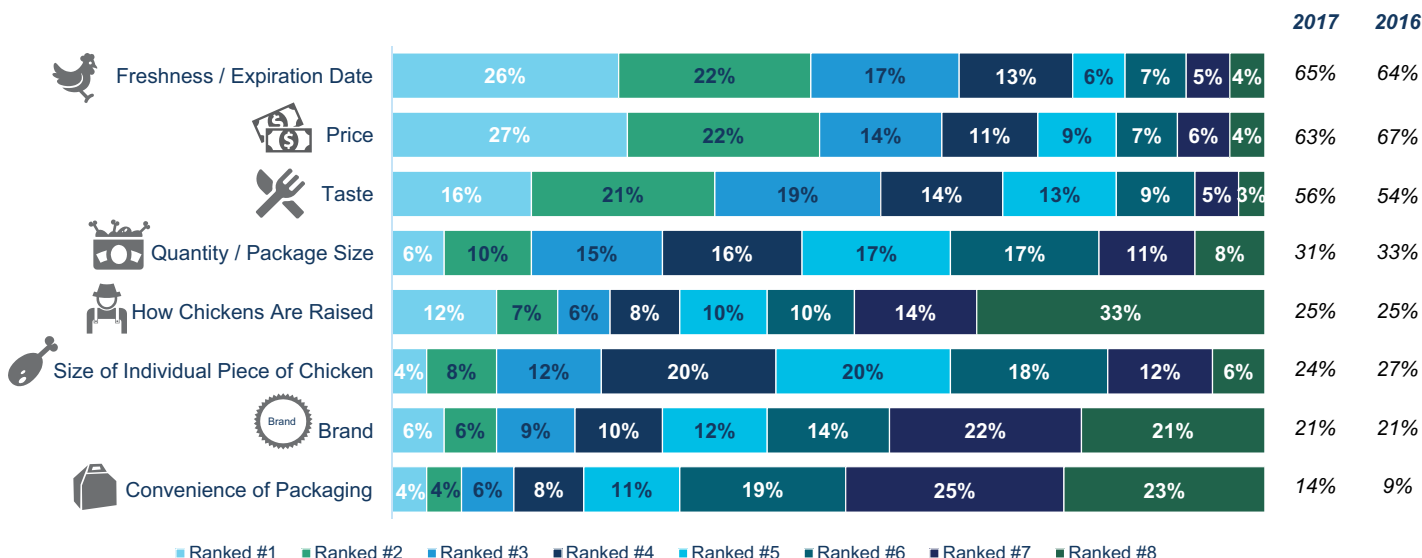
Freshness and Price top the list for consumers at supermarkets

Attribute Importance for Most Recent Chicken Purchase *from Supermarket*

Base: Purchase Chicken (961)



Ranked #1, #2, or #3



Ranked #1 Ranked #2 Ranked #3 Ranked #4 Ranked #5 Ranked #6 Ranked #7 Ranked #8

C7. Thinking about your most recent chicken purchase from a supermarket or other retail grocery store, please rank the following factors in order of importance.

U.S. shoppers use grilling as a way to celebrate



Adapted from an article that originally appeared on Foodmarket.com on August 11, 2017



In recent years, grilling has become much more than just a summer pastime, with 71 percent of U.S. grocery shoppers grilling eight or more months a year, according to Acosta — a leading full-service sales and marketing agency in the consumer packaged goods industry — and the company's 2017 grilling insights. The research, which was released just in time for National Grilling Month and National Picnic Month, is the third annual survey analyzing the grilling habits and preferences of U.S. grocery shoppers, and shows that the percentage of respondents who grill year-round has continued to hold steady, with 47 percent of respondents indicating grilling is a tradition for them, and 43 percent feeling it's more sociable than other methods of cooking.

"Once again, our research shows that grilling continues to be a popular, year-round method of cooking," said Colin Stewart, Senior Vice President at Acosta. "Whether using a gas or charcoal grill, shoppers view grilling as a social activity and something they always do, making it the perfect way to celebrate special events and holidays with family and friends."

Acosta's 2017 grilling survey also provided insight into the following:

Why is grilling a popular year-round method of cooking?

By grilling beyond warmer-weather months, it's clear that grillers like this method of cooking for a variety of reasons other than just enjoyment of the outdoors.

