

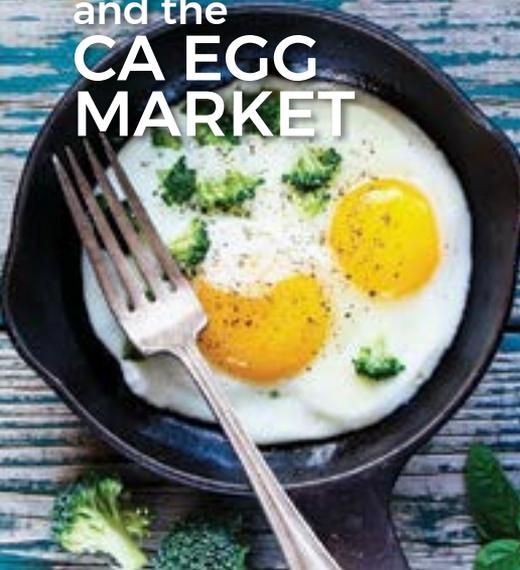
# URNER BARRY'S Reporter

the newsmagazine for the food industry professional  
VOLUME 14 | NUMBER 2 | SPRING 2019 | QUARTERLY

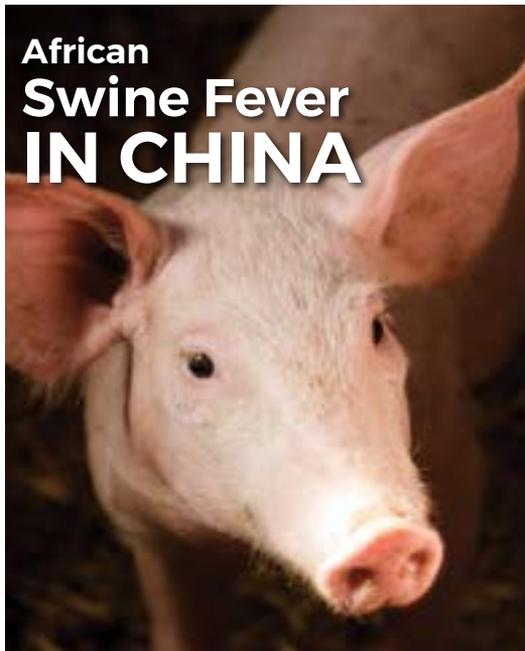


Retailers sticking with  
**SNOW CRAB**  
despite high prices

Proposition 12  
and the  
**CA EGG  
MARKET**



African  
**Swine Fever  
IN CHINA**



Spring  
into 2019  
**FOOD  
TRENDS**



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From the Editor's Desk...

## THE MORE THINGS CHANGE...

**A little more than 13 years ago, during the winter of 2006, Urner Barry launched the premier issue of the Reporter newsmagazine. It was our first real shot at publishing printed media in a magazine format, and it was taking place during a time when the print world was turning to e-delivery a la Kindle. To say it was a big leap and a bit nerve-racking would be an understatement.**

A lot has changed since those early years, but then again, much remains the same. *Urner Barry's Reporter* Volume 1, Number 1 featured some topics with which we are still all too familiar with.



Gracing the front cover was the perennial subject of sustained growth in animal weights and the “bigger isn’t always better” mantra, which has contributed to record protein production today. Inside, the pages of the first issue were populated with advertisements from companies who, sadly enough, didn’t stand the test of time, as well as up-and-comers who are now some of the most successful names in the business. It seems odd today, but that first issue didn’t include a single reference to ABF, NAE, hormones or steroids. In the first issue, today’s now common industry phrases and acronyms—like QSR, Fast Casual and Casual Dining—needed to be explained to subscribers. That break-out

volume of *Urner Barry's Reporter* included one of the first in-depth Avian Influenza timelines in print, which covered the mushrooming instances of AI which were impacting global consumer demand, negatively affecting trade policy and creating industry misery.

As for the magazine itself, back in 2006 a staff totaling 14, including three pressmen, were involved in the publishing process. The first copy was a “whopping” 24 pages from cover-to-cover. Today, in Volume 14, Number 2, it takes a robust staff of 20 hard-working, talented writers, supported by a Copy Editor, an Art Director, a Graphic Design specialist, Production Manager and Advertising Coordinator to publish 72 pages of content!

Looking ahead, 2019 is going to be an exciting year! Starting with this issue you’ll see a fresh, updated look on the cover, along with new colors, fonts and layouts on the pages inside. Look for expanded company profiles, more chef-talk focused on what’s happening in the kitchen, new product highlights, and even more interviews with industry movers and shakers. A novel feature this year will spotlight the *Reporter's* family of contributors and supporting staff. This fun, inquisitive layout will allow *Reporter* subscribers to get to know the UB crew responsible for putting together the most informative food industry newsmagazine on the planet!

So, while we look forward to bringing you change in 2019, Urner Barry's unwavering commitment to covering the news, trends and topics that are making a difference in today's food industry, will not.

Stay in touch and have a healthy and happy 2019!

Russell W. Whitman  
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# URNER BARRY'S Reporter

THE NEWSMAGAZINE FOR THE  
FOOD INDUSTRY PROFESSIONAL

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# Spring into 2019 food trends

## What's hot in 2019?

When it comes to food, consumer cravings tend to vary by season and continue to evolve year-to-year. In order to keep up with an everchanging consumer palette, it's important to always be forward-thinking in foodservice. Enter the National Restaurant Association.

The National Restaurant Association conducts an annual survey to determine trends in foodservice. The organization turns to chefs to rank 140 items—from global flavors to zero-waste cooking—as “hot, yesterday’s news, or perennial favorite.” The results provide an insight into the types of food, beverages, and culinary concepts that will be the talk of the year and give foodservice operators the upper hand in targeting potential customers.

The survey indicated that plant-based and veggie centric foods are no longer just intended for vegetarians or vegans. In fact, three out of the top 15 hottest items are plant-based sausages and burgers, vegetable forward cuisine, and plant-based proteins. Additionally, hyper-local sourcing, including restaurants that grow produce in their own gardens, also made the top 10 list. This trend is presumed to be on the rise during the spring season, when fast casual restaurants receive their highest share of traffic all year. According to Technomic, some of fast casual’s greatest products during the months of March, April, and May are the quickly prepared, yet high-quality meals, that focus on seasonal, fresh spring ingredients and produce.

In addition to the longing for fresh quality produce, consumers are also beginning to show concern for sustainability, which has caused the trend of zero-waste cooking to emerge. Zero-waste cooking transforms food scraps, damaged

produce, and leftovers into a culinary dream. With this concept ranking third on the list for overall trends in 2019, and second in the culinary concepts category, chefs are now taking another glance at items they once labeled as trash.

Also intertwined with the sustainability concern is the eco-friendly packaging trend. As consumers aim to incorporate environmentally responsible practices into their personal lives, they have begun to expect the same from restaurants. For example, this past year chains all over the globe took steps to reduce the amount of single-use plastic straws in their stores. This seems to be the start of a larger shift away from the use of plastics in 2019 and beyond, creating a new demand for innovative packaging and utensils. Eco-friendliness will remain a fundamental part of creating sustainability, and consumers can now expect to see packaging that is multiuse, edible, and durable enough to withstand the progressively swift trek from restaurant to doorstep.

Another trend that ranked high is the introduction of global flavors to menus. Consumers are becoming more adventurous with their taste buds and are looking to try unique twists on classic favorites. Technomic reported that as we head further into 2019, consumers can expect to see operators experiment with items such as butterfly pea flower and cheese foam toppers to reinvent traditional teas in the beverage category. Meanwhile, halloumi, cauliflower, and hummus will capture more space on menus across restaurant segments.

Among ethnic dining, Mexican is expected to see tremendous growth, while specialties from Southeast Asia and Africa are set to make their mark on menus as well. This global flavor trend can also be expected to be on the upswing during the spring season,

as holiday celebrations such as Cinco de Mayo get consumers in the spirit to indulge in ethnic dishes.

Furthermore, new cuts of meat, such as shoulder tender, oyster steak, Vegas Strip Steak, and Merlot Cut nabbed the top spot for the second year in a row for culinary trends. In comparison to trying new flavors or a new take on a traditional meal, consumers are showing interest in new cuts of meat. While many of these cuts are available to shoppers at the grocery store, some are just starting to gain popularity in restaurants.



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In an effort to grow traffic during sluggish months and seasons, operators may consider working some of these consumer trends into their menus and products. Comprehending the customer base is what drives consumers into stores and using trends such as those provided in the National Restaurant Association’s survey are crucial to successfully establishing brand loyalty with consumers. Foodservice operators that couple expert insights and consumer trends and turn them into targeted marketing campaigns will be in the best position to promote revenue not only during spring, but throughout the remainder of 2019. **UB**

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# Proposition 12 establishes new standards for the CA egg market



© mustipan/Getty Images

In November 2018, California voters passed a ballot initiative that will once again change the landscape of egg production in the state and for those around the country looking to send eggs and egg products into the area. It will establish new space requirements for egg laying hens, in addition to setting new minimum requirements for calves raised for veal and breeding pigs.

The initiative will be phased in over the next two years. It will require producers to keep egg-laying hens in cages with a minimum of 1 square foot per bird by the end of 2019, and to be entirely cage-free with other enrichments, like

scratch pads, nests, and perches, by the end of 2021.

Just over 10 years ago, in 2008, California passed Proposition 2, which stated egg laying hens must be allowed to lie down, stand up, extend their wings, and turn around freely. Producers were forced to increase cage space per bird to 116 square inches and add enrichments to comply by the 2015 deadline. These initiatives are obviously very similar. The main difference is that Proposition 12 will also apply to egg products being produced

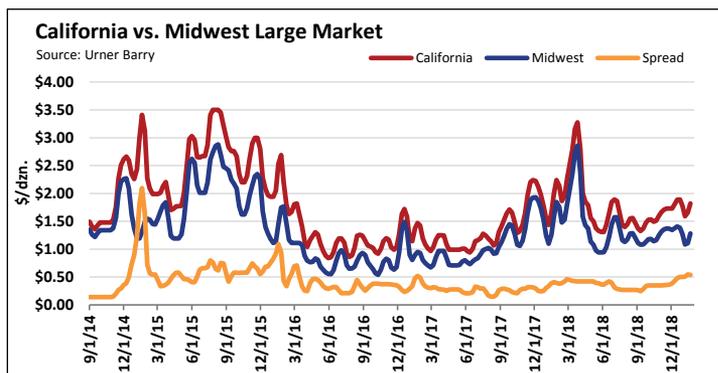
or coming into the state. Roughly 1/3 of all eggs produced are converted into egg products versus the remaining 2/3 which are sold in a shell. Products containing eggs or egg products, like mayonnaise, ice cream, and salad dressing, are exempt.

As far as market impact, most expect consumers to shell out more for eggs and potentially even products containing eggs as an ingredient due to the higher production costs. When Prop. 2 was implemented back in January 2015, our California large benchmark price went from about \$1.50 a dozen in late October to almost \$3.50 a dozen by the middle of January. That would be a record high had it not been for the nation's bout with Avian Influenza later that year.

A few things have changed since then. When Prop. 2 was initially implemented, California struggled to police the policy and many feel "illegal eggs" made

their way in from surrounding areas. Enforcement improved over time though, and California is likely to police Prop. 12 more effectively over the next two years.

On the supply side, there was a clear shortage of California eggs early in 2015, but producers adjusted quickly across the country to take advantage of premiums in that marketplace. Spreads between the Midwest and California ballooned to over \$2 a dozen. That was at least partially due to the fact that there were not many systems in place to comply with California law other than the ones marketed for California in advance. Conditions will be a little different this go-around as the country has seen sharp increases in the number of cage-free layers over the last three years, which may help to ease the initial need, at least partially. The current population of California is just under 40 million and as of December, there are already almost 60 million layers total in cage-free systems.



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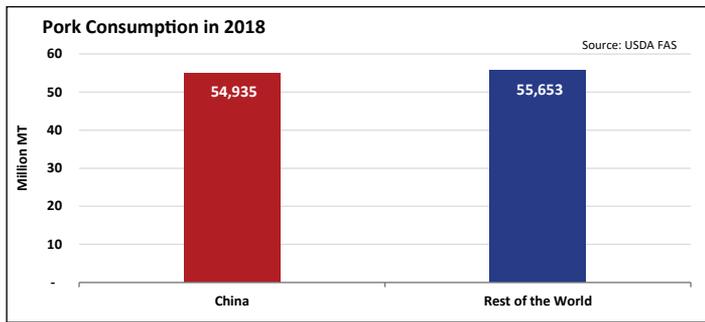


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# African Swine Fever in China; Outbreak update

The outbreak of African Swine Fever (ASF) in China has placed an ominous cloud of uncertainty over the global pork market.

It cannot be overstated how big of a player China is in the pork market, as it is home to half of the globe's hogs. At roughly 55 million metric tons, China's domestic annual pork consumption is nearly as large as all other countries combined (49.7 percent of global pork consumption in 2018). With that in consideration, any threat to their supply of hogs is deemed quite critical because it has the potential to impact not only the domestic Chinese market, but the global pork market as well. As we stand here in 2019, African Swine Fever is currently the most pressing of these threats.



At the time of publication, reports indicate that 24 provinces have experienced an outbreak of ASF, resulting in the culling of roughly 900,000 hogs. It should be noted that these numbers are subject to skepticism by many analysts, as it's quite difficult to confirm data coming out of China. As such, the real impact could be larger.

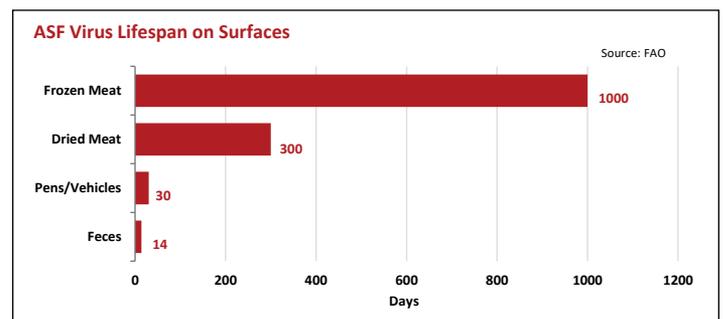


There are a number of reasons why it has been so difficult to control the spread of the virus in China. One of the biggest issues is that the hog industry in China is quite segmented and spread over thousands of miles, composed of a mix of very small farms to larger, more commercial operations. Estimates indicate that over half of the country's hogs are raised on small farms. In some of these locations, the physical divide between domesticated animals and the outdoors is minimal.

This brings us to the next factor, which is wild pigs. Both Europe and China have had the troubling issue of feral pigs spreading the disease. Whether through direct contact, interaction with excrement or by other means, these wild animals do not recognize provincial or nation borders and are densely populated in some areas. These hogs are smart and can cover long distances, which make them incredibly hard to gain a handle on, as we have seen not only in China and Europe, but also throughout parts of the United States.

These elements combine to make for serious transportation concerns for the Chinese pork industry. With such a wide array of farms over such a large expanse of territory, moving these domesticated hogs from one farm to another or to a packing plant risks exposing them to the virus. Hogs may be transported in anything from small, personal vehicles to more traditional livestock carriers. These trips can be hundreds of miles and cross rural areas more prone to being inhabited by wild pigs, urban towns and cities, or areas with other domestic hogs. This travel is rife with opportunities to contract the virus.

Finally, as if the potential for spreading wasn't severe enough, African Swine Fever has an impressively long lifespan on certain surfaces. ASF can remain a threat in feces for two weeks, pig pens or transportation vehicles for roughly a month, dried meat products for 300 days and in frozen meat for 1000 days, according to the Food and Agriculture Organization. This means that a thorough decontamination process is required after an outbreak has been detected, even for surfaces and materials that may not have been used in some time and therefore perhaps assumed safe.



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**“...any threat to their supply of hogs is deemed quite critical because it has the potential to impact not only the domestic Chinese market, but the global pork market as well.”**

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In the event of a worst-case scenario, where China loses a significant percentage of their herd and is forced to make a strong presence in the import market, the country's scale makes a global solution to this problem nearly impossible. According to USDA FAS data for 2018, if you combined all of the pork exports leaving every country of the world and sent it all to China, that figure would only constitute 14 percent of China's domestic consumption. Clearly, the likelihood of all pork exporting nations dropping all other trade relationships to ship pork to China is next to zero, so the actual percentage of China's consumption that the global market could comfortably supplement is considerably lower.

The other factor to remember is that China is not alone in dealing with the ASF virus. In fact, one of the first regions that China may approach if in need of extra pork is Europe, and unfortunately, they have not been spared from the spread of the virus. Early in 2018, the furthest West that the virus had spread was Poland, after multiple outbreaks in Ukraine, Belarus, Latvia, Lithuania, Moldova, Romania and Hungary were reported. However, in September of last year, Belgium reported its first case, sending a shockwave through the global pork industry. As the second largest pork producer in the world, if the E.U. were to have a substantial outbreak while China was coping at the same time, the potential strain on global pork supplies would be severe.

Adding to the complexity of this ASF outbreak in China is the current political turmoil between them and the United States. The ongoing “trade war” means that reaching out to the U.S., if in need of a large supply of pork, comes with political baggage. For one, between VAT, existing tariffs, and the more recent retaliatory tariffs, pork going from the U.S. to China faces taxes exceeding 60 percent. It is likely that China would have to at least partially drop those retaliatory tariffs if they required a large sum of pork. This would in effect put chips in President Trump's hand, which as of right now China has not seemed willing to do.

What should be clear by now is that there are many variables at play with this situation, which when combined, make projecting how the coming months and years play out incredibly difficult. Some key indicators that may give us a window into the severity of the outbreak will be rising hog prices in China as more of their herd is culled, and an uptick in imports from regions such as Europe. If Europe is sending more pork to China, there is a chance pork prices rise elsewhere as global supplies tighten. The degree of Chinese demand in the future could range from manageable to, well, something we haven't seen before, depending on how the situation unravels. The timing on all this is impossible to predict.

Acquiring information pertaining to the scope of this problem continues to be challenging. The Chinese government is a notoriously difficult source to get accurate information from and the spread of ASF is no different. This applies both to reporting the outbreaks to the global community and keeping their own population informed. There is no way to verify that the outbreaks reported encompass the full impact of the disease. Likewise, reports indicate that the Chinese public is also largely being kept in the dark, with little to no domestic news coverage, in order to prevent any kind of panic or a meaningful drop in pork demand—despite ASF not being a threat to humans.

African Swine Fever will likely be at the top of the pork-related headlines for the foreseeable future. The uncertainty and potential impact on global pork prices is too important to ignore, and thus the industry will be doing anything possible to prepare for tighter supplies and to prevent further spread. **UB**

Article contributed by Russell Barton | [rbarton@urnerbarry.com](mailto:rbarton@urnerbarry.com)

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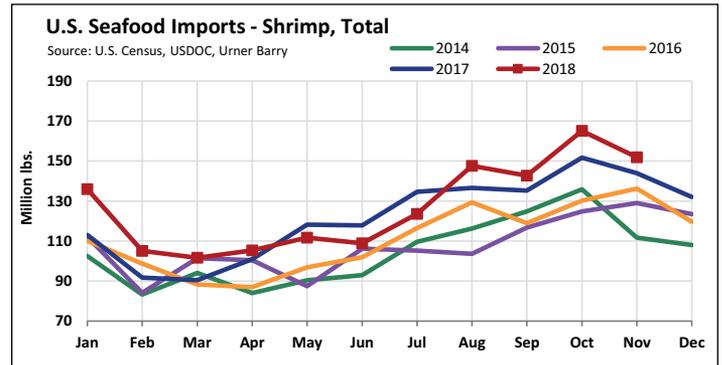
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# Shrimp imports expected to reach another record-high

We were hoping to provide a full year in review, but the 35-day government shutdown has resulted in us not having full year data as of this writing. However, we can look at 11 months and highlight some trends.

January through November imports of warmwater shrimp products total 1.396 billion pounds or 4.8 percent more than the same timeframe one year ago. 2017 was a record year for imports, and the fourth straight year reflecting annual gains. There's no reason to believe 2018 won't set another record; assuming a modest 5 percent increase in the month of December, there will have been roughly 70 million additional pounds of shrimp available in the U.S. in 2018.

The growth is being driven largely by India, but Indonesia has also accelerated shipments to the U.S. India is the dominant supplier, accounting for roughly 36 percent of all shrimp imported into the country. Indonesia accounts for slightly more



than 19 percent of all shrimp imported into the country, and Ecuador is the third largest supplier of shrimp to the U.S.

In 11 months, India has shipped 499 million pounds, or 16 percent more shrimp than January to November 2017. Shipments of shell-on, including easy peel, increased 4.4

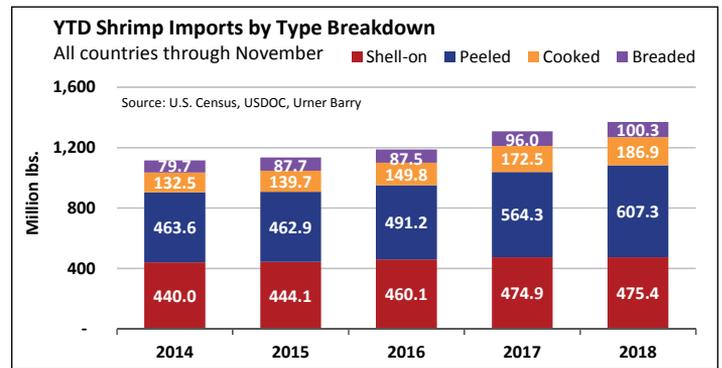
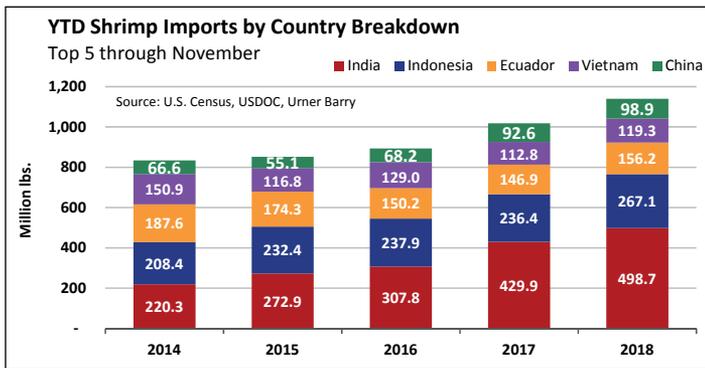
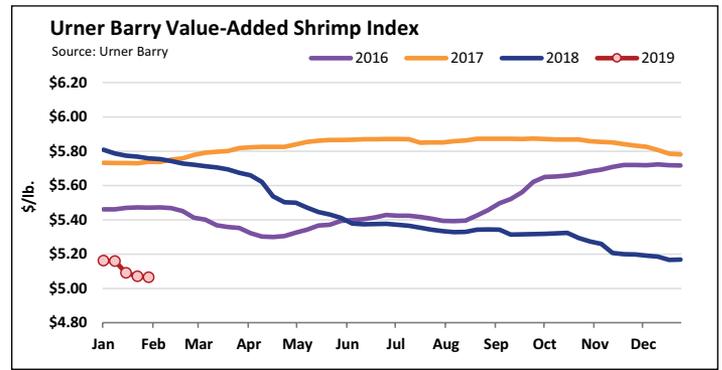
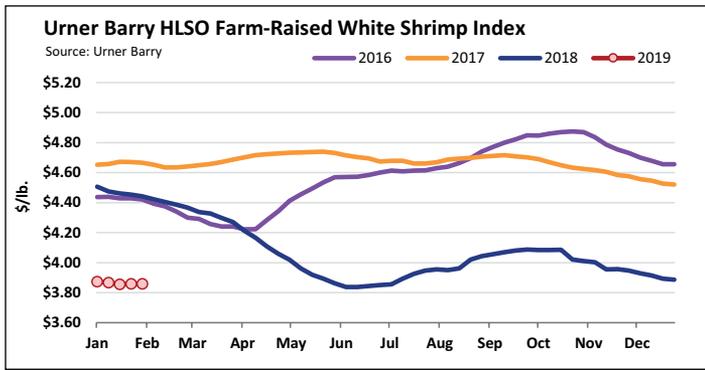
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percent, while shipments of peeled are 21.3 percent higher year-to-date.

Imports from Indonesia in the first 11 months of 2018 stand 13 percent higher; shipments of shell-on easy peel increased 13.7 percent and shipments of peeled are 7 percent higher year-to-date.

Ecuador has shipped 6.4 percent more shrimp year-to-date; shipments of shell-on, including easy peel, increased 1.4 percent, while shipments of peeled are 11.9 percent higher year-to-date.

We continue to see the shift from headless shell-on to value added. There's no growth in shell-on, but the peeled and cooked categories have grown 7.6 and 8.3 percent respectively.

The impact on the market was noticeable. Urner Barry's White Shrimp Index, which is a representation of general conditions in the shrimp market (not a reflection of any single item), declined 14 percent in 2018. At the same time, the Value-Added Shrimp Index fell 11 percent. **UB**

Article contributed by Jim Kenny  
jkenny@urnerbarr.com

# Jonah Crabs

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# AN APPRECIATION OF THE ARBY'S TAGLINE

Leroy and Forrest Raffel opened their first sandwich shop, R-B, in Boardman, Ohio, on July 23, 1964. The Raffel brothers were determined to break into the fast food industry with a fresh take in the wake of burger joint comeuppances. Armed with the knowledge that they could fade away if they opened "just another burger joint," the Raffels instead built their dream on heaping stacks of fresh sliced hot roast beef atop fluffy, delicious bread. These sandwiches, along with chips, extra-large iced teas, and soft drinks, comprised the beautifully minimalistic original R-B's menu. The name R-B, for Raffel Brothers, evolved into Arby's, the sandwich and curly fry connoisseurs we know and love today.



Photo courtesy of Arby's

Today, Arby's very much would like us to know that they do, indeed, have the meats. Not just the singular meat. Meats, plural. Roast beef is not the only protein bringing home the bacon for Arby's. Rob Lynch, Arby's president and marketing boss, knew he needed to make a change when a customer at an Arby's wished out loud that they carried chicken sandwiches. The menu board, unbeknownst to the customer, boasted four different chicken sandwiches. Lynch felt Arby's was "hiding in plain sight," wrote *Adweek*. Lynch's next advertising venture would thrust Arby's and its widely varied menu out of hiding and into the spotlight.

An advertisement for Turkey Valley Farms. At the top is the Turkey Valley Farms logo with the text "GROWER-GROWN SINCE 1913". Below the logo is a red banner with the text "Times Change!". In the center is a large turkey. At the bottom, the text reads "Turkey Valley Farms Responds! Call us today to see how we can add to your bottom line. 507.337.3100 www.turkeyvalleyfarms.com".



Cue H. Jon Benjamin's recent appointment as Arby's spokesperson and "Head of Sandwiches." In Arby's newest ad campaign, the actor and comedian dryly harangues on brand misconceptions and featured products, while glamour shots of sandwiches might be interspersed with his direct stares into the camera a la *The Office*. To close, a hyper-masculine voice booms "we have the meats!" Mr. Benjamin enthusiastically chimes "for sandwiches!" to drive home the defining difference that sets Arby's offerings apart from those of their burger slinging cohorts.

Sarcasm you can smell and visceral self-awareness abound in this campaign; it's kickstarting a renewed interest in Arby's from millennials and longtime patrons alike. Last year, Arby's rolled out a proprietary font, "Saucy AF," and offered Arby's tattoos gratis to hardcore sandwich lovers out of Port City Tattoos in Long Beach, California. Arby's is giving their customers a choice in how they'd like to show the love, and it's succeeding.

But the growth doesn't end there. A cultivated culture of goal setting and team-first mentality is showing results. Order accuracy, team member friendliness, and product quality are all top ranked facets of the Arby's experience, with order accuracy up 5 percent alone in 2018.

Arby's has the management, the marketing, and, most importantly, the meats. For sandwiches. **UB**

Rob Lynch, president of Arby's, will be the Keynote Speaker at Urner Barry's 2019 Executive Conference behind held April 28-30, at the Bellagio in Las Vegas.

Article contributed by Bridgette Hanson  
bhanson@urnerbary.com

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# Understanding shifting consumer patterns

Article contributed by Michael Sansolo, special to *Uerner Barry's Reporter*



There was a time when consumers visited bank branches regularly. Then, along came the ATM and suddenly the world of banking and the role of bank branches shifted forever.

Likewise, there was a time when the only way to watch a movie was by going to a theater. Then along came the VCR—and all that followed—causing movie theaters to rethink their approach in order to stay profitable and relevant.

Consumer tastes and habits, as we know, are constantly in flux and changing and the only way businesses can continue to survive and thrive is by understanding those shifting patterns and changing to serve them. In many ways, the

supermarket industry is facing such a situation currently, only at a vastly accelerated pace.

We can start with the usual types of changes. Eating habits are always shifting thanks to various culinary or dietary trends. For instance, we see many more consumers these days opting for diets based on Mediterranean or ancient cuisines. We see young people opting for meatless eating in far greater numbers than ever before.

Plus, we continue to see incredible emphasis on convenience in everything from cooking to shopping to even eating.

In meeting those trends we continue to see changes inside the walls of the supermarket. Plant-based foods continue to grow in variety and importance, as do other “hot” items, such as locally sourced or artisanal products in meat, cheese, deli and even beer. And we see greater emphasis on ethnic and regional products.

Increasingly we also see pressure on the store itself as the relevance of the entire industry seems under assault. Today, shoppers are increasingly turning toward technologies that help them balance busy lifestyles and permit increasingly easy ways of accomplishing necessary chores and tasks. Those changes, in turn will challenge the industry to understand how to attract and serve these shifting consumer needs and approaches.

No one can completely predict the future, but current trends and leading innovations provide excellent indicators as to where the world is moving. That movement suggests what the food shopping trip may look like a decade from now.

In 2025 the food shopping trip will likely be both omniformat and omnichannel,

meaning that shoppers will control how, where and when they shop. This will heavily impact even fresh products, and the industry will have to learn new ways to connect with and communicate to shoppers about the choices they may face.

To survive, retailers will need to offer personalization, possibly through countless digital touch points before, during and after the trip. Shopping will be aided by technology appearing today, such as tabletop devices that can interact with the family or individual trackers that are geared to aid dietary decisions. For instance, vegetarians may want stores to make it easy to find products that meet their needs whether in the meat case or deli or even in dairy when certain ingredients are preferred.

Most importantly, we will need to understand how these new shopping trips will impact the ability to merchandise every product in the store from meats and produce to grocery and non-foods to understand how to create excitement, interest and sales to shoppers who may not ever enter a store. We will likely see pressure on suppliers to offer up more than products—possibly expertise on recipes and diets or information on sourcing—to help meet the complex and broad needs of tomorrow's shoppers. **LB**

Michael Sansolo, food industry expert and consultant, will be presenting at Uerner Barry's 2019 Executive Conference being held April 28-30, at the Bellagio in Las Vegas.

For further details, please visit [www.urnerbarry.com/executive](http://www.urnerbarry.com/executive)



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# The importance of aligned supply chains

Article contributed by Steve Sands, special to *Urner Barry's Reporter*

Driving sales and margins in today's competitive environment requires paying close attention to signals being sent by consumers. The problem is that we are no longer a nation of one ubiquitous consumer, but rather, a collection of different markets looking for varying quality attributes in our meat products.

Some consumers are driven by price, some want natural or organic, others value marbling and eating quality over everything. Grassfed, imported, Angus, Born and Raised in the USA...the various marketing messages and production methods are numerous. But all of these claims have one thing in common...the claims must be verifiable and true. If the meat industry is to maintain the trust of the public, marketing claims must be

real and able to survive scrutiny. That fact, in and of itself, demands a level of transparency and cooperation among various supply chain partners which has historically been difficult to achieve.

Performance Food Group has successfully built aligned supply chains in beef, pork, and poultry products that include live-side audits, DNA traceability, and production specifications that extend from the farm to the packer. PFG Brands that embrace this approach to doing business have been branded as PathProven and constitute the fastest growing segment of PFG's protein category. This strategy depends upon companies clearly targeting the specific markets they want to address and then working with the entire supply chain



to develop processes and products (including livestock production methods) that are designed to meet or exceed customer expectations.

The marketing message is important but secondary to the product consistency, quality, and improved economics that this approach to doing business delivers. **UB**

Steve Sands, Vice President of Protein for PFG, will be presenting at Urner Barry's 2019 Executive Conference in Las Vegas. Learn more about PFG's unique approach to developing protein programs and their PathProven approach to launching protein brands.



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Las Vegas is constantly reinventing itself as a culinary destination. Home to the some of the most lavish and luxurious casinos, resorts, and hotels on the planet, Vegas has reached the pinnacle in hospitality. With countless restaurants along the Las Vegas Strip it may be hard to choose where to dine out. Here is a list of some of the more noteworthy places to dine while attending Urner Barry's 2019 Executive Conference. Vegas is a great destination to indulge in some amazing cuisine so let the dice fall where they may. Explore and try something new! It is Vegas after all.

### A.Y.C.E. BUFFET

4321 W Flamingo Rd • 702.953.7679  
Open 8 AM – 9 PM | Breakfast, Lunch,  
and Dinner

A.Y.C.E. Buffet located in the Palms Casino Resort is revitalizing the infamous Las Vegas buffet experience. With stations organized by food preparation rather than theme, finding what you would like to eat better suits your appetite and overall health. Diners can visit seven different stations with countless options served gourmet style: The Greenery, The Hearth, The Roastery, World Pan, Smoke & Fire, Revival, and Sweet & Light. Quality, presentation and service are the top priorities at A.Y.C.E. Buffet. With unlimited beer and wine, A.Y.C.E. Buffet is a great place to come hungry (and thirsty) and leave happy.

### BIG CHICKEN

4480 Paradise Rd • 702.675.3333  
Open 11 AM – 1 AM | Lunch and Dinner

Big things have come to Vegas and this next restaurant comes from a very big guy— 7'1" to be exact. Former NBA player Shaquille O'Neal's Big Chicken

restaurant has perfected the fast-casual dining experience with a menu that scores big. The lineup? Big chicken, bold flavors and plenty of beer. The menu promises crispy chicken sandwiches, strips, and sliders with unique sauces like the Shaq sauce, spicy chipotle BBQ sauce, and Carolina honey mustard BBQ sauce. Sides include thin crispy wedge fries, sweet potato fries, jalapeno slaw, and fried mac and cheese. If there is any room left—or if you want to come for a late-night snack—a hand-crafted Shaq Shake and ice cream sandwich are your best bet.

### GIADA

3595 S Las Vegas Blvd • 855.442.3271  
Open 9 AM – 10:30 PM | Brunch and  
Dinner

Inviting colors, comfortable furniture, and natural lighting create a unique atmosphere that suits the flavors you will taste. Giada, owned by Food Network Celebrity Chef Giada De Laurentiis, is an award-winning Italian restaurant with Californian influences. To start, diners can order the famous seafood tower, complete with shrimp, red king crab, Maine lobster, oysters and octopus. Or they can order from the robust Antipasti selection. For the entrée, countless pastas and pizzettes burst with flavor

and pair perfectly with the vast wine selection. Almost every item on the menu offers a gluten free or vegetarian option for those with dietary restrictions.

### MICHAEL MINA

Bellagio Hotel & Casino  
3600 Las Vegas Blvd • 702.693.8199  
Open 5:30 PM – 10 PM | Dinner

Michael Mina (Mina's) is a fine dining experience where business casual attire is preferred, and the service is off the charts. Named after the award-winning chef and owner Michael Mina, one can only expect greatness with a big name like Michael's as its reference. Mina's menu takes flight with innovative dishes like the Ricotta Gnudi & Maine Lobster with a side of puff lobster chips, topped with chanterelle and black truffle beurre blanc. If you wish to try something totally new try the, Sea Urchin Toast with Alaskan king crab salad. It is perfect starter and fan favorite. [UB](#)

Article contributed by Samantha Cisternas  
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# Land-based recirculated aquaculture systems gaining traction

Land-based recirculated aquaculture systems (RAS) are gaining traction; seen by some as the future of fish farming. Nordic Aquafarms is currently constructing the world's largest land-based salmon farm in Belfast, Maine, with a projected 33,000 tons annual production. Meanwhile in Norway, Salmon Evolution has just secured NOK 50 million (\$5.8M) funding for the biggest land-based facility in Europe, with a planned capacity of 28,000 tons of salmon per year. Alongside investments into farming facilities, funding is also being poured into research to support the success of the industry. The \$773,000 Wisconsin Sea Grant funded by NOAA is a two-year project aiming to optimize the health properties and flavour profile of land-farmed salmon.

Terrestrial fish farms offer the promise of avoiding many of the problems associated with sea pens, such as the

spread of disease, sea lice, escapees, waste and antibiotic resistance. The North Atlantic Salmon Conservation Organization (NASCO) released a report in 2016 in support of RAS, outlining important benefits for sustainability, as well as the advantage of locating farms close to markets. The Institute of Aquaculture at the University of Stirling also published a review of RAS last year, stating that the immediate interest of the salmon industry is to reduce the impact of sea lice and disease problems.

There are however, several technical obstacles to overcome. Growing fish to a marketable size is a challenge, one reason being early maturation of males due to accumulated female pheromones, which reduces the flesh quality. This type of system can also cost significantly more than marine-based fish farming. A report by the Norwegian University of Science and Technology

(NTNU) estimates that production costs are 42 percent higher than traditional systems. This translates to production costs of \$5.34 per kg versus \$3.75 per kg of sea pen salmon. When market prices for salmon are at high levels, land-based production will be economically viable and a very good business proposition. However, low market prices, as seen in 2014, could still leave a land-based entity vulnerable. **UB**

Article contributed by Lauren McIntyre  
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**“Terrestrial fish farms offer the promise of avoiding many of the problems associated with sea pens...”**

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# Hooked on sustainability

I sat in a minimally furnished room in an office-cum-apartment across from Ben Turley, butcher and businessman. It was Thursday. Brooklyn was bustling and shrouded in grey. Horns and sirens outside cut through the din and the damp and down Graham Ave, wafting through the mist and the walls as muffled echoes. Cool light was leaking in from the windows. Ben brought a thermos of coffee, and had a tattoo on his arm, "Let's party. Together." I sat down with him to talk about The Meat Hook.

The Meat Hook is a sustainable, nose-to-tail butcher shop founded in early 2010 by Turley and Brent Young. What makes The Meat Hook special is a deep commitment to healthy farms, happy farmers, and healthy, happy, tasty animals. Not to mention their extensive sausage line. A bright red foyer marks the store front. The shop is one bright, open room, with a perimeter lined by fresh produce, sauces, snacks, and beers. A huge jar of house-made dog treats sits in the window. The butcher case gleams, winking and beckoning, boasting smoked hocks, dry aged steaks, pork chops, chicken, and "trashy" and "classy" sausages, alike, all of which are locally and sustainably sourced and produced. Grab and go pre-packed sausages sit below branded soups and stocks. The Meat Hook Sausage Co. recently ventured into both online shipping and brick and mortar retail, gracing 33 vendors around New York. Turley and Young's passion for regenerative agriculture, fun, and quality food for everyone manifest as The Meat Hook, a whole new animal in the business of butchery.