- Seventy-nine percent choose to grill because it provides a better taste or flavor.
- Fifty-four percent elect to grill because it doesn't heat up the house like cooking on a stove.
- Significantly more females (43 percent) prefer this method because it gives them a break from cooking, as their spouse or another member of the household typically does the grilling.
- Significantly more males (43 percent) prefer grilling because it is cost-effective.
- Thirty-three percent feel grilling is easier than using the stovetop or oven.

When are shoppers firing up the grill?

Contributing to the year-round longevity of grilling, shoppers enjoy it as a means of celebrating annual holidays and other special occasions, and for many, it has become a tradition.

- Spring and summer holidays are still a “hot time” for grilling, with grillers using this method to cook for Mother’s Day (44 percent), Memorial Day (78 percent), Father’s Day (53 percent), Independence Day (80 percent), and Labor Day (73 percent).
- Sixty-three percent of grillers cook outdoors for family reunions or picnics.
- Fifty-eight percent grill to celebrate a birthday.
- Sporting events also provide a good reason to grill, with 42 percent grilling at home to watch a big game and 31 percent grilling at a tailgate.

Where are grillers finding recipe inspiration?

Grillers are using a variety of online and offline sources to get new recipes, tips and ideas for foods they can throw on the grill.

- Digital resources are a main source of these ideas, with grillers using recipe (45 percent), cooking show (39 percent), grilling (27 percent) and food-company (24 percent) websites for recipe ideation.
- The social factor is also influential, as 55 percent of grillers get recipe ideas from family or friends, and 36 percent use social media platforms to gather ideas.
- Even with the significance of digital in this space, grillers are still relying on traditional cookbooks for recipe inspiration (40 percent).

“With grocery shoppers viewing grilling as a cost-effective and convenient way to prepare daily meals, brands and retailers need to shift their thinking about this cooking method and its associated products, as there’s an opportunity to engage consumers outside the traditional summer months and holidays,” added Stewart. “Even if the temperatures are dropping, that doesn’t mean grillers are no longer looking for steak rubs or hot dog buns.”

Acosta’s 2017 grilling research was completed via an online survey of the company’s custom shopper community panel. **UB**



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Bellies, bacon and freezers:



©Ricardo Mojana

Bellies in cold storage totaled 17.554 million pounds in July. This was a 21 percent decline from June, 65.4 percent below July 2016, and was yet again an all-time, year-over-year, record low. The lack of bellies in cold storage continues to be an industry wide concern. Typically, freezer stocks are in a state of net-withdrawal until October, meaning that we could still have 3 months of bellies leaving from an already nearly depleted frozen inventory position.

The shortage of bellies in the freezer during the spring and summer was a major contributing factor to the lofty trading prices that were reached in July. After reaching a new all-time high in July, bellies have been quickly eroding in value. Losses now exceed 27 percent over a 4-week period. Rising production paired with pushback from buyers after hitting these extreme levels has led to substantial losses over a short time frame. Like any other traded commodity or asset, rapid price loss tends to result in buyers sidelining themselves as to not “catch a falling knife,” which effectively intensifies the price declines.

It is important to note that bellies and bacon do not move in lockstep. Bellies, being a wholesale item traded daily and vulnerable to the immediate effects of factors such as production changes, export fluctuations and market participant sentiment, tend to see much more aggressive percent changes in price than bacon. Bacon, whether on a retail or foodservice level, is slow to react to the changes in belly prices as it involves much longer term contractual agreements and a certain degree of stability is necessary when taking into consideration consumer-facing retail features or menu options.

Chart 3 shows the percent change in the pork belly primal value versus that of the Urner Barry-calculated feature price of brand-label bacon at retail. Over the last