**URNER BARRY'S REPORTER:** You're a whole animal shop; what do you do with cuts that wouldn't typically sell? What are some traditionally undesirable or underrated cuts of beef or pork that are surprisingly delicious?

**BENJAMIN TURLEY:** We have a restaurant component to the business called Meat Hook at Three's. When we have heads, we have a 45-gallon steam kettle, we boil them to get all the face meat to make carnitas as a special every weekend; it sells out. When we aren't doing that, we'll make jowl bacon, or we'll make Porchetta de Testa. There are so many steaks, especially in the shoulder, that are really, really good steaks but they're just turned into grind because the demand for ground beef is so high. If you actually turned it

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around, you'd actually be able to make a better premium off the steaks. They're consistent cuts, they're very tender, they're just not marketed.

Chuck roll is my #1 favorite steak; all it is is the eye of the ribeye as it's going into the shoulder. Most people stew or braise it, but if you cut it into a steak and fry it, it's like a ribeye for \$7.99 instead of \$21.99.

**UBR: You don't buy wholesale or boxed meats. All of your sourcing is from small, local farmers. Was it a long road, finding suppliers who are the right fit? Do you have to go find them, or does word travel?**

**BT:** It's nearly impossible. There's no easy way to meet farmers. Farmers are very cagey, as well they should be. They've been screwed so many times over, generation after generation. We found our original farm, Kinderhook Farm. Brent and I opened up Marlow & Daughters for the Andrew Tarlow restaurant group, which was his first whole animal butcher shop, first of the newer generation in this country, as far as I know. We said "we're gonna go for grass fed animals, whole animals, this is what we're gonna invest in." Kinderhook just approached him at the exact same time, and he said, "I think I'm gonna start this thing." They were raising grass fed, grass finished beef and had nowhere to sell it. So, they came down to the city, like, "would you want it?" And we were like, "yeah! This is perfect timing!" So, we had them. Besides that, you just kind of have to ask around and knock on doors. You see cattle upstate and you notice there's enough where maybe

we can get one every two weeks from them, and you're like "hey, can we talk to you?" Pretty much everything we've been able to build has been through our relationship with Kinderhook. We paid every bill, on time, very, very quickly, no matter what, and built that trust with them. When we said "hey, we really need to get pigs from somewhere else, can you introduce us to somebody?" —because we started out with places that weren't exactly up to our standards; now, we had a little bit of buying power, we'd built up relationships—he introduced us to our guy who we've been with for seven years, and it's gone from there.

**UBR: How do you balance carrying high quality, locally sourced products while maintaining accessibility to the average consumer?**

**BT:** It was difficult to set it up and get it to the point where we'd turned the screws enough to feel that it worked well. It all comes down, we felt, to customer service and feeling like we could communicate with our customers effectively. For Brent and I, that meant being salesmen. But more than anything, "Let's party. Together." comes from [the fact that] we always want to have a good time, but we want everyone, our customers, to be included. When we first opened, we were pretty much delirious, you know, working seven days a week for a year and a half. But it'd be like, if you can catch this piece of roast beef in your mouth, I'll give you a quarter pound for free. You have a story to tell later; who doesn't wanna go back to that place? You're throwing one piece, maybe you lose a quarter pound, but the customer's

definitely gonna come back. It's all about the long sell. I don't care if they only buy a quarter pound each week, because they're gonna buy a quarter pound each week for years. It's all about building customer confidence and that communication. We really encourage it, to just find your regulars.



Different cuts of meat "chill" in the fridge at Meat Hook. Photo Credit: Urner Barry

**UBR: You offer beef, pork, lamb, eggs, and collaborate with a seafood vendor. Did you plan on having such a wide spectrum of offerings, and what is the demand like?**

**BT:** We started with the exact lineup we have now. We tried bringing in veal and that never worked. No one ever bought it, so we were kinda like "Nah, we're good." People want beef, pork... They don't really want lamb. We'll carry it for the few people that do. We get two lambs a week no matter what; it's another cog in their regenerative system. The farm is Gibson Family Farm where we get beef, pork, and lamb; he's rotating everything around. And chickens. We haven't started getting those yet. He just bought 2000 chickens to introduce into the system and start building it out, he's in it, it's amazing. If this were a 5pm meeting and we could have a beer, I'd go into the insanity of how much money he's saving by farming this way. It's amazing. It's incredible!

**UBR: Are you close with your suppliers? What do they think of your mission?**

**BT:** We are in constant communication. They're very on board. They'd already spent three or four years trying to start this program and get the grass to a healthy enough place to get their animals going, so they were out on a limb by themselves at that point. And with Dustin Gibson, he was just doing work, commodity style like everyone else, and we started working with him, and



Different flavors of fresh, homemade sausage are on display at Meat Hook. Photo Credit: Urner Barry

we were kinda like, “we’re paying you. We’ll pay you more to do this differently. Let’s just work on this together.” Now he’s the one that’s like, “yeah, I got 2,000 chickens, man. It’s really gonna bump up the regenerative aspect; I think I’m gonna get a lot of carbon capture now.” It’s awesome. We just got the soil test back. He sends us soil samples every week, we send him pictures of the beef and pork and give them a letter grade and a description.

**UBR: Do you find your customers care about sustainability and transparency as much as you do, or is it just the delicious meats that keep them coming?**

**BT:** We could do a better job of communicating it, but we’re very afraid of ever being perceived as being on a soapbox or coming across as preachy or pretentious. We’re gonna let the sausages speak for themselves. Get people here because they love the flavors, and be like, “Guess what? Your dollar is actually contributing to better agriculture.” That’s always been the pitch. But now, we’re wrestling with the fact that it’s been 10 years and we’re idiots for not promoting this more. This movement just keeps getting bigger and bigger and has been here the whole time. Not enough people know that. It’s a bit of both. We’re trying to message the transparency and sustainability better. Brent last month went to a giant regenerative agriculture conference in Boulder, Colorado. I was



Local, seasonal produce is available, as well as beer, making the Meat Hook a one stop shop for a sustainable dinner.

Photo Credit: Urner Barry

up at Stone Barns [Center for Food & Agriculture] for a young farmers conference to meet people. We’re trying to get more involved in that community, to get more connected while also saying, “hey, come check out this *dumb* sausage we made this week.” “Oh, this tastes great.” That’s because our farmers are doing a great job.

**UBR: Where did you think you’d be right now when you started?**

**BT:** I had no business plan. I had no life plan. Brent and I both knew we were willing to work extremely hard for extremely long periods of time. We knew we got along. We knew we wanted complete creative autonomy, and that’s... It was very, very short-sighted. We just kind of kept by working hard and working through things and being open to other people’s ideas, figuring it out, and figuring it out, until we got to a point where we were actually hiring people. We didn’t have to be the dishwasher at night and the opener.

**UBR: Are you looking at expanding?**

**BT:** Not with shops. Ideally, we want to take our farm system that we have right now that’s tried and true—our soil samples, the health of the farms, and the way the farmers are really able to pay down their principles; those guys are making good money as farmers—take that and go region by region. So, we can essentially use our farm system now as consultants to do what we’ve been doing. No one gets you farmers better than other farmers saying, “They pay their bills.” So [we’ll] go to the Mid-Atlantic and take our farmers and say, “This is how the farming system works. I’ve been able to pay down my bills. Here’s all you have to do to fit into this system. Here’s the affidavit that shows you how much space per animal, how this works. We’ll collect soil samples, and you’re actually going to make money.” It’s insane.

**UBR: What’s the endgame of The Meat Hook?**

**BT:** Our investor, who has supported us the entire time, is pretty much like, “We’re in common agreeance, we’d all like to make money, but we’d much rather make an impact.” Because it needs to happen. No one seems to want to pick up the ball here. This weekend, we’ve been trying to figure out how to transmit that idea. Our bottom line isn’t money. Our bottom line is what amount of change we can actually affect. And that’s it. Neither of us care about being rich dudes. I don’t know what I would do. I don’t care. That’s not interesting to me. I wanna still know my customers, always. I wanna know my staff, always. I wanna be doing *this*, always. And to make a change might take the rest of our lives, and we’re aware, and that’s what we wanna do. That’s it. **UB**

Article contributed by Bridgette Hanson  
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# New chicken plants coming online in the near term

Source: Watt Global Media and Watt Broiler Publications

The chicken industry is one of several that is increasing total production capacity in the foreseeable future. Seven new broiler plants are expected to come online this year and in 2020—seven different companies, five brand-new facilities, and two refurbished ones.

Watt Global Media has released the following information:

A **Tyson Foods** plant, based in Tennessee, will be open in late 2019. This will be a tray-pack facility for fresh chicken products sold through retail channels. Construction began in May of 2018 with expectations to run in late 2019.

A **Sanderson Farms** plant, based in Texas, will open in early 2019. The plant is expected to process roughly 1.2 million birds per week and will have an annual output of 375 million pounds of chicken when reaching full production.

A **Lincoln Premium Poultry** plant, otherwise known as the “Costco Plant,” based in Nebraska, will open around September 2019. This new company is partially owned by Costco Wholesale Corporation, aimed to satisfy a portion of their buying needs. It is expected that this will cover 40 percent of their requirements. The size of the bird in which this plant is expected to process has been released at about 6 pounds, 4 ounces. The plant is anticipating being at full capacity by the end of 2019, running about 2 million chickens every week.

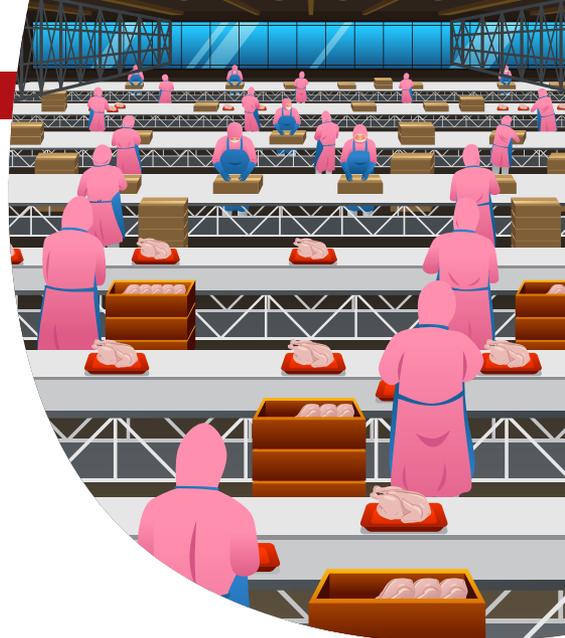
A **House of Raeford** plant, based in North Carolina, has opened in late 2018. The plant’s expected numbers have not yet been released according to a company spokesperson, although what is known is that this is the reconstruction of the plant destroyed in a fire.

A **Simmons Foods** plant, based in Arkansas, will open in 2019. The new plant will yield both fresh and frozen chicken products to retail and restaurant companies. It has been said by a company representative that the plant

will have an estimated kill capacity of about 850 million pounds of poultry meat per year.

A **Mountaire Farms** plant, based in North Carolina, will open in 2019. According to the Herald-Sun report, the facility will open in early 2019, with expectations to process roughly 1.2 million chickens every week.

A **Bell and Evans** plant, based in Pennsylvania, will open in early 2020. The new Bell & Evans plant is expected to process 2.6 million chickens weekly. The chickens will be a Das



Klassenbester breeder; a slow growing, higher welfare bird.

These new plants will cater to all types of consumer needs, from tray-packs at retail to rotisserie wogs. Those who participate in the chicken marketplace have already begun to study the USDA Broiler Hatch Reports so as to identify the difference in numbers that may, and should, appear in these figures. **UB**

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# Supply issues for haddock out of Russia, Norway, Iceland

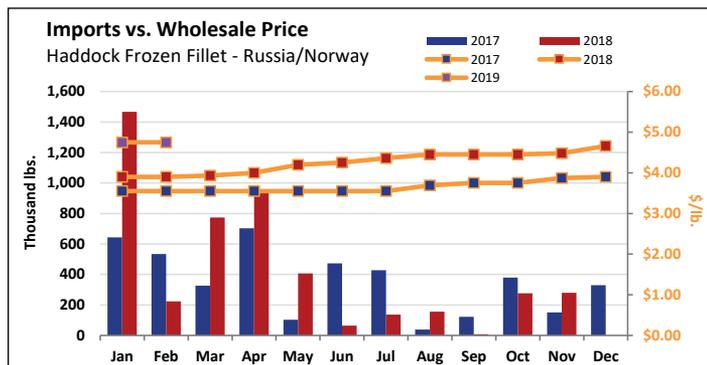


Haddock is a year-round market, making it hard to pinpoint seasonality and trends within the industry. Sometimes it will hang on the coattails of cod, other times it can surprise even the most seasoned seafood veteran.

Most recently, haddock has been experiencing major supply issues out of both Russia and Norway from the Barents Sea, as well as from Iceland, demanding premiums on all sizes across the board.

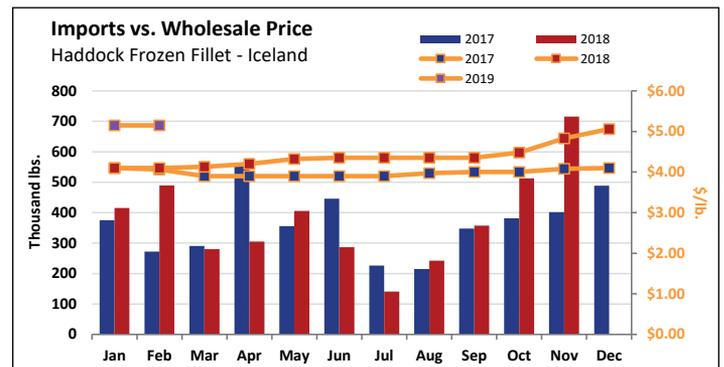
While the Icelandic haddock quota for the 2019 fishing season was increased to 57,982 metric tons, up from 34,600 tons, the Barents Sea heeded the advice recommended by the International Council for the Exploration of the Sea (ICES) by reducing their quota 15 percent to 172,000 metric tons for the upcoming season—but not by the total recommended 25 percent reduction originally advised.

September imports out of Russia diminished 93 percent from the previous month, registering 8,439 pounds, down from 120,237 pounds in August. While imports from Norway did not bring in any volume into the U.S. for the month of September, August imports from Norway totaled 35,880 pounds. Average wholesale prices are currently quoted at \$4.50/lb., while product was \$0.60 less at \$3.90/lb. in November 2017.



As Russia and Norway imports decline, we are seeing some rebound for haddock imports out of Iceland. September imports were up 48 percent bringing in 357,377 pounds compared to

242,003 pounds the previous month. Industry players are eager for their shipments to arrive as some have not received FAS Icelandic haddock in quite some time, saying product will go out to customers as fast as it arrives due to steady demand within the market. Premiums continue to develop as the current wholesale price is on average \$4.90/lb., with tighter specs of smaller fillets \$0.10 higher.



Because of the elasticity of the market, it is difficult to foresee what 2019 will bring for imported haddock. Product from Russia and Norway could take months to start filling the pipeline, allowing Iceland to take over some market share with their quicker rebound. As monthly import data is released, these questions will slowly be answered. **LB**

Article contributed by Lorin Castiglione  
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“...haddock has been experiencing major supply issues out of both Russia and Norway from the Barents Sea as well as from Iceland, demanding premiums on all sizes across the board...”

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# Increasing demand for U.S. eggs and egg products internationally



Article contributed by Anne L. Alonzo, President and CEO The American Egg Board

The American Egg Board's (AEB) mission and mandate is to increase

demand for U.S. eggs and egg products. We accomplish this via a number of programs—marketing to consumers, manufacturers, national quick-service restaurant chains and schools, as well as through the funding of nutritional research and outreach to health and wellness professionals.

While the lion's share of these efforts is domestically focused, one of the growth

initiatives that AEB undertook over two years ago involves driving demand for U.S. eggs and egg products outside the United States. At AEB, this program is being championed by SVP John Howeth, exports consultant Susan Weller, and the Market Development team.

Why exports? U.S. household penetration of eggs exceeds 90%, making retail sales growth a continuing challenge that AEB has met successfully for the past five consecutive years. The export of U.S. eggs and egg products, however, represents an important additional opportunity to increase demand for U.S. eggs while providing the world with high-quality products that are safe and reliable. In fact, much of the other agricultural commodities already export much of their output—eggs have now fully joined on!

or opening new markets including removal of trade barriers; anecdotal advances in key target markets; and supporting new and additional egg export funding sources.

## OVERALL EGG EXPORT STATISTICS

The latest news from USAPEEC indicates that from 2015 to 2017, U.S. egg production increased by 11.8%, while exports increased by 12.9%, a positive offset of 1.1%. According to USDA 2018 trade data, total egg exports—table eggs plus egg products in shell egg equivalent—through October increased 1.4% to \$202.2 million in value, although volume was 221.8 million dozen, a drop of 9.2%.

According to USAPEEC, the decrease in export volume can be attributed largely to relatively higher export prices and the strong U.S. dollar. It is important to note that egg export value is expected to increase by 1-2% in 2019. The top U.S. export markets for table eggs are Canada, Hong Kong, Mexico, U.A.E., Israel, and the Bahamas. The top U.S. export markets for egg products are Japan, Mexico, Canada, EU-28, South Korea, and the Philippines. These targets are generally aligned with AEB's key egg target markets.

## TRADE BARRIER WORK

Efforts in 2018 to break down barriers and pursue export opportunities for eggs were effective. New egg export markets were opened for U.S. egg producers in South Africa, India, Tunisia, New Zealand and St. Lucia. The lifting of certain restrictions in South Korea as well as AI regionalization for U.S. eggs also occurred. AEB and USAPEEC's direct efforts to support the allowance of U.S. washed eggs into Mexico have gained real traction. It's also anticipated that our joint efforts undertaken in 2018 will pave the way for egg product marketing openings in South Africa and Morocco in 2019.



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U.S. eggs are regarded by many overseas customers quite favorably. And why not? U.S. eggs are washed, refrigerated and undergo some of the most rigorous food safety oversight in the world, making them especially attractive to overseas buyers and chefs. Exporting also involves continuously developing and strengthening relationships and ensuring that markets are void of any trade barriers.

Overall in 2018, in partnership with the U.S. Poultry and Egg Export Council (USAPEEC), the AEB continued to strategically target key markets and regions. Our export work is tracked and measured in a number of ways, including: export statistics; maintaining



On the trade policy front, 2018 government negotiations led to the creation of the U.S.-Mexico-Canada Agreement (USMCA) and eventual elimination of NAFTA. USMCA must now be ratified by the U.S. Congress as well as the Mexican and Canadian governments. On the horizon for 2019, the egg industry is urging USTR to expedite a new trade agreement with Japan, the U.S.'s number one market for U.S. egg products.

**KEY EGG TARGET MARKETS—  
ANECDOTAL RESULTS**

- **The Caribbean** – As a result of our 2017 Caribbean Reverse Trade

Mission to Miami, the U.S. egg industry has three new buyers from the Caribbean, which has led to net new sales of U.S. eggs.

- **Japan** – Egg bakery chef contests in Japan drove new launches using U.S. eggs as an ingredient, including “Brioche Orange Bread” and “Meals of Eggs” at Japanese bakery chains.
- **Hong Kong** – Due to a hands-on chef seminar in Hong Kong, two out of six bakery chains expanded their usage of U.S. liquid egg products. In addition, a local QSR chain reported a 57% growth in the order of their Scrambled Egg Combo during a U.S. egg breakfast menu promotion sponsored by AEB.
- **Mexico** – One of Mexico’s largest foodservice distributors, with over 8,000 products, is now seeking additional egg products for their portfolio as a result of attending AEB’s October 2018 Miami Egg

Reverse Trade Mission. Additionally, two distributors (foodservice and bakery) are now in search of U.S. egg products, while two manufacturing companies are in the process of developing high-value products using U.S. egg products as a main ingredient.

- **Middle East** – For the first time, AEB’s PR and media efforts garnered exposure and coverage for U.S. eggs on a local TV network and 18 story hits in online and traditional media during the Gulfood Show in Dubai, UAE.



More than 78 leads generated from the show created new business

*Continued on page 26*

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opportunities for U.S. egg producers. Work in the Middle East market also led a Dubai trading company to increase their liquid egg imports (yolks and whole eggs) from 16 containers to more than 30 containers in 2018; 12 new companies became interested in U.S. egg imports in the foodservice sector; and grocery chain branches in Lebanon, UAE and Qatar have commenced importing U.S. frozen egg yolks. Due to focused

promotional efforts of U.S. frozen eggs to UAE, our exports jumped by 237% in volume and 243% in value between January and October 2018 compared to 2017 figures.

- **South Korea** – The U.S. egg industry filled South Korea's gap of egg supplies during their worst HPAI outbreak, leading to unprecedented levels of Korean imports of U.S. table egg and egg products. Continued marketing and promotion efforts in 2018 helped to not only maintain the U.S.'s enhanced volume vis-à-vis competitors, but also increase the U.S.'s market share against China and the EU-28 after South Korea's AI recovery from 15% in 2016 to 68% in 2018. Four products featuring U.S. egg products



were launched at four Korean bakery chains in 2018, while 10 companies are currently testing U.S. egg products.

### EGG PROMOTIONAL FUNDING AND THE FARM BILL

In addition to AEB's export funding, other commodity boards including soybean and corn fund USAPEEC programs that support egg export efforts. In FY2019, combined commodity board funding (AEB, soy, corn) will reach a new funding high, increasing to more than US\$5 million. These additional funds will further help egg export endeavors.

Forty-five percent of USPEEC's marketing promotion funds for U.S. eggs and poultry come from the Farm Bill's MAP and FMD programs. Importantly, the recent Farm Bill passage in mid-December contained US\$234 million earmarked for 2019 MAP and FMD program use. Additional FY2019 funding is also expected via a new short-term USDA marketing promotion program called the Agricultural Trade Program (ATP), designed to help lessen export deficits caused by the present trade wars.

### LOOKING AHEAD IN 2019

We've already started the new year strong and have in place an ambitious 2019 egg export strategy, goals, activities and expectations with our partner, USAPEEC. We are now in the midst of developing:

- An export toolkit for use in international markets;
- Online training for international boots on the ground;
- The Gulfood Trade Show and Expo Culinaire 2019;
- U.S. egg competitive research;
- Market opportunity research for U.S. eggs in India;
- Exploration of other new international market opportunities for eggs.

We look forward to continuing to whet the world's appetite for U.S. eggs and egg products! **UB**



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# How tilapia is being used to treat animals with burns

Put down the fork and pick up a needle. Tilapia is no longer just an entrée. Thanks to Jamie Peyton, Chief of the Integrative Medicine Service at the University of California, Davis, Veterinary Medical Teaching Hospital, tilapia skin is now being used as biologic bandages on animals.

In order to tell Peyton's story, we need to go back to December 4, 2017 when the Thomas Fire broke out in Ventura and Santa Barbara County. Winds spread the flames, which over the course of a month and a half consumed over 280,000 acres before being fully contained on January 12, 2018. The fire forced over 104,000 residents to evacuate, destroyed 1,063 structures, damaged 280 others, and took the lives of 23 people. It was one of the most destructive California wildfires in history and took over 8,500 firefighters to contain. But out of the all the devastation, Dr. Peyton was able to do some good. Two black bears suffering from third-degree burns were brought to UC Davis to be treated by Dr. Peyton. And, as you might have guessed, that treatment involved tilapia skin.



A bear rests after being treated with tilapia skin by the team at UC Davis Veterinary Medical Teaching Hospital. Photo Credit: California Department of Fish and Wildlife

With the clock ticking, and the discovery that one of the bears was pregnant, Peyton sought inspiration from doctors in Brazil that had been using sterilized tilapia skin to treat burns on humans. The doctors in Brazil discovered that

tilapia skin has large quantities of collagen proteins, which are important for scarring. The tilapia skin bandages can be left on for longer periods of time than normal gauze bandages, which reduces pain. In addition, they found that tilapia treatment also cut down on healing time by up to several days. Although the treatment had never been used in the U.S., or on animals, Peyton saw tilapia skin as the best option for treating the bears.

"Wildlife don't really have much of an option since we can only treat them when they are anesthetized and they cannot be bandaged due to risk of ingestion," Peyton explained to the *Urnner Barry Reporter*.

Peyton went to a local market to buy tilapia, which has high levels of collagen. The fish skin not only quickens the healing process but acts as a "biological bandage" due to its durability. Peyton and her team sterilized the fish skin in their lab before suturing the tilapia onto the pads of the bears' paws. They saw results almost immediately.

"One of the first things that the bear did was stand up after we applied them," Peyton told the UC Davis news site. "She was more mobile, which in my mind is a huge success for pain control."

In addition to the fish skins, the bears received acupuncture, chiropractic care, transcutaneous electrical nerve stimulation, pulsed electromagnetic field therapy, cold laser therapy, and were treated with a new burn salve created by UC Davis veterinary pharmacists. While it was initially estimated that it would take four to six months for the bears' wounds to heal, new skin had grown back on their paw pads in just weeks. They were released back into the wild by mid-January, wearing a satellite collar to



A dog is treated with tilapia skin after suffering from burns during the California wildfires. Photo Credit: UC Davis

allow the California Department of Fish and Wildlife to monitor their movements and survival.

Since the Thomas Fire and the successful treatment of the bears, Peyton has continued treating animals with tilapia skin. Following the Camp Fire this past November, the deadliest and most destructive wildfire in California history, Peyton volunteered to aid VCA Valley Oak veterinarians who were treating injured dogs and cats. Instead of suturing the fish skin onto the cats, Peyton created "little fish mittens" to treat the third degree burns on their paws. The fish mittens increased pain relief, comfort, and began the healing process.

As Peyton told the UB Reporter, treating house pets like dogs and cats is different. The only other option for companion animals is daily bandage changes, which can leave the animal with discomfort.

"The method for placing the tilapia bandages depends on the location and ability to bandage the patient," Peyton explained. "The cats and some dogs will tolerate full bandages and therefore we do not need to suture the tilapia onto them. But areas such as along the sides of the body and face is harder to bandage and we need more secure methods to attach them, such as suturing."

With success stories under their belt, Peyton and her team at UC Davis are hoping to continue developing the area of veterinary burn care and help educate other veterinarians. **UB**

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# Trade access a top turkey industry priority for 2019



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Article contributed by the National Turkey Federation

America's turkey farmers and processors want to sell more turkey. As simple as that concept might sound, anyone in the meat and poultry industry can tell you there is nothing simple about it, especially when it comes to gaining access to new foreign markets. Our members have made expanding export opportunities for the turkey industry and ensuring trade stability top priorities. Based on that directive, NTF has forged even closer ties with the USA Poultry and Egg Export Council (USAPEEC) to identify top market issues and to work in tandem to address trade issues.

In this partnership, one of NTF's key jobs is to work closely with our government leaders during trade negotiations. A case in point is the U.S.-Mexico-Canada Agreement (USMCA) reached last fall, which was seen favorably by the industry. Mexico is the U.S. turkey industry's largest export customer and guaranteeing the stability of this trade relationship is of vital importance to our members. But it also presents new opportunities for growth in the Canadian market. If ratified, the USMCA will allow for a 29 percent increase in U.S. turkey exports to Canada in the first year. NTF was at the table for USMCA negotiations, speaking often with top U.S. negotiators, and we view the deal as a significant opportunity to grow the amount of U.S. turkey being served by our neighbors to

the north and south. Seeing the USMCA's provisions come to fruition relies upon approval by Congress, and NTF urges lawmakers to act on the deal.

Trade negotiations with the European Union (EU) have also been making headlines as of late. There is a serious need to restore balance in our country's trade relationship with the EU. The U.S. trade deficit with the EU in food and agricultural goods has ballooned from \$1.8 billion in 2000 to nearly \$11 billion in recent years. This disparity is largely because of EU tariffs and non-science-based regulations, which have kept most U.S. turkey and poultry out of that market since 1997. While NTF is encouraged that the Office of the U.S. Trade Representative has initiated trade talks with the EU, in today's environment it is more important than ever that this disparity be addressed. Late last year, NTF joined numerous agricultural groups in sending a letter to U.S. trade officials emphasizing that any future agreement between the U.S. and EU *must address trade barriers and measures that restrict U.S. agriculture's access*. The last 22 years have taught us not to be overly optimistic about the EU situation, but nothing can happen without negotiations.

The turkey industry is also eager to see China re-opened to U.S. poultry products. During the avian influenza outbreak in 2015, China banned the import of U.S. poultry products. Prior to that, China was our second-biggest overseas market. The turkey industry has taken concrete steps to address bird health and prevent future outbreaks. NTF is working with our partners at USAPEEC to make headway in negotiations with China, although there is a long road ahead. The ongoing tariff

standoff between China and the U.S. that has been detrimental to other agricultural products has the potential to hold back progress with poultry as well. This issue is one that is in constant motion, and NTF will continue to advocate for U.S. turkey's access to Chinese markets.

When it comes to trade, we're not afraid to think creatively to tap into the global demand for protein. NTF also sees promise in working towards relationships with markets in India, Australia and North Africa. NTF's leaders have approved funding for projects that could help us make headway in these markets, as they represent real potential for the wholesome, nutritious turkey products being produced in the U.S.

The goal of the industry is to sell more turkey and there are opportunities within reach. In the U.S. Department of Agriculture's most recent World Agricultural Supply and Demand Estimates report, known as WASDE, turkey export forecasts were raised for 2019, and NTF wants to see this forecast grow. An enhanced focus on trade access for U.S. turkey exports will help NTF continue to make steady progress to achieve this goal, both now and in the long-term. NTF is keeping export opportunities as one of our top priorities in 2019 to help put turkey on the plate in every corner of the globe. **US**



Asian consumers, most notably those in China, offer great potential for U.S. turkey exports.



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# An insight into Brazilian exports and bans

Competition is at the core of American business. That's why when Brazil's poultry export volume surpassed that of the United States, it did more than raise a few eyebrows. Now that there was a serious global contender for export markets, the U.S. poultry industry had a new variable to include in the ever-complicated equation that is selling perishables.

In 2018, Brazilian chicken companies exported 4.1 million tons of chicken, down 5.1 percent from 2017. Chicken exports brought in \$6.57 billion in revenue in 2018, down 9.2 percent from 2017.

The Brazilian industry has grown not only in poultry but also in beef production, shipping to a diverse community of buyers in more than 150

countries. This has certainly influenced the business done, or not done, between U.S. companies and those countries. Many sellers on American soil felt, and continue to feel, that a major event or change in directionality may be required to regain lost ground. That all came to be somewhat realized when, in April of 2018, a trade ban was put on 20 Brazilian poultry plants by the European Union for sanitary violations.

Now, the question at hand is how long this infringement will last. Q3 and Q4 of 2018 saw an improvement in Brazil's exports, and the expectations are that this trend will continue into 2019. According to the Brazilian Agricultural Research Corporation, total Brazilian meat production will be 30.7 percent higher in 2025 than it was ten years prior. Additionally, Brazilian chicken production

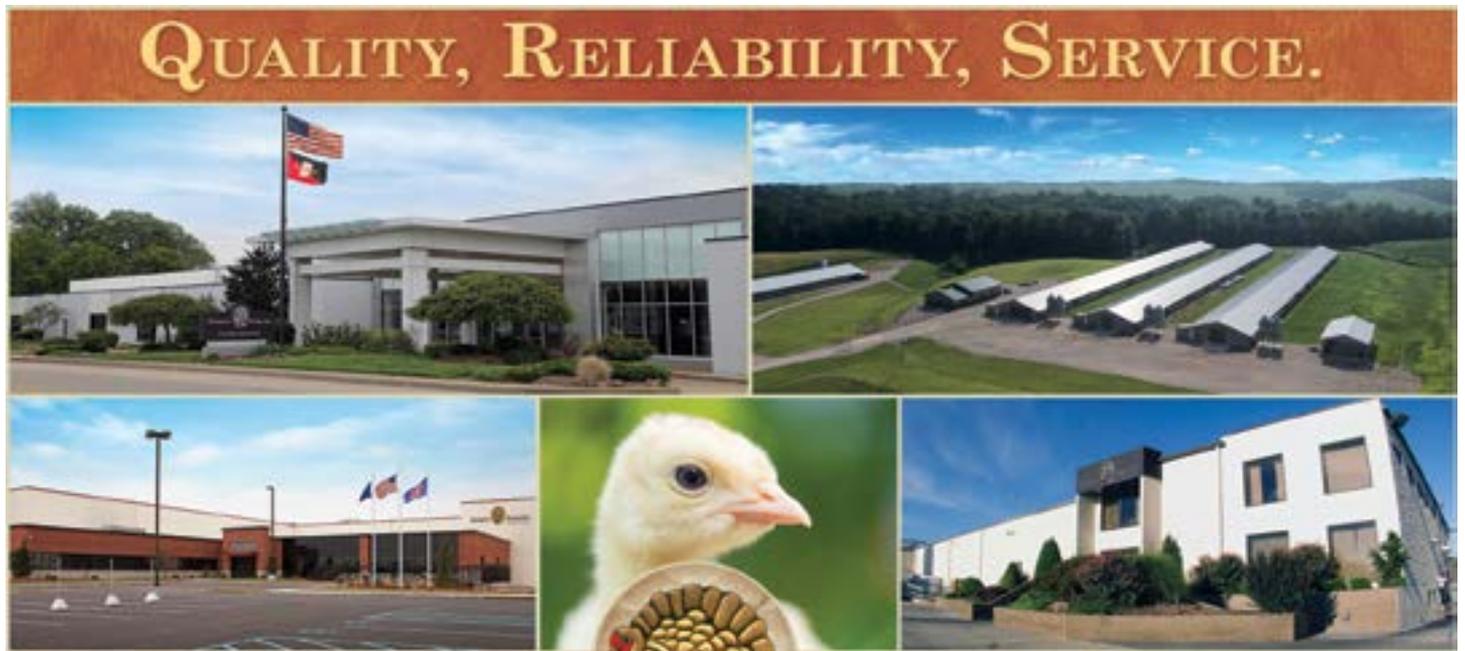
is forecast to increase 34.7 percent over the next decade.

Many industry players understand just how vital poultry exports are becoming as the future inches closer. Seven new or refurbished broiler plants are coming online in 2019 or 2020, and with them comes a new-found volume of RTC weight hitting the streets. This added level of chicken production may very well fall on the shoulders of export business in order to maintain a positive ROI.

Thus, while Brazil's current market status and export performance is hurting from sanitary bans, their future return to normalcy (and possible expansion) may be one of the biggest threats to U.S. protein and poultry in the coming years. **UB**

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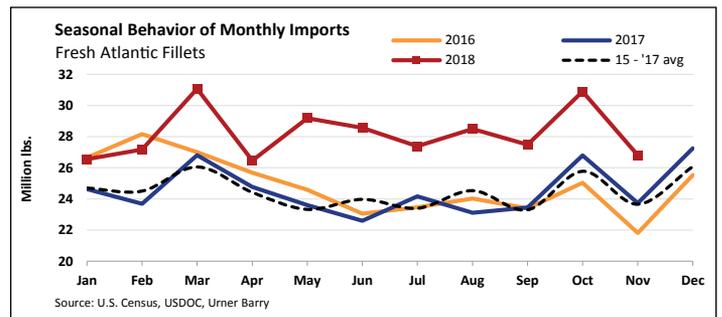
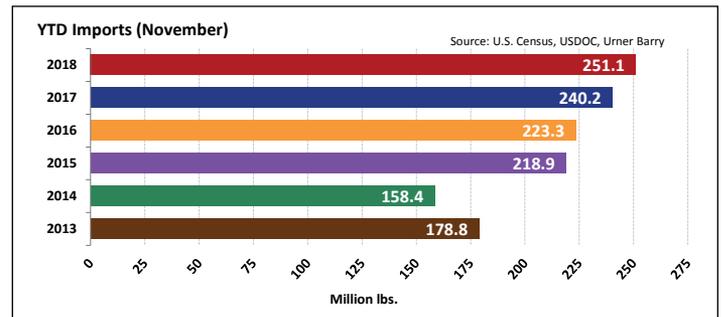
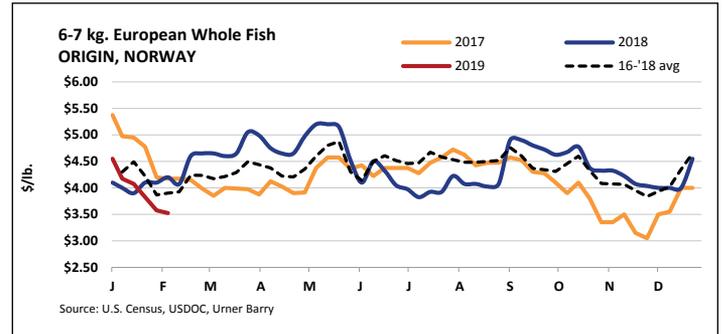
# Record high volumes have been no stranger to the Atlantic salmon market in 2018

As of this writing, with November imports released, the farmed salmon market is on par with seeing the highest volume of salmon ever imported into the U.S. market.

Through November, a total of 660.4 million pounds have been imported of both farmed fresh and frozen Atlantic fillets and whole fish.

With that, both fresh whole fish and fillets are at the highest imported numbers ever seen in the U.S. market. Whole fish is at 251.1 million pounds year-to-date and fresh fillets are at a whopping 310.1 million pounds; 16 percent higher than last year at the same time.

Even though supply dropped in November as compared to October for both fresh whole fish and fillets, supplies are following their seasonal trends and, as stated previously, are at all-time highs.



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With U.S. salmon consumption in 2017 climbing 10.5 percent from 2016, and the continuation of the volume increases in 2018, one would start to assume that we will see another dramatic increase in salmon consumption in 2018.

The biggest avenue for the volume growth for farmed Atlantic salmon appears to be through retail. The number of retail features from 2017 to 2018 grew 22.1 percent.

Heading into 2019, the increase in retail features looked to continue in January. Market participants will watch to see if this trend remains through 2019. No major supply interruptions are anticipated from the major producing countries at this point. We shall see how the farmed salmon market develops into Lent and beyond. **UB**

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# Selective breeding in the poultry industry

Since the dawn of mankind's human-animal connection we have sought to develop new breeds with more desirable characteristics than that which is innately found in nature. Perhaps one of the most relatable examples of selective breeding is the modern-day domesticated dog. While the origin of our best friend is largely unknown, it is believed that they evolved from the grey wolf. In time, humans cross-bred dogs to better meet a number of our specific needs. Whether it be guarding a house, pulling a sled or even herding livestock, selective breeding in canines has helped to highlight some of their key strengths to improve our lifestyle and the world around us.