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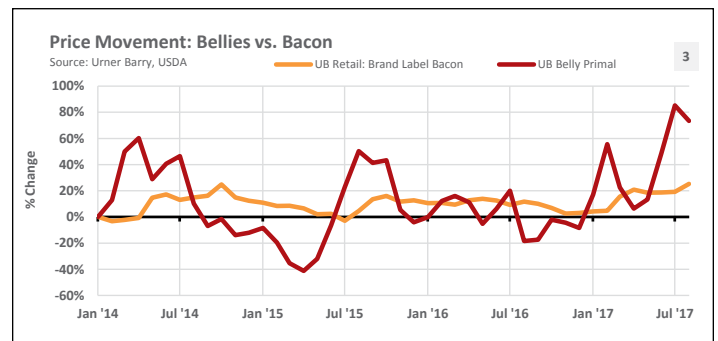
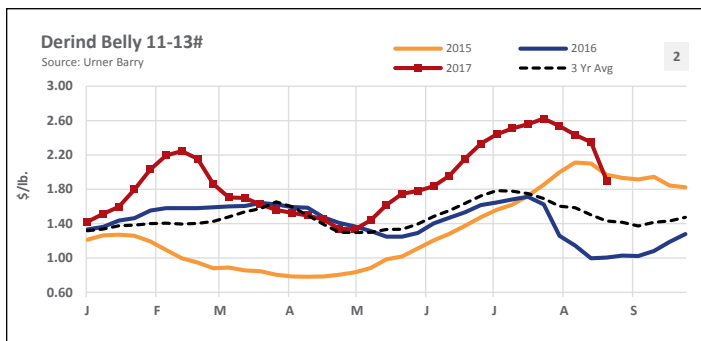
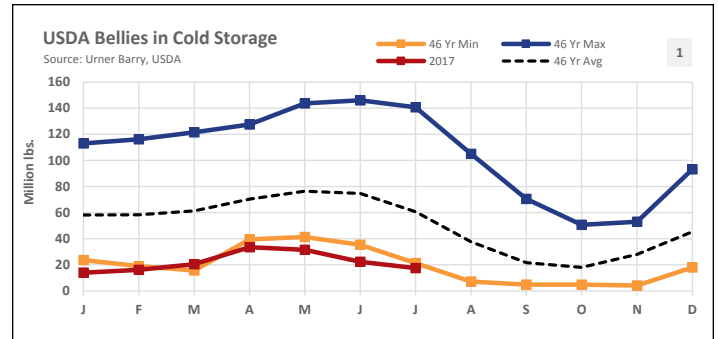
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“Bacon, whether on a retail or foodservice level, is slow to react to the changes in belly prices...”

a record setting summer

several years, when the pork belly primal rises, we have seen a roughly one to three-month lag before the retail feature price of bacon reacts in a meaningful way. Even when bacon does move higher, it is typically by a fraction of the degree that bellies traded. For instance, if we take four of the most significant upward moves in belly primal values since 2014, they average a gain of 90 percent over an average timespan of 3 months. By contrast, the average of the lagged, corresponding moves in retail bacon feature prices averaged a mere 15 percent. **UB**

Article contributed by **Russell Barton** | rbarton@urnerbarry.com



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A changing collection

Twelve years ago, in the very first issue of this publication, the *Reporter* featured an article about a collection of Civil War Tokens. Bob Miller, Director of Sales and Merchandising for Perdue Farms, had been collecting these rare coins for a lifetime and has been serious about the hobby for 20 years. At the time, his interest was mostly in coins issued by vendors, grocers, and meat markets around the time of the Civil War. This niche collection has evolved since then. It now encompasses all kinds of food-related exonomia (ek-suh-noo-mee-uh), or items that have monetary characteristics but are not traditional coins or paper money. These items range in purpose

from advertisement to commemoration to currency and mostly date back to the 19th and early 20th centuries. Also included in this aggregation are a variety of other historic food memorabilia.

The most prominent type of items in the collection are coins and tokens used as promotional pieces. Counterstamping, or imprinting a design onto a coin that has already been minted, has been around for centuries and became popular in American advertising in the 19th century. According to Bob, “counterstamping is the original advertising in retail.” This began the progression of businesses using coinage in promotion which led to the creation of many pieces in the collection.

These coins come from several areas of agriculture such as feed production, livestock, and even trade organizations. They were given out in a variety of spaces including conventions and retail. Some coins also had more purposes than just advertising. One example from the collection is merchant tokens, or “good for” coins. These were given out to small suppliers as payment or to customers as an extension of credit. The coins could be used at the company store and also had some degree of company branding.

The collection does not exclusively consist of coinage. It is unique in that the items are both very highly related and very diverse. The group is essentially a matrix, with one axis being the industry and the other one being the type of item. The resulting “grid” portrays the collaboration

that took place in different sectors of the food industry as they developed into a modern structure. Items across the collection can be tied to instances where people of the industry—growers, processors, retailers—would get together.

One such item is a member ribbon that was worn at the first annual National Restaurant Association Convention. The convention was held less than one year after the trade organization was formed. At the time, it was a place for restaurateurs to discuss various issues within the industry. Other member ribbons and badges in the collection come from associations in the areas of poultry, cattle, and even printing.

What began as a niche collection from a time when our nation was torn and tormented, has grown into something much more than a collection. The special connections that are made with the various pieces are equally as interesting as and perhaps more important than the collection itself. Whether of professional interest or something more personal, there’s no denying the attraction. Mr. Miller’s collection is a time capsule. It’s a chance to stroll

back to the roots of modern day agriculture and explore bits of history that few will have the chance to see, a tangible portrayal which helps us gain a deeper insight into the history of the greater food industry. **UB**

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Above, left: A token to be redeemed for 5 chickens and a token worth 3 cents to be used at a company store. Above, right: A ribbon worn by a vendor or member at the 1st annual National Restaurant Association Convention.



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Farmed seafood health myths

Continued from page 36

space⁷. Although conditions may appear cramped, most fish instinctually group together. It is also worth noting that murky water is not always dirty water. Murky water is completely normal and healthy for fish that prefer shallow, tropical habitats⁸.

Myth 3. Disease and parasite outbreaks can spread rapidly

Reality Check: Fisheries are monitored closely to prevent exactly this from happening

Disease and parasite outbreaks are normal for wild fish, particularly for fish that prefer to travel and live with large groups. In fisheries, farmers track the health of their fish and can take immediate action to prevent illness from spreading¹. One of the largest problems for farmed salmon is sea lice, particularly in areas where sea lice is commonly found in the wild. However, this risk has been greatly reduced by improving the water quality

and closely monitoring the environment in salmon fisheries¹.

Myth 4. Farm-raised fish are full of antibiotics

Reality Check: With the successes of vaccines, antibiotics are rarely used

Fisheries use vaccinations to protect against major diseases that have historically caused problems for the farmed seafood industry¹. Other diseases can simply be prevented by following good management practices and using feed designed to protect the

immune system. In fact, the U.S. Food and Drug Administration has only approved three antibiotics and their use is heavily regulated¹. Fish treated with antibiotics are monitored to ensure there are no traces of the antibiotic left in the fish before they can be returned to the larger group.

Myth 5. Farmed salmon is full of harmful "color-added" dyes

Reality Check: Salmon's trademark pink coloring is caused by their diet, both in fisheries and in the wild

Salmon get their pink coloring by consuming food, often krill and other shellfish, that contain pigments called carotenoids¹. Carotenoids, specifically astaxanthin and canthaxanthin, serve as antioxidants and sources of vitamin A for salmon in the wild. Farmed salmon's feed is supplemented with natural and/or synthetic astaxanthin¹. Fisheries are just giving salmon the same carotenoids they would find in the wild.**UB**

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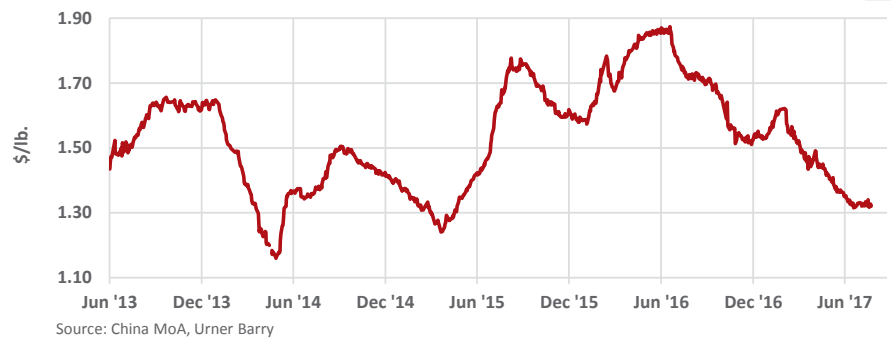
Continued from page 1

own production levels. In 2017, we saw a typical seasonal increase in export volume extending through May, but the peak was only slightly more than half of what was shipped in 2016. Following that May top, export volumes eroded rapidly, coinciding with the weakest Chinese pork prices seen since 2015. This had a notable adverse effect on the value of a number of U.S. pork items.

The U.S. relies heavily on pork exports, and that reliance continues to increase as the industry acts on its plans to expand production capacity over the next two years. China is the largest consumer of pork in the world and is therefore a crucial trade partner for any pork producing nation. Their production levels, pork prices and export volumes will continue to be an essential component in the global pork industry for many, many years to come. **UB**

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Currency

Continued from page 1

generally priced in U.S. dollars and while some exporters are able to hedge and buy forward currency contracts, many remain at the mercy of changes to the value of the Canadian dollar that are out of their control.”

Canadian live and processed lobster exporters maintain inventory through periods of minimal fishing activity and therefore are subject to changes in the value of their inventory based on currency fluctuations, especially when they occur in such a short period of time.