With nearly nine billion chickens produced in the United States each year, it should come as no surprise that many of these same selective breeding principals have carried over to one of the world's favorite protein choices. As global meat production and consumption continue to grow, analysts expect that low production costs relative to other proteins, along with attractively-priced consumer buying options, will be paramount to the poultry sector's future potential. Luckily, with such a short reproductive cycle compared to other animals, the process of selectively breeding chickens is particularly effective since it allows for a more rapid progression of desirable traits. This has given rise to a number of breeding research companies that supply the industry with specifically-tailored chicks to best meet the animal-welfare, sustainability and efficiency demands of both the industry and the consumer. While each plant utilizes unique techniques and technologies in their selection and breeding methodology, they all share a similar end goal.

The selective breeding process typically begins with a large population of male and female birds which establishes the base parent flock. Here, animal welfare, production and health are closely monitored and recorded for each bird. The breeding goal ultimately determines which of these traits are selected to move forward and in what proportions. This, in turn, helps to reinforce key characteristics and drives the population in the desired direction, ultimately leading to a final breed which can be marketed to worldwide poultry companies. Historically, physical appearance, feed conversion and growth rates have been the most apparent enhancements in commercial poultry flocks. However, according to Peter



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Service dogs like this one are an increasingly common sight around the world assisting people with various disabilities. They are a direct result of selective breeding.

**“...increasingly, breeding companies have turned their attention to the behavioral and social inclinations of the birds.”**

Gruhl, Director of Hendrix Genetics, breeding companies have increasingly turned their attention towards the behavioral and social inclinations of the birds.

In an effort to improve the living conditions and quality of life of the chickens, a number of researchers are monitoring how a “pecking order” is established. Despite having plenty of room to run around, chickens are naturally social animals who prefer to flock together in tight groups. This can at times give rise to some naturally-occurring aggressive behaviors. The frequency and severity of bird pecks is now being factored into the selection process by research technicians. While fighting within flocks can certainly be detrimental to the bird’s environment, it isn’t always as clear-cut. A large majority of behavioral research goes into differentiating whether a recorded bird peck is antagonistic, or if it is a playful “spar,” an exploratory behavior similar to smelling, or simply a mating signal.

No matter which way you slice it, selective breeding and commercial production go hand-in-hand and span just about every protein segment. From black Angus beef to Yorkshire hogs, we continue to learn and build upon the genetic disposition of each animal, and chicken is no different. Through careful observation and hand selection, poultry

breeds continue to be developed and refined. As a result of this process, it’s safe to say that the bird of tomorrow will continue to be happier and healthier than ever before. **UB**

Article contributed by Dylan Hughes  
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# Retailers sticking with snow crab despite high prices

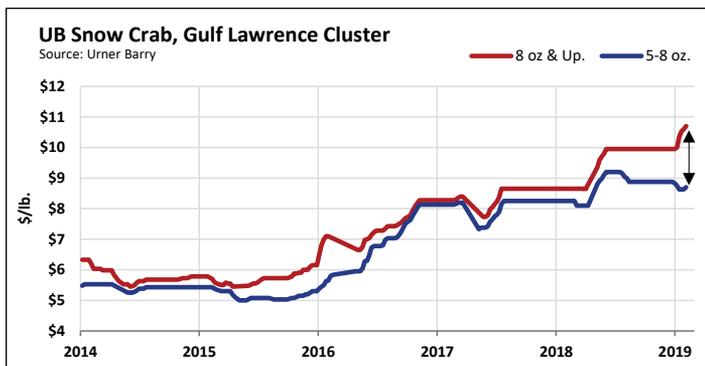


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Snow crab prices for 5-8 Newfoundland, Gulf and Russian Snow Crab have been trading in the \$8.50 to \$8.60 range in January and February 2019, about 7 or 8 percent below their season highs last June and July.

However, two things stand out about the current snow crab market. First, there has been a pickup in interest in 5-8 ounce sections in the last few weeks, after some signs that an inventory overhang might last until spring.

But more telling, the spread between 5-8 sections and 8 ups and 10 up section has widened to as much as \$2.00. Gulf 8 up and 10 up sections are selling at \$10.65 and \$10.90 respectively, more than \$2.00 above 5-8's. A few years ago, this spread was measured as 10 cents to 25 cents.



In our view, this is a result of a supply constraint for large crab running into a retail sector that has found few alternative products. As a result, favored large size sections for retail are being bid up to very high levels.

The Alaskan crab season, which got underway in January, is expecting a healthy landings increase. And the upward trend is expected to continue for several years. But the total fishery is only 27 million pounds, since the increases have begun from such a low level of harvest.

Because Alaskans are fishing on an incoming cohort, most of what they are catching is barely minimum size, just above 5 ounces. So, the Alaskan fishery, normally a source of large crab, will not produce much this year. Reports are that harvesters are seeing very few 8 ups, less than 10 percent.

For Canada, the projections are that the overall quota will decline significantly. There will be less large crab out of Newfoundland especially this coming year, and while the Gulf quota may be more stable, the volume of large crab may be small.

At NFI's recent Global Seafood Market Conference, the crab panel discussed supply track data that showed a decline in foodservice use of shell on crab by 9.6 percent. This represents over 4.1 million pounds. These figures cover a 52-week period ending in September 2018.

Retail usage also declined. Retail sales of all frozen crab dropped 7 percent by volume, yet the average price rose from \$8.50 to \$9.44, or 11 percent.

Yet during the recent holiday and Lent period, from Mid-December to Mid-February, retail promotions of crab increased to a level even higher than in the Mid-June to Mid-August crab season. During December – February, retail promotions of snow crab represented 42.4 percent of all crab promotions, while in July, they represented 42.5 percent.

However, the number of stores with snow crab promotions during the holidays increased 57 percent over the number of stores in July. The holiday period showed 15,639 stores with promotions on snow crab vs. 9,986 with promotions in July and August.

The significance is that the summer period is normally a high sales period for crab, but this year retailers held back due to the high prices. However, by December, they reversed themselves and began running promotions.

Clearly retail is refocusing on promoting snow crab, despite the high prices. One of the reasons may be the lack of alternative products. Some retailers who had hoped to promote lobster tails during Christmas found they were simply unavailable, and as a result returned to truck-load orders of snow crab.

Other sellers who have thought to substitute lobster for snow crab, with a whole cooked lobster on a buffet line, are finding it hard to procure frozen lobster as the live market has been dominant and has forced many lobster processors to cut back on purchases.

The upshot is that snow crab continues to be a one of a kind item without many substitutes. As a result, buyers are bidding up the price of all available crab, weather from Russia, Alaska, or Canada, especially on the preferred retail sizes of 8 ups and 10 ups. **U**

Article contributed by John Sackton | jsackton@seafood.com



This story originally appeared on SeafoodNews on February 12, 2019.

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# Kroger and Amazon Go revolutionize the grocery shopping experience

Supermarket giant Kroger has partnered with Microsoft to shift the process of grocery shopping that the everyday consumer is currently accustomed to. Kroger is launching a new technology designed to make grocery shopping not only more convenient, but more personalized than ever before. Through the retail chain's partnership with Microsoft, the store will be able to communicate with the consumer's smartphone, using icons to highlight products on their shopping list as they walk through store aisles. This will make the grocery shopping experience more efficient for shoppers, as they will now be able to instantly select specific items blended within comparable products.

The technology digitally displays pricing and product information on store shelves

where price tags generally hang. A digital tag allows Kroger to change prices and activate promotions within seconds, allowing the store to cripple sales at other retail establishments and free workers from changing tags one at a time by hand. This technology gives Kroger the upper hand in providing the best sales to consumers first, and decreases errors such as old sales tags being missed by employees.

In addition to remaining reliable with the latest promotions, sale prices, and relieving workers from the tedious task of taking old tags down and sticking new ones up, the technology creates a personalized shopping experience for consumers. The technology helps customers select products based on their personal dietary restrictions. Not only will a specific product be highlighted,

but it will be done so in the color of the shopper's choosing. Items stored in the consumer's list or in their shopping profile will cause tags to light up and grab their attention. This allows for grocery shopping to be done quickly and efficiently, which is appealing to today's consumer, who is always on the go. Items can also be scanned via smartphone when placed into the cart, which grants buyers the ability to bypass checkout lines when shopping is completed.

While Kroger has created a unique futuristic shopping experience for consumers, there are still some major brand names attempting to compete with the United States' largest supermarket chain by revenue. Since its acquisition of Whole Foods one year ago for \$13.7 billion, Amazon has now created its own



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unique futuristic shopping experience for consumers: Amazon Go. Currently with four locations in major cities including Chicago and San Francisco, Amazon Go is a chain of grocery stores that are partially automated with consumers being able to shop without waiting in line to be checked out by a cashier or using a self-check out station. This system is becoming more appealing to the everyday person who is in a rush. Shoppers can easily grab breakfast on the way to work, shop on a lunch break, or just avoid being late to their next destination.

Upon entering the store, consumers scan the Amazon Go app that is linked to their Amazon account. Then, shoppers simply go up to the shelves, grab the items they wish to purchase, and exit the store. Due to computer vision and sensor fusion throughout the store, no scanning of items is necessary. According to a Bloomberg report, the futuristic shops could possibly earn about \$4.5 billion in sales a year if Amazon commits to their current store rollout plan. This means Amazon Go could be a threat to Kroger's new technological advancements.

This advancement comes in addition to launching curbside pickup at Whole Foods. Customers can place grocery orders through Amazon's Prime Now app and their groceries will be loaded into their car upon arriving at Whole Foods. The world's largest online retailer is now longing for a piece of the \$800 billion United States grocery market and is hoping to gain it through rollouts such as curbside pickup and Amazon Go stores. Cheaper than delivery, grocery pickup has long been offered by Kroger and other sizable competitors such as Walmart, that offer the service at thousands of stores. Through the acquisition of Whole Foods, Amazon was able to lower the chain's prices and add services such as pickup to begin earning shopper's loyalty as a weekly customer.

This breakthrough in technology has allowed retail giants to eternally alter the way consumers shop for groceries. Gone are the days of wandering through aisles, comparing prices of products side by side in our hands, and even waiting in a checkout line to make a purchase. Today's consumer does not prefer to spend a valuable portion of their free



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time in the grocery store looking for the best deal or best product based on their needs. Consumers want the deals and products tailored to their needs presented to them instantaneously. Instant gratification is key to gaining brand loyalty amongst consumers today. These cutting-edge concepts developed by Kroger and Amazon are modernizing grocery shopping in a way that has never been done before. Kroger and Amazon have changed the way supermarkets and convenience stores think about serving customers going forward. **UB**

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# What's the difference between capon, cornish hen and fowl?

Chicken is one of the most popular proteins consumed in the United States. In 2017, 92.1 pounds of chicken was consumed per capita. That number was estimated to rise in 2018 to 93.5 pounds and 94.3 pounds in 2019. But what about other types of birds? In 2017, only 1.3 pounds per capita of "other chicken" was consumed, which is a huge drop from 1960, when the National Chicken Council reported that Americans consumed 4.4 pounds per capita of "other chicken." However, with consumers looking for unique options when dining out, "other chicken" could be on the rise.

## CAPONS

Capon, what's a capon? Well, it's a rooster that has been castrated to enhance the quality of its meat. A capon is a surgically castrated male, whereas a caponette is chemically castrated. Once the bird is castrated, the lack of testosterone in the bird creates a more flavorful and tender meat.

It's unlikely that you will see a capon on a typical American dinner menu or in a grocery store today. However, during the 20th century, they were considered a luxury. The capon was the bird of choice for the wealthy around the holidays. Even more so a treat for the average working-class families. The culinary process is quite like that of other poultry as well, as they are typically braised or roasted.



Capons, which are smaller than your average chicken, are typically roasted.



Cornish hens are a popular option at retail.



Fowl can often be found in frozen potpies.

## ROCK CORNISH GAME HENS

The Rock Cornish game hen is a young broiler chicken or a hybrid. Being the cousin to chicken, the Rock Cornish game hen is a result of crossbreeding chicken breeds such as the Cornish and White Plymouth Rock chickens. Originating in Cornwall, England, with breeding dating back to the 1950s, these bird finally took flight in American cuisine in the 1980s, and were welcomed into some of the finest restaurants. They are small birds, typically around two pounds and usually live five to six weeks. Like their chicken relative, they are often prepared on the grill or roasted.

## FOWL

Fowl is considered the "grandparent" of birds and are mature females who have passed their egg-bearing years. The term "fowl" can apply to chicken, turkey, duck, or pheasant. After its egg-laying years are over, these birds are then culled for their meat. It is quite flavorful but less tender than a fryer/roaster. The breastbone has no flexibility. The age of the fowl is over seven months and will weigh at least 2 pounds. The best cooking method for fowl is to stew or braise, however, meat from these birds can also be used when making frozen potpies, canned soups, or in pet food applications. **UB**

Article contributed by Holly Graga  
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**New year, new look...**

# Introducing the new and improved **Foodmarket**

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Foodmarket is the premier source of market news for the food industry, brought to you by Urner Barry and powered by COMTELL. Foodmarket has long been a favorite online destination among those in the meat, poultry, and egg business for providing the latest news and developments across the supply chain. But now—it's better than ever.

The updated site features a brand-new design and added tools to enhance your Foodmarket experience. Within its sleek new interface, Foodmarket now hosts social media sharing capabilities, protein indices, agricultural futures data, and helpful links to premium market resources from Urner Barry.



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**“The updated site features a brand-new design and added tools to enhance your Foodmarket experience...”**

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In addition, the new site features story tags, helping you to find related stories and topics with the click of a button. With story tags, you can find the latest news on specific companies or markets, as well as new menu items, consumer trends, alternative proteins, and much more.

Foodmarket provides the latest intelligence on product innovations, regulatory updates, mergers, acquisitions, production changes, surveys, statistics, market analysis, trends, and the ever-evolving global trade situation. Our editorial team works diligently to ensure our readers are informed of pertinent news that can impact food businesses across North America and around the globe. Producers, processors, and distributors, along with retailers and foodservice operators depend on Foodmarket for continued insight into the complex and often volatile nature of the supply chain.

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# Pescanova USA's new CEO gives his thoughts on the future

Chris Maze may be the new face of Pescanova USA, but he's certainly no stranger to the seafood industry. The new Pescanova USA CEO and President spoke with *Urner Barry's Reporter* about his decision to join the company, his career in the seafood industry, and what he sees changing over the next couple of years. Check out the interview below:



Photo provided by Pescanova

**URNER BARRY'S REPORTER: Tell us about how you first got involved in the seafood industry.**

**CHRIS MAZE:** I began in the food industry in 2000 and never looked back. The dynamics and constant innovation in food trends is right up there with the high-tech industry. Driven by our consumers constantly changing appetites. This creates an environment of opportunity for those that are willing and able to meet these demands.

**UBR: What influenced your decision to join Pescanova?**

**CM:** As I mentioned, I believe seafood is in a great position to meet the needs of today's consumer. Within the seafood industry, I believe Pescanova is in one of the best positions. We are vertically integrated with many species. We fish (72 fishing vessels), we farm (18,500 acres of aquaculture), we process (16 state of the art processing plants), and we have a route to market to 80 countries

on five continents. Furthermore, our commitment to innovation is backed by our strategic plan. We will be opening a state-of-the-art research center later this year focused on aquaculture of many species.

**UBR: You had a long career with Spanish food company Campofrío. Do you see joining Pescanova as a way of "returning to your roots"?**

**CM:** Yes! Absolutely, I'm "home!" I do have a long history working in the U.S. for European Companies. For me the real benefit is my daily access to such a diverse group of colleagues. The U.S. has probably the most diverse population of any country on the planet. This certainly influences the trends of our consumers. Having access to this diversity around the world on an almost a daily basis gives our U.S. operation a great resource to innovate and provide great tasting and unique products to our consumers.

**UBR: You officially became CEO of Pescanova on January 1, 2019. Where do you see the company over the next five years?**

**CM:** While we will certainly continue to serve traders and wholesalers with commodity products sourced from within our supply chain. We will enter the food service, retail and omni channels with sustainably sourced, wholesome, innovative products. In five years, we would like to see this being at least 50% of our total business.

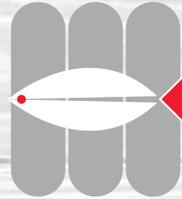
**UBR: What do you think will change about the seafood industry over the next five years?**

**CM:** I believe the demand for seafood will grow much faster than the population, driven by the health benefits, sustainability demands of today's consumer and innovation in the category. This will create tremendous opportunity for those in a position to responsibly harvest and innovate without sacrificing taste or health.

**UBR: What do you wish other people know about the seafood industry and Pescanova?**

**CM:** We are an incredibly responsible industry. Sure, there is a story or two every few months that gets a lot of attention. But the amount of self-regulation, NGO influence and a true commitment and involvement by our industries leaders is not what people hear about. For example, Pescanova has what we call our "Pescanova Blue" program. It is a true commitment to "Planet – People – Product – Communities." It is truly part of our company's DNA. This is evidenced not by Power Point presentations, but the schools we have built and maintained in communities near our resources that would not otherwise be available to these communities. Our employees are proud of what our company stands for in all these areas. **UB**

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# The many mergers and acquisitions of 2018

There are numerous ways a company can gain shares of the market and expand its footprint. Building upon production capabilities, investing in distribution, launching new products, and expanding partnerships can all serve the growing interests of an organization. One tactic in particular that has been a proven strategy, especially in the food industry, is through mergers and acquisitions.

Mergers and acquisitions (M&A) refer to the consolidation of companies or assets through the terms of a transaction. We have seen increased consolidation in the food sector over time, much of which has been a natural progression to keep up with the ever-evolving structure of the industry.

In the current state of business—with corporate tax cuts and lower interest rates—companies have more cash flow to initiate M&A objectives as part of their overall growth strategy. In fact, we saw this occur in spectacular fashion in 2018.

Perhaps the most notable M&A of 2018 is Tyson Foods' acquisition of Keystone Foods from Marfrig Global Foods. Keystone is a leading supplier of chicken, beef, fish and pork to the foodservice segment. Noel White, president and CEO of Tyson said, "Our biggest growth opportunities are in value-added foods and international markets. Our acquisition of Keystone helps us achieve both."

United Natural Foods' (UNFI) acquisition of Supervalu also made big headlines last year. For \$2.9 billion, UNFI managed to enhance their product range and distribution channels, enabling them to reach a broader range of customers.

"We have been executing an ambitious strategic transformation for over two years. We believe that this transaction is the best and natural next step for our stockholders, customers and employees," said Mark Gross, CEO of Supervalu. "I am confident that, together, SUPERVALU and UNFI will be well positioned to succeed—and to help our customers succeed—in today's grocery landscape."



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# M & A

Late in Q4, Inspire Brands—parent company of Arby's, Buffalo Wild Wings, and Rusty Taco—completed its acquisition of Sonic. This strategic move turned Inspire Brands into the fifth-largest restaurant company in the U.S. with sales in excess of \$12 million.

Food delivery is arguably one of the biggest bandwagon trends of the last few years as retailers and foodservice giants aim to meet consumers where they are. In 2018, we saw competition in the food delivery space intensify—and mergers and acquisitions played a big role.

Target bought grocery delivery service Shipt late in 2017, then announced it would be accelerating same-day deliveries in 2019. Shortly after Target acquired Shipt, Walmart teamed up with Point Pickup, Skipcart, AxleHire and Roadie to expand its grocery delivery.

"Customers love our grocery delivery service. As they are busy managing jobs, soccer practice, dance lessons and social schedules we are on a mission to do more than keep a little extra money in their pockets," said Tom Ward, senior vice president of Digital Operations, Walmart U.S. "With the help of these new delivery partners, we're making grocery shopping even easier by bringing the everyday low prices of Walmart right to the front door of customers."

In a survey by Brick Meets Click, Target was found to have the highest composite rating when it comes to providing digital solutions that customers can leverage, whether online or at the store, beating out both Kroger and Walmart.