Stewart Lamont, Managing Director of Tangier Lobster Company, a live lobster exporter, said, “Currency exchange is a key variable for international trade. On this one, the lobster industry lost badly. “

On behalf of the lobster processing sector, Jerry Amirault, President of the Nova Scotia/New Brunswick Lobster Processors Association, said, “This is hurting the lobster industry, the communities in which the plants operate and the whole Atlantic region.”

With a slow pace of landings this spring, lobster prices to harvesters have been at one of their highest levels in years, both in the U.S. and Canada. Now Canadian lobster companies have sunk costs for their raw materials, and their market return is down seven percent before any price changes.

Additionally, due to the seasonality of lobster pricing, that market will experience the lowest prices of the year within the next four months. So the currency swing will be a significant blow to both live shippers, and to processors who have just begun to see a recovery in tail prices.

The same dynamic applies to snow crab. One of the biggest market questions is who is holding crab in inventory right now? Prices have jumped up and the season has ended. Normally snow crab prices rise in the months between August and December, as harvesting has ended and there is little new product on the market. But the market may be resisting some of these higher prices, and now the Canadian



“A strong dollar is the last thing we want as exporters of Canadian seafood products.”

producers may have less leverage to make up for the dollar shortfall.

The dollar is also affecting shrimp. Import figures released in the beginning of August show shrimp imports continuing to run ahead of last year’s record-setting pace, with shipments through the first half of the year up 8.4 percent.

India and Ecuador, however, the two top suppliers to the U.S. market in 2017, face very different dollar pressures. Ecuador has always priced its shrimp in dollars, so a weaker dollar will not only impact Ecuador shipments to the U.S., but will likely accelerate Ecuador’s shipments to Asia and Europe, who will in effect see lower prices.

India, which is highly dependent on the U.S. market, will see the opposite effect. The rupee has strengthened against the dollar by about 6.6 percent since January, going from 68.1 rupees per dollar to 63.8, with forecasters saying it will go to 60 per dollar by the end of this year. The reasons here are mostly due to the strengthening of the Indian economy as well as favorable interest rates—two trends that are projected to continue.

Indeed because of this, Indian shrimp packers are feeling pressure to raise prices,

as their returns on dollar sales have fallen six to seven percent.

The upshot is that many of the major imported seafood commodities will see pressure from producers to raise prices at a time when markets are mostly moving in the other direction due to both seasonal and production factors.

Salmon will not be significantly impacted from Canada, because the Canadians price all their salmon in U.S. currency. But salmon from Europe will become less attractive as exporters to the U.S. will struggle to maintain their margins in a falling market. The currency swing amplifies the impact of declining fresh and frozen salmon prices.

For Alaska, the weaker dollar is a boon to exporters. It will help pollock sales recover in Europe, and will make sockeye less expensive. It will help with sales to Japan, although Japanese currency has been more stable against the U.S. dollar this year than many other currencies.

Most analysts expect the U.S. dollar to continue to weaken and so these trends with their positive and negative impacts on different seafood sectors will likely shape markets through the end of the year. **UB**

Adapted from a story that originally appeared on SEAFOODNEWS.COM by John Sackton on August 8, 2017



Mobile ordering is making lives simple

Mobile applications have become a crucial tool for restaurants and food chains. There are many different features these chains can provide their customers through these mobile apps including coupons, announcements, brick and mortar locations, and more. One of the most evolved ways to utilize mobile apps is for online ordering. Chains like Taco Bell, Chipotle, Starbucks, and Dominos all introduced the option of mobile ordering to their customers. The goal of mobile applications is to speed up the purchasing process from initial purchase to pickup or delivery of the items. This is a great way for busy consumers to quickly and easily order their favorite food. Instead of waiting on line to order and pay, the food will be conveniently ready for quick pick up or delivery. Some apps even allow the customer to follow the status of their order from the moment they start preparing it to the moment it is finished.

Research conducted by Business Insider states that “orders placed via Smartphone will make up more than 10% of all quick-service restaurant sales by 2020. At that point, mobile ordering is expected to be a \$38 billion industry.” In fact, some chains such as Taco Bell report that consumers seem to spend more money when they order online as opposed to ordering on location. The fact of the matter is that we are living in a digital world, and one

that is constantly introducing new ways to conduct business through technology.

Many companies are choosing to adapt to these new processes, including mobile ordering. There is a push for companies to conform to the ways of the mobile world due to the fact that these conveniences are becoming a consumer preference. In fact, some consumers have reported to have a negative view towards a chain that does not offer mobile ordering or mobile payment options.