In one of its largest acquisitions to date, Pizza Hut purchased QuikOrder, a leading online ordering software and service provider, in December 2018. In a news release, the company said that by acquiring QuikOrder's online ordering capabilities, Pizza Hut could improve its ability to deliver an easy and personalized online ordering experience and accelerate digital innovation across its base of more than 6,000 restaurants in the U.S.

Sometimes, M&A's are strictly about gaining ground. As companies increasingly battle for territory, expanding distribution channels and geographical footprints can help in the quest for domination.

Midwest food distributor Lipari Foods picked up specialty deli company, Heagy Foods, in November last year. The acquisition increased Lipari's eastern Pennsylvania distribution area while also expanding their deli product offerings—two birds, as they say.

Grocery powerhouse Giant Eagle acquired Ricker Oil Company, providing

the company with additional scale in the Indiana market. The transaction strengthens Giant Eagle's GetGo brand with the addition of 56 Ricker's convenience stores.

Other food industry giants are eyeing global growth.

In November, Cargill announced the acquisition of CAMPOLLO, one of Colombia's leading producers of chicken and protein products. The announcement marked the expansion of Cargill's global protein business in Colombia after acquiring Pollos Bucanero in June 2017.

Most recently, Tyson announced an agreement to acquire the Thai and European operations of BRF S.A. "As noted when we acquired Keystone Foods on November 30, we believe some of our biggest growth opportunities are in value-added foods and international markets," said Noel White, president and CEO of Tyson Foods. "In addition to domestic benefits, the Keystone acquisition provided us with a scalable production platform in the Asian poultry market. The acquisition of these BRF facilities will help complement and strengthen our presence in Thailand, and provide new capabilities in Europe, enhancing our ability to serve growing global demand for value-added protein."

*Continued on page 68*

# With options at retail, consumers are choosing **BEEF**

Consumers have options every day when they head to the meat case. Not only are there choices between proteins, but also amongst proteins. And when we look within the beef category, the choices are abundant. Looking back at 2018, consumers demand for beef drove higher sales. In the face of growing supplies, retailers would usually lower prices in order to move product, but it looks like this hasn't been the case—or, at least not to the extent that was initially expected.

U.S. retail beef demand has decreased significantly, 53 percent from the base year of 1980 until 1998. This trend reversed and started to recover a bit but was disrupted short-term with the tight supply situation the industry faced following the drought. Since then, the demand trend has been higher. Retail beef demand was nearly 17 percent higher in 2018 than 2010 – highlighting that strength.

General sentiment is that it often takes lower prices to significantly alter demand—and with other proteins, that has been the case. However, looking at the USDA All-Fresh Retail data, this doesn't seem to be happening. Even with chicken and pork prices depressed to record lows on some items, consumers are still choosing the relatively higher priced protein. After the supply shock and record beef prices, retail prices have chopped sideways. Retailers have been able to hold prices relatively steady in the headwinds of larger overall protein production (not just beef) and lower prices on competing proteins.

Retailers have been all too happy to capitalize on this demand—generating gross dollars and maintaining positive margins. A look at Urner Barry's retail buying opportunities (a measure of the number of ads multiplied by the number of stores featuring) shows retailers put beef in circulars throughout 2018 at a much higher rate than some less expensive proteins. In fact, the 2.4 million beef buying opportunities was 27 percent higher than pork, and over 34 percent higher than chicken.

Retailers have been driving consumers to what they want, and the choice is clear: it's beef. They have featured it more frequently and at generally stable prices, supporting the demand-driven environment that has characterized beef over the last few years. **UB**

Article contributed by Gary Morrison  
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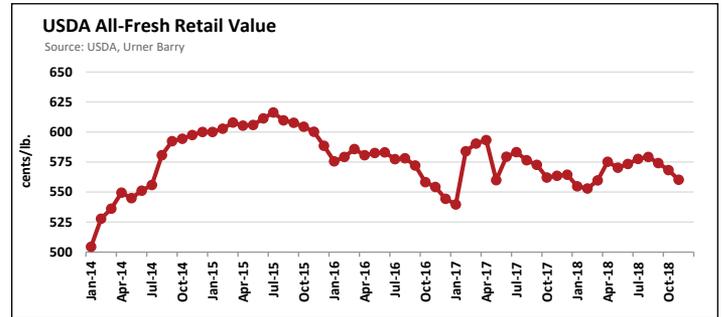
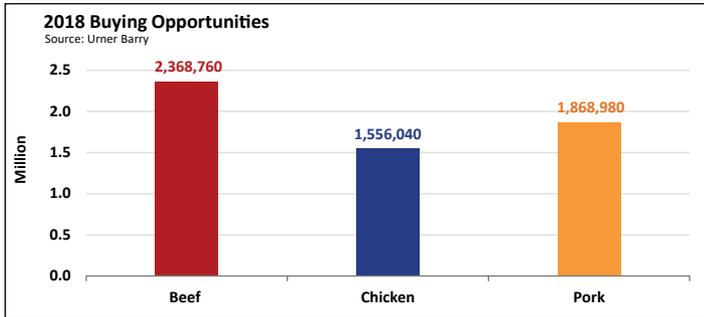
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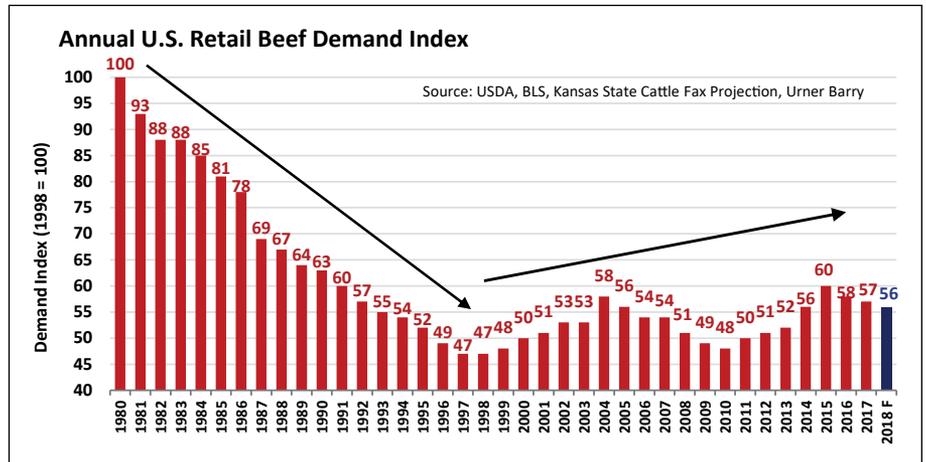
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# How Trey Braswell is leading the family towards success



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Braswell Family Farms has been in the farming business for over 75 years and across multiple generations of the

Braswell Family. Today, the organization is led by Trey Braswell III, and is absolutely thriving. By maintaining a strong connection to family values and history, Braswell Family Farms has continued to be a successful, privately owned business with happy, cared for employees.

In 1934, Trey's great grandfather, E.G. Braswell, purchased Boddie Mill, a water powered grist mill in North Carolina where corn meal was made. When his sons Gene and Ronald returned from military service, the real work began in establishing the family business.

The pullet and egg portion of the business grew steadily until the purchase of Wayne Feeds Franchise in Nashville. In 1979, Trey's dad Scott entered the scene and according to the official Braswell website, "developed innovative pullet and commercial laying hen complexes that produced quality pullets and eggs in the most efficient manner."

Just before Trey's beloved grandfather, Ronald, passed away in 1991, he invested in becoming a founding member of Eggland's Best, taking the brand in a new direction. In 2008, the business had greatly expanded, and fourth generation Trey stepped in to help. Trey was only in his 20s, but with a strong background and rich family history, he was more than ready to work. Less than 10 years later, in 2017, Trey took over as company President, and has never looked back.

"This is God's business, and we are here to be good stewards of it," Braswell told *Urnery Barry's Reporter*.

With his faith in the forefront of his mind, Braswell has always faced obstacles with confidence and courage. He has historically been unafraid of risk, pursuing specialty egg production when the road was rocky. "We enjoy doing the things that require an extra effort and giving our consumers a choice," Braswell added.

Braswell Family Farms' goals for 2019 are admirable, with consumer and employee satisfaction at the forefront. Braswell explained that increasing the supply of pasture raised and free-range eggs is a must to meet the growing demand

from Braswell customers. To do this, a secondary goal to become more efficient with all processes is one of continual focus. Braswell feels that the main ingredient in the company's success has been the grace of God. And for that reason, Braswell's third goal for 2019 is an emphasis on "ensuring that company values are cascaded to everyone on all levels."

How can a man so busy running a dynamic business stay agile enough to adapt, innovate, and succeed? Braswell makes sure to live life outside of work to its fullest by enjoying as much time as possible with his beautiful wife and two daughters. Together, the family of four stay active, always getting outside and exercising. He is also an avid hunter, a great cook, and loves to ski. Regardless of how much of his schedule is full, Braswell expressed that there is always enough time to commit to Jesus.

The employees at Braswell Family Farms are very fortunate to have compassionate leadership and a progressive approach to their satisfaction. The company recently implemented a new committee called the Caring Team, comprised of seven non-management employees. The team is given a budget and emergency fund, entirely funded by the company. The sole purpose of the team is to help care for employees and their families when they are in need.

With a rich family history and all the tools for success, Trey Braswell has proven to be a great leader. Braswell continues to forge a path for growth and adaptation with strong values, an open mind, commitment to God and his family, both at home and the office. **UB**

Article contributed by Laura Zinger  
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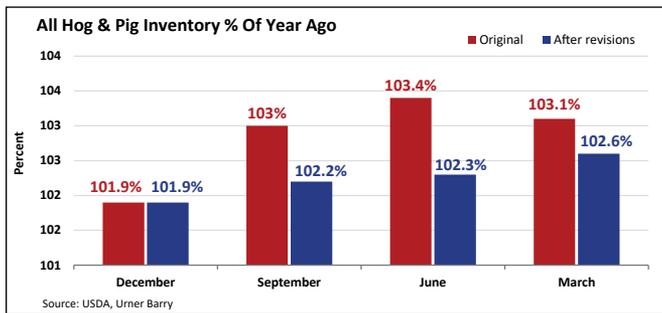
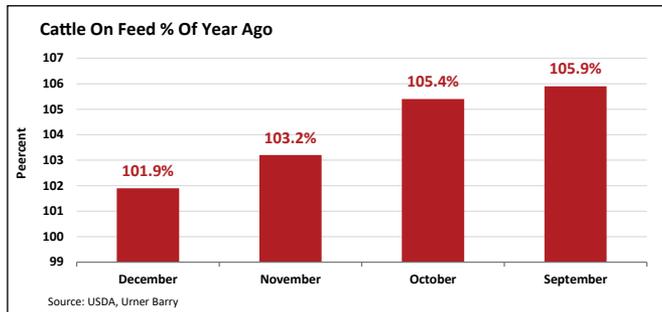
# US livestock supplies seen more manageable heading into 2019



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The latest outlooks for cattle and hog supplies, for at least the first half of 2019, are not quite as large as they had seemed just a few months ago.

Cattle futures are expressing more optimism among traders and investors for this spring and summer compared with hog futures. April and June live cattle both hit new contract highs in early to mid-January and had gained approximately \$6 per cwt since the beginning of December.



Smaller placements of young cattle into feedyards in recent months scaled back the year-on-year increases in the on-feed numbers, while marketings remained strong. This helped fuel a rally in the market and encourage additional buying in futures.

The December Cattle on Feed report showed the number of animals in the nation's feedyards at 101.9 percent of a year ago, compared with 103.2 percent in the November report. The actual number as of December 1 was about 47,000

head larger than on November 1, but placements in November last year were considerably larger than in 2018. The USDA reported placements in November 2018 at 4.9 percent below a year ago while marketings were 1.4 percent larger.

The on-feed numbers have drawn closer to year-ago levels in the latest three months. As of September 1, there were 5.9 percent more cattle in feedyards than a year ago, but by December 1, the number had pulled back to 1.9 percent. The January report was delayed due to the partial government shutdown.

Cash cattle prices gained about 5 percent from early December to mid-January.

According to the latest inventory data, hog supplies are also seen smaller compared with the projections made in the previous quarterly data that were released in September.

The U.S. hog and pig inventory as of December 1 was estimated 1.9 percent larger than a year ago,

but that was smaller than the average of analysts' pre-report guesses and reflected downward revisions made by USDA to the three previous hog reports.

The USDA pulled 890,000 head out of its earlier 2018 reports, with the biggest reduction coming from the September report since late 2018 slaughters were not up to predicted levels. The swine industry has been in expansion mode as processing capacity is still growing, but poor returns for producers during the second half of 2018 evidently caused

some operations to be more cautious about growing the herd.

Hogs available for marketing during the first half of 2019 are expected to average about 2 percent over a year ago, but monthly figures could vary from 1 percent to about 3.5 percent higher, based on the weight group data in the December report.

In addition, anecdotal reports indicate increased cases of Porcine Epidemic Diarrhea (PED) and Porcine Reproductive and Respiratory Syndrome (PRRS) in some areas of the nation. The viruses causing these diseases tend to be more active during the coolest months of the year.

*Continued on page 69*

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A year of expansion...

# Chile's Agrosuper now second largest salmon producer in the world



“Think global, act local” is Agrosuper’s philosophy. And with the Chilean producer recently completing their acquisition of AquaChile, they certainly are thinking globally.

Photos provided by Agrosuper

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Following the acquisition of AquaChile, Agrosuper is now the second largest salmon producer in the world. However, the company actually works with a number of animal proteins, including chicken, pork and turkey. In fact, when the company first launched in 1955, salmon wasn't even on the radar. Agrosuper initially started with egg production before adding the production and commercialization of live chickens. By the time the 1970s arrived the company expanded into processing and marketing chicken meat. It wasn't until the 1980s that the company entered the pork production business and began the production and commercialization of trout and salmon.

News broke back in August that Agrosuper would buy AquaChile for \$850 million. The acquisition news came shortly after AquaChile purchased 100 percent of Salmones Magallanes and Pesquera Eden for \$255 million, allowing AquaChile to expand their production and develop a salmon farming presence in the Magallanes region. In December Agrosuper received approval

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from authorities in Chile and the U.S. to move forward with their acquisition of AquaChile. The company confirmed that they agreed to purchase a 67 percent share of AquaChile from the current controllers and launch a public offer of shares for the remaining shares. The move allows Agrosuper to produce an additional 200,000 metric tons of salmon annually, which is approximately 20 to 25 percent of Chile's total salmon production and 7 percent of salmon production globally.

"If you look at the history of Agrosuper, in these more than 60 years, the first 20-odd years were only chickens, then it was pork, and then salmon, and then the fruit, which was taken away, then turkeys," Agrosuper José Guzmán told Economía Y Negocios Online.

Guzmán told the outlet that the recent purchase of these salmon companies will result in salmon becoming the most important item of Agrosuper. "Sales of

salmon will be about one third of the total," he explained. **LB**

Article contributed by Amanda Buckle  
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A tasty recipe for a taste of Austin...

# Schlotzsky's tackles AUSTIN STREET FOOD CONCEPT



Executive Chef Jason Moore.  
Photo provided by Schlotzsky's.

Street food is a magical category that embodies the soul of the populace. Whether specific to one cuisine, an interesting fusion, or a completely original and delicious concept, street food in any region is hard to define and harder to replicate. Jason Moore, executive chef at Austin-based Schlotzsky's, draws on a unique background in the culinary scene to achieve just that. And as if scaling a street food concept isn't tough enough, Schlotzsky's has stepped up to the plate with a heritage deeply-rooted in Austin, Texas.

Austin rocked the socks off the foodie scene in 2015 when it was named "Best Destination for Street Food" by Outside Magazine. The Outside article cited, "Sweet Chile Chicken Lollipops at Tommy Want Wingy or Kimchi Fries at the Korean-Mexican fusion truck" as just two of the many obvious reasons to book a flight to Austin and arrive hungry. The creativity and incredible diversity found across food trucks and cookoffs in the Austin scene is enough to tantalize even the most discerning palette.

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# SHRIMP SALAD RECIPE

And Schlotzsky's is truly Austin-inspired. "We've taken influence from Austin's street food scene to create menu items with bold, unexpected flavors, adding new categories like tacos and sliders to the menu, while staying true to our core product offerings, like the Original, made with our signature fresh-baked sourdough bread," boasts Chef Moore.

"As a kid, we didn't have your traditional sit-down dinners, we all sort of experimented in the kitchen, tasting as we went," adds Moore.

As the grandson of a Master Chef, the aptitude for creating cuisine was a natural part of Moore's rise to greatness. Moore exploded onto the culinary scene when he became the corporate executive chef for The Palm Steakhouse in Tyson's Corner, Virginia, and revived an 81-year-old steakhouse concept. From there, he moved on to work for huge names in the food world like Wolfgang Puck, Cargill, Lee Kum Kee, and Buffalo Wild Wings. As a seasoned food professional, Chef Moore is ready to take Schlotzsky's to the next level.

Schlotzsky's falls under the umbrella of the Focus Brands family. Famous for incredible sandwiches, salads, and, most recently, slow-smoked brisket, Schlotzsky's transition to Austin Eatery and a more fast-fine category is being done with absolute confidence.

After an abundance of research, Schlotzsky's called upon consumers to tell them exactly what they wanted to eat. Following a deep dive into cravings and preferences, Chef Moore used this knowledge to build and test delicious recipes. From mahi to shrimp, pork bellies to tacos, what the customer wants, the customer gets, and Schlotzsky's will make sure it's delectable.

But Schlotzsky's is not just another pretty face in the food game. Chef Moore is also committed and empowered to making strides toward bettering its supply chain in 2019 and beyond. The brand is moving toward greater transparency and clean labels. And in the spirit of buying local and keeping the most authentic flavor, Schlotzsky's transitioned to buying most of its chicken from a new poultry plant right in Austin. You will also find local wines and craft beers at the new Schlotzsky's Austin Eatery locations.

With so much preparation, talent, and incredible appreciation to details in food, the world can expect great things from Schlotzsky's and Chef Jason Moore in the future. Taking into consideration the soul that makes food craveable and the hard work it takes to make it sustainable, the chain is stepping into the street food world ready to win. As an exclusive Urner Barry Reporter treat, Chef Moore provided a special recipe so that readers can get a taste of Austin flavors right in their own kitchen. **UB**

Article contributed by Laura Zinger  
lzinger@urnerbarry.com

2lb cooked large shrimp, chopped  
1/4 cup minced celery  
3 Tbl chopped green onion  
1 1/2 cup Dukes Mayo  
2 Tbl grain mustard  
1 Tbl old bay seasoning  
2 Tbl fresh squeezed lemon juice  
Slider roll: 3 Kings Hawaiian slider rolls connected

## Assembly instructions:

Separate slider rolls and gently slice the top of buns half way making sure not to slice all the way through. Butter the outside of buns with soft butter and toast on a medium hot griddle till golden brown. Once grilled place shrimp salad into the center like you would a hot dog bun.

Recipe contributed by  
Schlotzsky's Executive Chef Jason Moore  
Photo provided by Schlotzsky's



Shedding some light...

A GLIMPSE INTO

# CELLULOSIC BIOFUEL

Ethanol was marketed as one of the principal cornerstones to America's plan of achieving energy independence, while at the same time, reducing its carbon imprint on the environment. Now, over 10 years after Congress first put into motion a mandate for biofuel production, this segment of the renewable fuel industry is underperforming its growth expectations. In order to shed some light on the state of biofuel, it is important to first understand the history and factors which influence current production standards.

After a series of amendments and negotiations between The House and The Senate, the "Energy Independence

and Security Act" (EISA) was finally signed into law by President George W. Bush on December 19, 2007 as part of his "Twenty in Ten" plan to reduce gasoline consumption by 20 percent over the proceeding 10 years.

The stated purpose of the act was:

"To move the United States toward greater energy independence and security, to increase the production of clean renewable fuels, to protect consumers, to increase the efficiency of products, buildings, and vehicles, to promote research on and deploy greenhouse gas capture and storage options, and to improve the energy performance of the Federal Government."

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**"While costs and production inefficiencies remain two major hurdles to surmount in cellulosic biofuel growth, this alternative biofuel does tout a number of key benefits over its conventionally-derived counterpart."**

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Originally, the plan sought to cut subsidies going to petroleum companies in an attempt to stimulate the development of alternative forms of energy. After facing opposition from the Senate, the amended version of the bill focused on automotive fuel economy, biofuel development and energy efficiency within public buildings. Not only did the final form of the EISA double down on The Energy Policy Act's mandate that 7.5 billion gallons of renewable fuel be blended into the fuel supply by 2012, it also set high expectations for cellulosic biofuel production starting in 2010.

So, what is cellulosic biofuel? Conventionally, ethanol employs a fermentation process whereby the grain or fruit of a plant is ground up in order to release starches, which are then converted into ethanol. The overwhelming majority of the world's current ethanol production is derived from corn and sugarcane. Cellulosic biofuel, on the other hand, is produced from the insoluble structural component of the cell wall of plants and vegetable fibers: Lignocellulose. While



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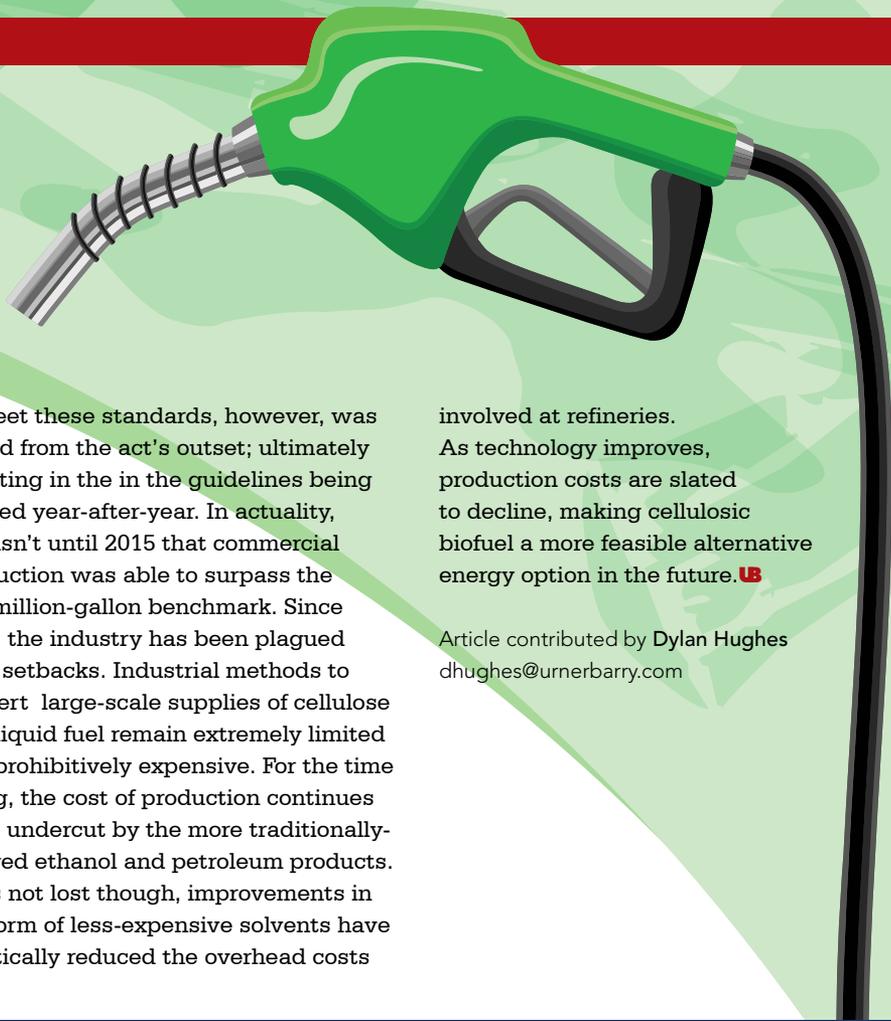
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lignocellulose is resistant to chemical breakdown, it can be coerced into sugar molecules through a series of complex biological and thermochemical processes. The concept of using cellulosic materials to produce biofuel dates back to the early 20th century, however plans to commercialize production were largely abandoned due to unfeasible economic overhead required.

While costs and production inefficiencies remain two major hurdles to surmount in cellulosic ethanol growth, this alternative biofuel does tout a number of key benefits over its conventionally-derived counterpart. Crops such as switchgrass, for example, can be harvested for their cellulose content and generally require less fertilizer and water than corn. This helps to reduce the overhead costs and environmental impact of farms. For those continuing to harvest America's number one cash crop, cellulosic refinement allows biomass such as corn cobs, stalks and leaves to be utilized in biofuel refinement. In theory, this allows the corn-based food supply to remain unaffected by the biofuel industry, while, at the same time, helping to boost the ethanol output per plant above that of traditionally-derived methods which rely on corn kernels alone.

So, this leaves the question: Why is the U.S. falling short of renewable fuel production mandates? Although conventional biofuel output is within range of the EISA guidelines, cellulosic ethanol continues to drastically underperform. The government mandate for the U.S. to begin blending cellulosic ethanol into its existing fuel supply went into effect in 2010 and started at a lofty 100 million gallons. The industry's ability

to meet these standards, however, was stifled from the act's outset; ultimately resulting in the in the guidelines being waived year-after-year. In actuality, it wasn't until 2015 that commercial production was able to surpass the 100-million-gallon benchmark. Since then, the industry has been plagued with setbacks. Industrial methods to convert large-scale supplies of cellulose into liquid fuel remain extremely limited and prohibitively expensive. For the time being, the cost of production continues to be undercut by the more traditionally-derived ethanol and petroleum products. All is not lost though, improvements in the form of less-expensive solvents have drastically reduced the overhead costs

involved at refineries. As technology improves, production costs are slated to decline, making cellulosic biofuel a more feasible alternative energy option in the future. **UB**

Article contributed by Dylan Hughes  
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# Angus herd adapts for efficiency, quality

Article contributed by  
Miranda Reiman, Certified Angus Beef

Angus is more than a buzzword to imply premium quality beef. It's everywhere today, playing on the 41-year success of the original Certified Angus Beef® (CAB®) brand, owned by American Angus Association members. CAB represents a destination brand consumers count on for consistency.

The brand, which annually sells more than a billion pounds worldwide and makes up 85% of Angus beef above low Choice, represents a goal out on the ranch because it pays premium dollars.

But "out on the ranch" is a big place with hundreds of thousands of producers who adapt their cows to fit resources.

A longstanding debate was whether cows adapted to fit the many unique

environments can efficiently produce premium quality beef.

Dan Moser, president of the Association's Angus Genetics Inc., says the debate is largely over, thanks to a huge database that allows simultaneous selection for both goals.

"It's not an either/or thing. It's selection for ranch environment WHILE meeting market demand," he says. "There are Angus cattle that will certainly do well for the combination of traits favorable to carcass merit, yet they are still efficient in the cow herd. They are fertile; they have longevity."

Consumer demand for higher and higher quality beef has transformed the nation's cow herd, especially after severe drought five years ago forced culling from the bottom end. Producers rebuilt with cows more capable of meeting the evolved beef demand.

That's according to Paul Dykstra, beef cattle specialist with CAB.

"Demand signals stimulated what is now a 13-year increase in beef quality grades," he says. "That really shifted into a higher gear when it began to increase

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**“Demand signals stimulated what is now a 13-year increase in beef quality grades...”**

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the Prime grade, which had been pretty flat at 2% to 3.5% of fed beef production from 2000-13. Just in the last five years, Prime climbed to nearly 8% of the harvest, including a week in December 2018 at 11% Prime."

There was a 35% increase in USDA Prime grade cattle last year, while the CAB brand Prime extension grew by record volume at near 31%.

Thanks to ranchers using tools like expected progeny differences (EPDs) and recently, genomic testing, the number of CAB-accepted cattle more than doubled in the last decade, to more than 5 million head last year.

Moser says finding a balance between cow herd functionality on the ranch and high-quality beef production allows steady improvement for both goals.



Photo by Certified Angus Beef

Market-driven, data-backed decisions move the Angus breed forward.

"We didn't just look at some bull and say he looks like high marbling so we're going to breed him," Moser says. "We have to do the same thing with maternal factors. We can overcome any

antagonism if we have the data, but we can't eyeball it."

Data keeps pouring in from across the country, including a suite of new EPDs that will better tailor cows to their environment, while keeping that ability to hit consumer targets, he says.

Dykstra says although the sudden surge in Prime meant a short-term lull in premiums paid to ranchers, those reaching the top grade are still worth \$80 to \$100 more per head than Choice, and have little competition from other meats like pork and chicken.

"Producers need not fear a market more saturated with high-quality beef," he says. "Rather, we should embrace this shift, the fruit of a logical market response that will guarantee beef remains the preferred protein." **US**

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# Help your sales team help you



Photo credit: sharilevitin.com

Heading into 2019 with an effective, self-starting group of salespeople, businesses can feel confident that lofty goals for revenue can be achieved. But what should managers focus on when hiring and training to ensure the competency and effectiveness of their sales team? Shari Levitin, bestselling author of *Heart and Sell*, key note speaker, and founder of the Levitin Group, has spent years perfecting the art of sales, sales training, and hiring salespeople; and she was generous enough to share some of her secrets.

When starting up or building out a sales force, the key to success is finding the right people. A common predicament that companies face is deciding whether to hire based on experience. Is the right choice a candidate with 20 years experience or a fresh face with a malleable mind? According to Levitin, the answer is neither.

"It's more about the soft skills," says Levitin. "The world is changing so

quickly...technology is changing, markets are changing, pricing is changing. I need someone who is a lifelong learner."

Don't get stuck in the rut of weighing experience too heavily. Industry knowledge can always be taught, but soft skills and drive are naturally occurring and completely necessary.

Interview questions can be tired and ineffective at drawing out the applicant's real personality and habits. Levitin recommends a focus on specificity and introspection when trying to understand whether the candidate is a good fit for a growth-oriented position. One of the first and best questions the expert makes sure to ask when hiring her own team is: "What are your top three attributes?" Giving the subject an opportunity to both self-identify and decide how to prioritize these qualities is a great indicator of professional values. Ask them if they like to learn. But don't stop there, follow up with something no one expects. "Give me an example of something you're reading right now." Is this a person who only reads fiction? Because the right candidate is always focused on improving and learning. "Look for people who read the newspaper, watching TED Talks, and are not always just defaulting to entertainment."

Ultimately Levitin stresses the importance of finding a salesperson with these five qualities:

1. **A Growth Mindset:** No matter how experienced, a lifelong learner
2. **Drive:** When quota is met, they keep going for personal best
3. **Courage:** They are unafraid of asking difficult questions, and able to get past fear of rejection
4. **Empathy:** Able to see things from the customer's point of view and put them first always
5. **Strategic Prowess and Creativity:** Able to strategize leading a customer to a buying decision

Once a team is assembled, it is vital to help them adapt to your process; and all businesses must have one. But if you don't you aren't alone. Part of what the Levitin Group does is help clients define and implement a structures sales process.

"Your process needs to match and align with your buyer's journey," explains Levitin.

Levitin recommends that when designing your unique process you should be focused on this value. Companies should reflect on organizational values and the target customer and have each step focus on empathy, competency, and genuine care for the prospect. Levitin continuously echoes in her book and interview that "having a rigid process frees your mind to open your heart to the customer."

Levitin recommends using the CALL Method to help guide your sales team:

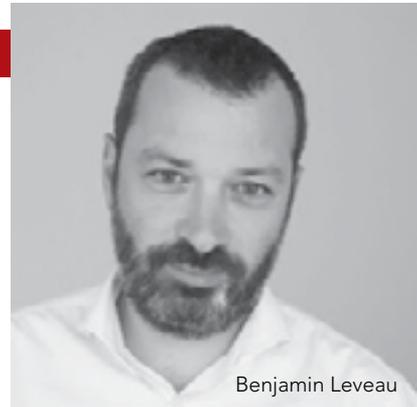
- Connect with empathy
- Ask questions about financial and emotional obstacles
- Listen
- Link to a solution

With every business in the food industry aggressively setting and working toward new goals in 2019, it is imperative to have the competitive advantage. Every business feels that its product is valuable and monetizable; but achieving those tangible and measurable results can prove extremely challenging. Shari Levitin and her team work tirelessly to train salespeople and leaders around the world and have an outstanding reputation built on results. Take Shari's advice; find great people, choose only the best, and train them to serve the customer above all. **UB**

Article contributed by Laura Zinger  
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# Urner Barry hires new reporter to cover European egg market



Benjamin Leveau

In the last issue of Urner Barry's Reporter, we announced that we would be expanding coverage of the European Egg Market. In this issue we're excited to introduce you to our new European Egg Market Reporter, Benjamin Leveau.

Leveau is stationed in Toulouse, France, and will be anchoring this endeavor from within the region. He joined Urner Barry back in July 2018, having previously worked in the metal and energy industry. Ben spent 10 years working for companies that produced commodities ranging from aluminum to uranium, and prior to that did price reporting at Platts in London.

"I joined Urner Barry because it was a chance to learn about a different world and learning more about food was always an attraction," said Leveau. "I am happy I made the leap because I have found a unique culture at this company. It combines people dedicated to doing a great job and having a good time while doing it."

"I am hoping we can replicate that winning formula in Europe," Leveau added. "There is a great demand for accurate information and more transparency and that's why I think there is a lot of potential in Europe for Urner Barry to help the various protein markets."

As we previously noted, in addition to the egg products market that traders have relied on for over 20 years, Urner Barry will now provide European market coverage for barn and free-range liquid and dried egg products. This expansion adds 16 new and unique quotations to the series, providing unparalleled market insight into product trading throughout Europe. Leveau's proximity and expertise in commodity trading allows for more frequent contact with key market participants, as well as specialized commentary and analysis. **U**

You can reach Ben at [bleveau@urnerbarry.com](mailto:bleveau@urnerbarry.com)



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# How egg powder global trade could be impacted

The EU Japan free trade agreement, which became effective February 1, has the potential to shift current egg powder trade flows to the benefit of EU processors in the coming years, according to several Japanese sources involved in the trading of egg products.

The EU-Japan Economic Partnership Agreement is set to remove almost all the €1 billion of duties paid annually by EU companies exporting to Japan, as well as several regulatory barriers, most notably on car exports. The agreement has been dubbed the "cars for cheese" agreement, as it will open access to Japan's 127 million consumers for the EU's many agricultural products, including Dutch Gouda and French wine, while opening the EU's large car market for Japanese manufacturers.

Included in the agreement is the long-term elimination of all duties on shell eggs and egg products over a span of 13 years. For instance, egg albumen powder will be freely traded between the two economic blocs with the

elimination on February 1 of the 8 percent tariff charged on transactions between Japanese and EU companies. Other egg products will see their tariffs decrease more gradually with yolk powder decreasing from 18.8 percent to 0 percent over the next six years. Meanwhile, whole egg powder will see its tariff slashed 50 percent to 10.7 percent by February 1 and another 25 percent by 2025 before reaching 0 percent by 2031.

Tariffs on shell eggs and liquid products will also be reduced, but trade flows in egg powders are most likely to be impacted for the simple reason that Japan does not produce any. While Japan has over 135 million laying hens and some egg processors, Japan has no drying companies due to the excessive costs in energy and labor. According to the International Egg Commission, Japan is one of the largest egg consumers on a per capita basis at 333 eggs per year, right behind Mexico. The country's self-sufficiency rate, which indicates its surplus or deficit, is only 96 percent. That 4 percent deficit is mostly imported in the form of powder, although it also imports some liquid yolk for mayonnaise production.

According to a Japanese egg powder buyer, most of the egg yolk and whole egg powder is set for the local bakery and confectionary business. About 60 percent of egg white powder is used for sausages, another 20 percent to add some functionality to noodles, while an additional 20 percent is used in frozen foods.



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In the last few years, Japan imported approximately 3,000 metric tons of whole egg powder, 3,000 metric tons of yolk powder and 10,000 metric tons of albumen, making it the largest importer of egg powder in the world. Japan, in fact, imports about 15 percent of all globally traded powder far ahead of countries like the UK and Germany, at 8 percent and 7 percent respectively. Thus, a change in the fundamentals for such an important buyer can have repercussions across the industry.

Given the removal of all barriers to albumen and the importance of the material to the Japanese market, EU egg processors are the first looking at the potential positive impact it could have on their export business. European albumen spot prices have been hovering at low prices for years given that the market in Europe is mostly driven by yolk business. Therefore, albumen supply has always been sufficient so far to meet market demand.