An example of one popular chain that has introduced mobile ordering is Wawa, the convenience store/gas station chain located along the East Coast of the United States. Wawa introduced its infamous touch screen kiosks in 2002 which allowed consumers to place their order through the kiosk on location as opposed to giving it directly to the employee. Now, Wawa has introduced mobile ordering to cut the wait time down even more for their customers. This new feature will allow



customers to choose from Wawa's array of sandwiches, beverages, soups, bakery items and more. Once the user has mobile ordering set up within their Wawa app they simply select a pick up location, select their items, and pay at the Wawa counter by showing the employee their virtual order slip. The customer must be a Wawa rewards member, and add a digital gift card to the app before they can utilize mobile ordering. Wawa's Executive Vice President Jim Morey said “at Wawa, we exist to go beyond filling customer orders, to fulfill customers' lives every day.” Wawa aimed to make the lives of their on-the-go customers a bit easier. **UB**

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Advertiser Index ...

Bird-In-Hand	16	Hidden Villa Ranch	23	Protein Alliance	58
Blacksmith Applications.....	5	Jason's Food Inc.....	53	River Valley Trading	52
Cal-Maine	7	Keyport International.....	15	SGS North America Inc.....	41
Camanchaca Inc.	11	Koch Foods	9	Savage Poultry	43
Chicken of the Sea Frozen Foods.....	37	L & S Foods.....	65	Shorepoint Insurance Services.....	54
D & R Foods	18	LaMonica Fine Foods.....	2	South American Beef	72
Deb El Food Products LLC	22	Maloney Seafood	34	Tippmann Group/ Interstate Warehousing	64
Devi Seafoods, Inc.	40	Metlife Financial	50	Turkey Valley Farms	47
Diamond V, Inc.	13	Mexican Beef	28	Urner Barry.....	59, 67, 68
Dolphin Shipping	31	Midwest Poultry Services.....	66	US Poultry & Egg Association (IPPE)	45
Eastern Quality Foods	48	National Fisheries Institute.....	26	Vista Food Exchange, Inc.	30
Eggs R Us, Inc.	33	National Poultry & Food Distributors Association (NPFDA)	44	Wabash Valley Produce.....	63
Farbest Foods	51	North American Meat Institute (NAMI).	38	Westside Foods Inc.	39
Foa & Son Corporation.....	36	NuCal Foods	24	Win Transport	27
Harbor Seafood	55	Prestage Foods	17		
Harvest Food Distributors	8				

Hot hen houses mean cool profits

As seasonal temperatures increase, special attention needs to be paid to poultry and livestock. Although still a significant concern today, climate-controlled poultry houses have helped manage temperature, humidity and air circulation therefore reducing the risk of heat stress in chickens and turkeys. Even with climate-controlled houses, it is still just as important to keep vigilant, especially during summer heat waves.

Because birds are homoeothermic, they need to maintain a constant body temperature. Modern day production methods involving large numbers of birds housed under one roof make them susceptible to heat stress. Heat stress not only causes suffering and death in the birds, but results in reduced or lost production; adversely affecting the operation's profitability.

APRIL 1942

AVOID CROWDING POULTRY

In the early part of the last century, over-crowding poultry was considered the greatest single cause of summer profit losses. In April 1942 the *Producers' Price-Current* reported that "poultrymen were warned recently that overcrowded chicken houses are the greatest single cause of loss in summer poultry profits. W. R. Whitfield, Iowa State College extension poultryman, stated in a recent issue of *Better Iowa*, that over-crowding is an even greater danger this year due to the increase in poultry production. In addition to decreasing egg production, the overcrowding of birds increases the percentage of culls which never recover and makes the birds susceptible to parasites and diseases."

BROODER PNEUMONIA CAUSES HEAVY LOSS

That same April 17, 1942 issue of the *Producers' Price-Current* reported, "Brooder pneumonia, it is pointed out by the Bureau of Animal Industry of the Pennsylvania Department of Agriculture, causes heavy losses in baby chicks and control measures should be taken at once upon its appearance. The disease usually occurs during the first few weeks of brooding and is more prevalent in damp, overheated and poorly ventilated houses." The story continued by addressing control measures which, "... consist of the removal of the visibly affected chicks and in a thorough mechanical cleaning and disinfecting of the house. It is important to keep the litter dry by the use of wire platforms under the feeding vessels, but to avoid dusty litter."

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