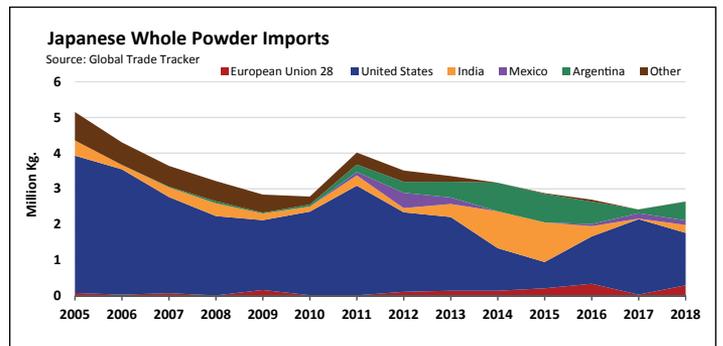
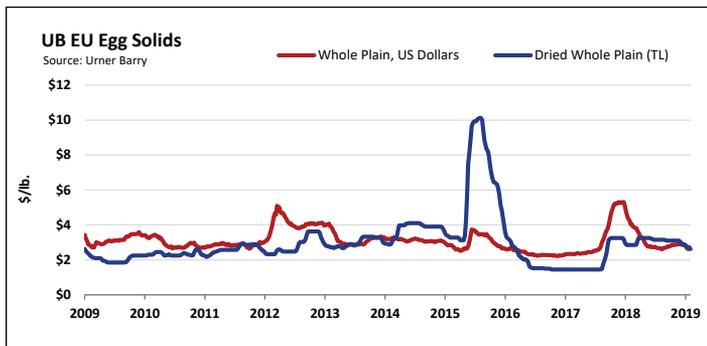
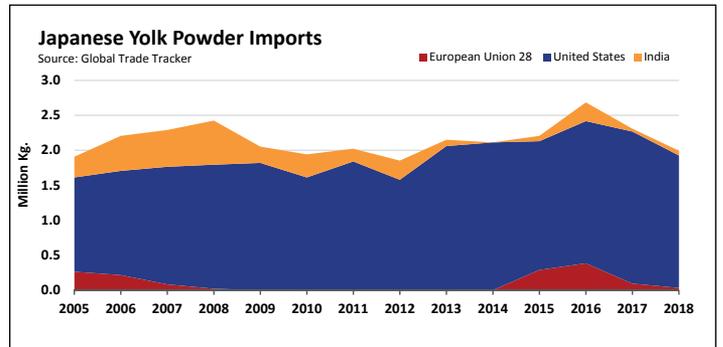
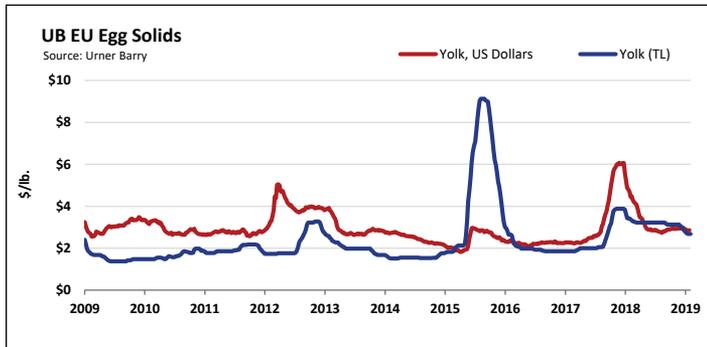
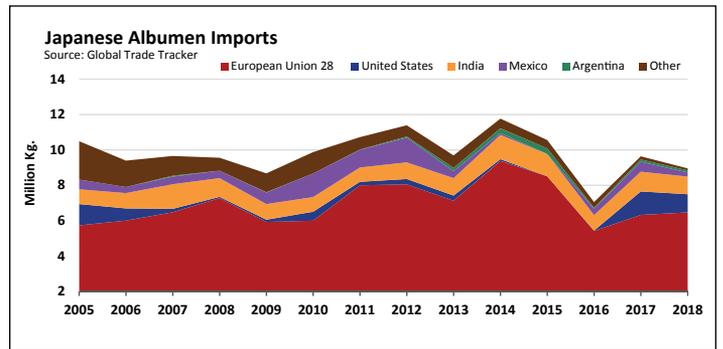
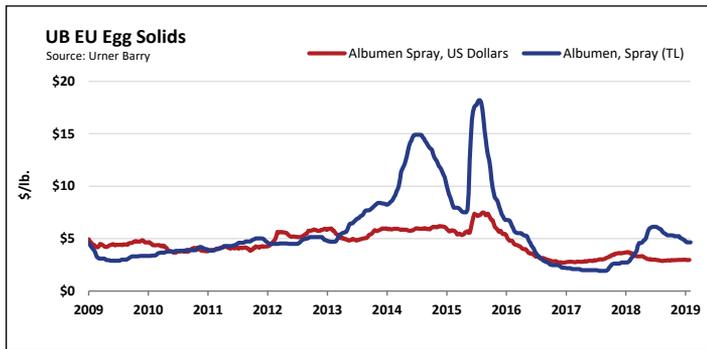
There are, however, two reasons why it looks premature to see any increase in business volumes or prices on the white powder side. First off, Europe has already captured most of the market share given their competitive prices, especially in contrast with US prices. About 70 to 80 percent of all albumen imports come from the EU. Therefore, while there could be additional volumes; it will be limited. This is also true for the second reason:



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Japanese consumption is declining. The Japanese market is declining as population will keep declining. And even if Europe capture more volumes, prices are likely to be somehow capped by whey and soya, substitutes that have been increasingly used in key albumen markets.

“It’s difficult to create new market of egg white powder in Japan,” according to one Japanese buyer. “In the end, only existing customer will get benefits because their purchase price will be reduced by 8 percent (duty).”

Albumen prices could well increase in the future, but it won’t likely be attributable to increased Japanese consumption. However, most Japanese agree: European processors have an opportunity to capture market share in

the yolk and the whole powder business where the US has been the main supplier historically. The US, and other countries, are now at a disadvantage on tariffs. Some 6,000 MT of whole and yolk powder are exported to Japan and the US has captured about 70 percent of that market. The European Union? Only 7 percent, according to the latest figures for 2018.

Other exporting countries could also see their market share threatened by the new free-trade agreement between Europe and Japan. India, Mexico and Argentina all have large volumes going into Japan. Of course, trade flows do not shift easily or quickly. Relationships are said to be very important to Japanese customers and they would likely take time to evaluate the risk benefit ratio of switching large volumes. In addition, whole egg and yolk powder tariffs are

being reduced over several years. The global tariff rates may be lowered in line.

Nevertheless, the Japan-EU free trade agreement will create opportunities. Beyond that, the EU is looking to expand its bilateral agreements all over the world. A Canadian agreement will enter into force this year, although most egg and egg products are excluded (except for albumen powder). In addition, an existing agreement with Mexico is being revised, while a partnership with South America is still in the works. Finally, an economic agreement with Vietnam and Singapore, large per capita egg consumers, are also in the works. Europe has an agricultural surplus and it is intent on finding a market for it. **UB**

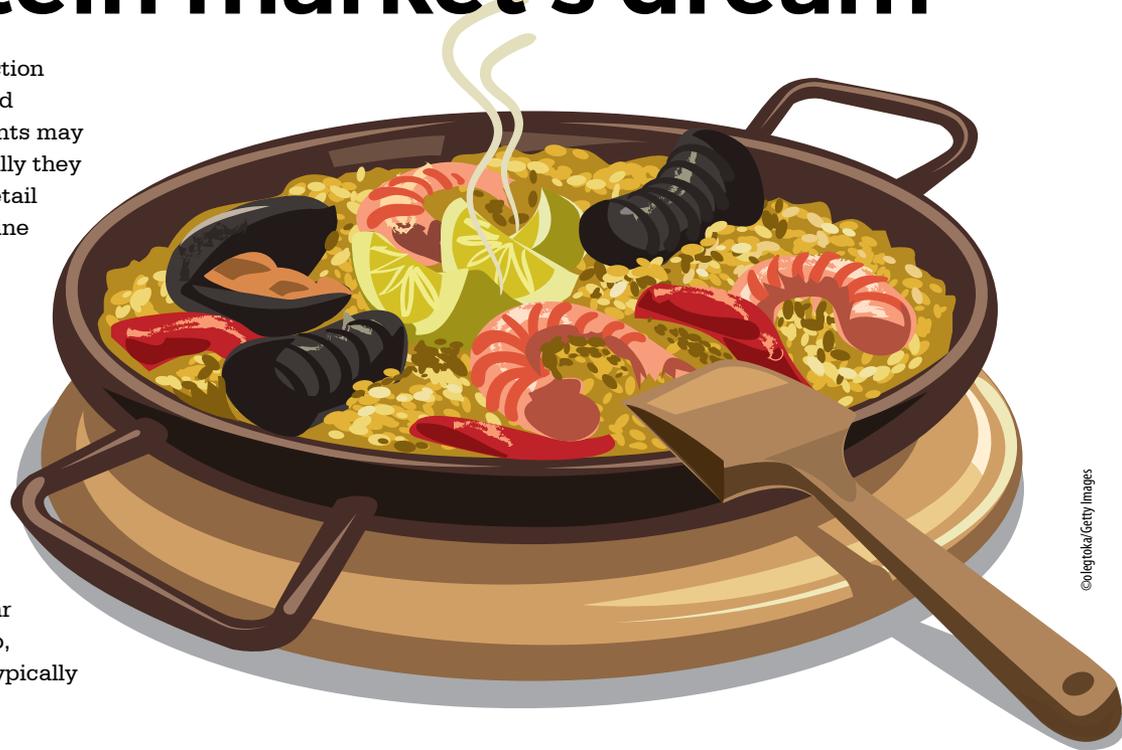
Article contributed by Benjamin Leveau  
bleveau@urnerbarr.com

# Paella, an over-supplied protein market's dream

With over-supply and over-production situations in the chicken, pork, and shrimp markets, market participants may be looking for new ideas. Potentially they can look to a menu item at both retail and foodservice that would combine all three!

Valencia in Eastern Spain, is heralded as the home of paella. The name paella also, historically speaking, refers to the cast iron pan in which it is cooked, which some chefs proclaim to be the vital part to cooking the dish.

There are many variations of paella, but one of the more popular recipes seen includes both shrimp, chicken, sausage, and shellfish (typically clams and mussels).



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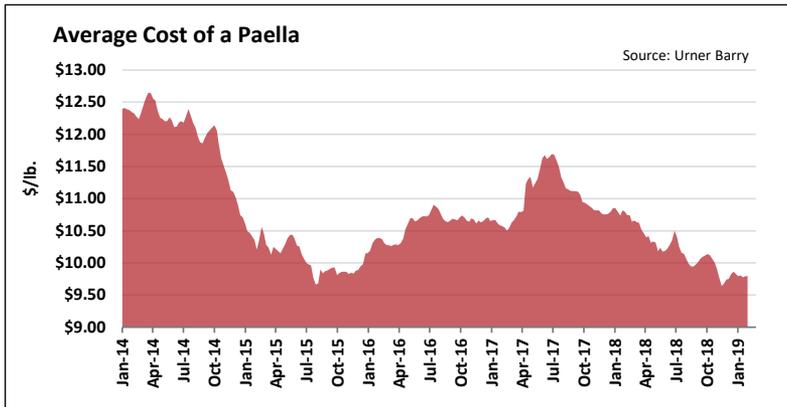
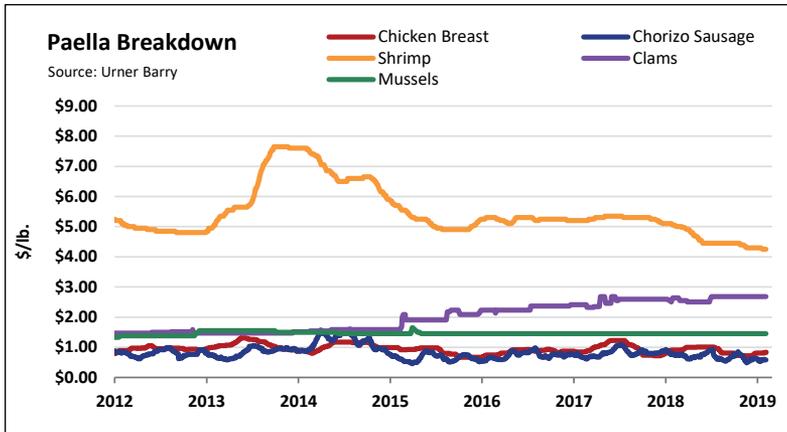
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As the charts below portray, paella is a real value right now to the consumer. Many of the inputs are close to all-time lows.

Sausage prices have fallen under the weight of record setting pork production. In addition, supplies of competing proteins are also at—or near—all-time highs. This is providing a lot of competition in the marketplace and providing a price ceiling on many items.

2018's record low chicken values were a product of various market and economic pressures. In conjunction with the challenges that accompanied record production, record high cold storage inventories left sellers without the safety net of throwing product in the freezer. Attractive values of competing proteins displaced previously reliable wholesale and consumer demand, as well as consistency in exposure at the retail level. Retail feature activity for chicken sat at a seven-year low during Q4 of last year.

The overall shrimp complex has been under downward pricing pressure



© maguilla/photos/Getty Images

throughout most of 2018. Supplies of warmwater shrimp through November are 5.2 percent higher than last year at the same time, with over 1.396 billion pounds imported into the U.S. All categories—shell-on, cooked, breaded, and peeled—are seeing increases in volume as well.

Mussels are a very stable market item, with a steady supply and price. Clams have seen increases over the seven-year span, and also have steady price and supply thanks to improved fishery management. This has helped clams and mussels regain popularity with a younger generation.

With many market participants vying for additional exposure for their proteins, paella may be a good dish to explore as a menu item or ready-to-eat meal at retail. **UB**

Article contributed by Janice Schreiber  
janice@urnerbarr.com

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# Consumer push for high quality contributes to destruction of Select grade beef

There are many factors in consumers' quest to drive trends, and if companies fail to recognize and acknowledge the shift, it can negatively impact business. Consumers in 2018 pushed for premium quality, sustainability, and traceability—and showed a willingness to pay for it. Meanwhile, the beef industry took notice.

The beef market is in a demand-driven environment and consumers are willing to pay up for premium product. This has certainly gotten the attention of those in the industry as consumers signal what they want, and producers answer. Strong domestic demand is being driven by improved consumer sentiment from



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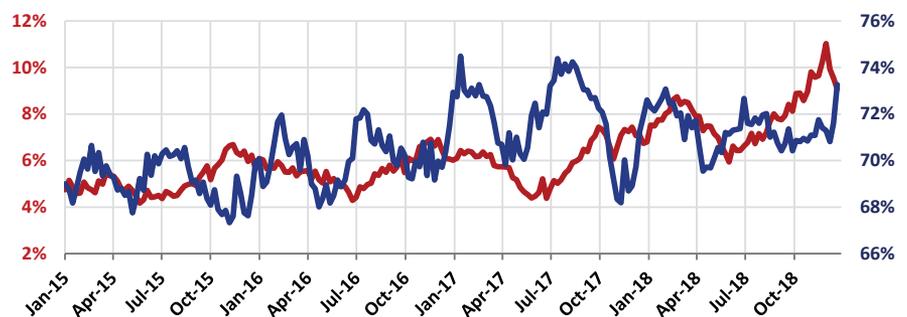
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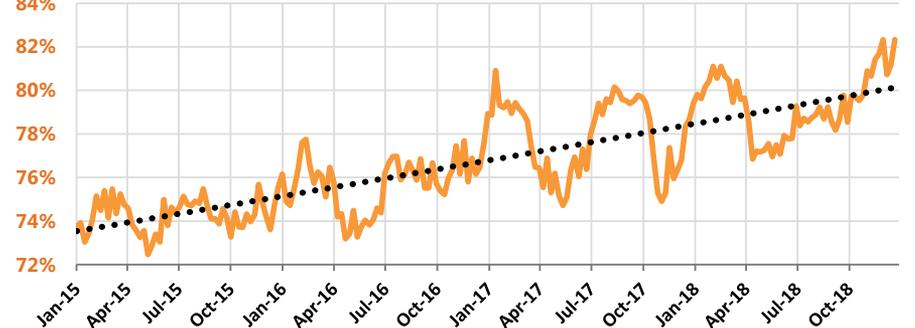
## USDA Grading Percentage

Source: USDA, Urner Barry



## USDA Grading Percentage Prime + Choice

Source: USDA, Urner Barry



macroeconomic conditions such as record-low unemployment, lower taxes, and increased wages. The latest U.S. export figures also support the idea that there is a desire for quality beef around the globe.

The start of the expansion rested squarely on the Choice grade. In just 10 years, from 2008 to 2018, the average carcass grading Choice went from 56 percent to just over 71 percent, or 15 percentage points, easing from a record high of 72 percent in 2017. While last year stopped the positive-growth momentum for Choice (only barely), Prime grade grew at a record pace of 32.5 percent, or nearly 2 percentage points, to average nearly 8 percent. The week of December 3 saw a record-

breaking Prime percentage of 11.03. In the same 10-year period, the destruction of Select grade is noticeable. The percentage of beef grading Prime or Choice went from 58.3 to 82.3 percent, 24 percentage points, or a total increase of 41 percent during this time.

Members across the value chain have met this demand for a better customer eating experience by actively selecting for better genetics, improving feed management, and raising animals to the grid. This is further supported by the explosion of premium and branded programs in the industry, which further emphasize quality. **UB**

Article contributed by Gary Morrison  
 gmorrison@urnerbarry.com



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# More players, less consolidation



A shift, of sorts, has been occurring in the pork processing industry in recent years that has led to additional players and less consolidation compared with the wave of buyouts and takeovers that took place from the 1980s through early this century.

A look at the most recent new plant openings and those preparing to open soon quickly shows that these were not built by the mega companies that already had multiple facilities and grew rapidly in earlier decades largely through acquiring other companies. Instead, they are companies that had just one plant before or were just entering the processing side of the business. The most recent new plant openings include:

- Clemens Food Group, Coldwater, Michigan—a sister plant to Hatfield Quality Meats in Pennsylvania.
- Seaboard/Triumph in Sioux City, Iowa—a joint venture between the two companies that each have one other plant. Seaboard Foods is a vertically integrated producer/processor and Triumph Foods is a member-owned LLC firm.
- Prestage Foods, Eagle Grove, Iowa—scheduled to open in early March. Prestage Foods is a part of Prestage Farms, a large hog and turkey producer. This is the first pork plant for Prestage, which had been selling its hogs to other processors over the years.

According to Successful Farming's list of 2018 Pork Powerhouses, Seaboard ranks the second largest in sow ownership behind Smithfield Foods. Prestage Farms is the sixth largest in the nation.

Three other smaller plants round out the most recent entries; and one of these is not yet open but is undergoing retooling. Rantoul Foods, part of Agar Foods and associated with Trim-Rite Foods,

operates in Illinois and can process about 6,700 hogs a day. Prime Pork, located in Windom, Minnesota, is a privately-owned specialty pork company and can process about 5,000 head a day. Premium Iowa Pork is currently refurbishing and retooling a former poultry plant in Luverne, Minnesota and plans to process about 2,200 head a day at that facility.

The addition of these plants will push the industry's daily processing capacity to nearly 500,000 head.

Smithfield Foods remains by far the largest hog processing company with a daily capacity of about 130,000 head at a total of 10 plants, including its sow facility. JBS, which acquired Cargill's pork plants in 2015, can process about 93,000 head at its five facilities. Tyson Foods, which acquired IBP and the former Wilson Foods facilities in 2001, can process over 81,000 head a day at its seven plants, including its latest purchase of the former Hillshire/Jimmy Dean plant in Newbern, Tennessee.

The top three pork packers by size can process nearly 305,000 head a day, or about 61 percent of the expanded total capacity scheduled to be available within a few months. However, prior to the latest additions to capacity from other processors and new entries, the top three held a nearly 69 percent market share of the slaughter on a combined basis. So, the additions have tended to dilute the portion of the pork controlled by the three largest processors.

So far, hog production has increased sufficiently to adequately supply the added processing capacity and, at times, has even outpaced it, resulting in lower-than-expected prices. However, if producers pull back a bit on output, or seasonal factors and disease issues result in any reductions, additional competition for animals could fuel a sharper upshot in cash hog prices. **UB**

Article contribute by Curt Thacker  
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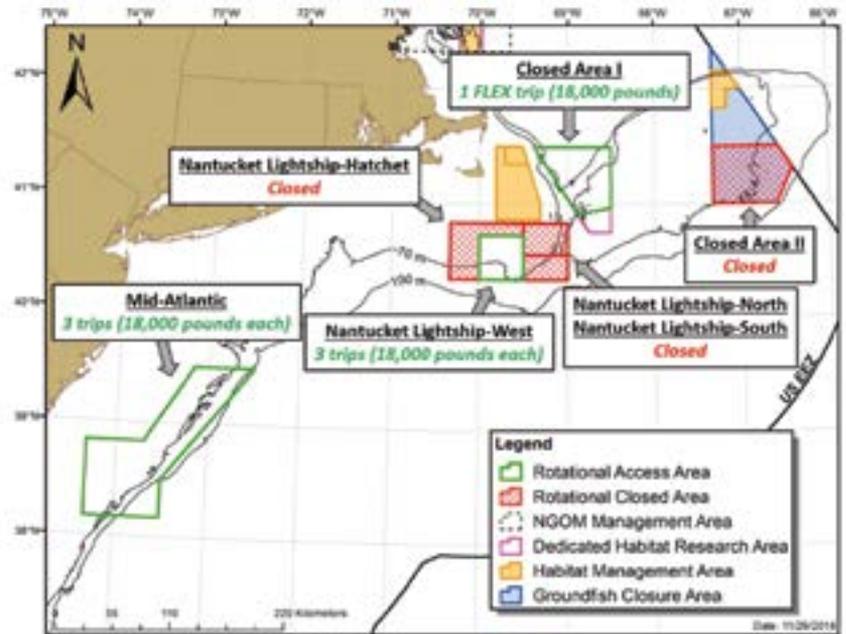
[kkm@npfda.org](mailto:kkm@npfda.org)

# The 2019 Atlantic Sea Scallop Fishery Management Plan

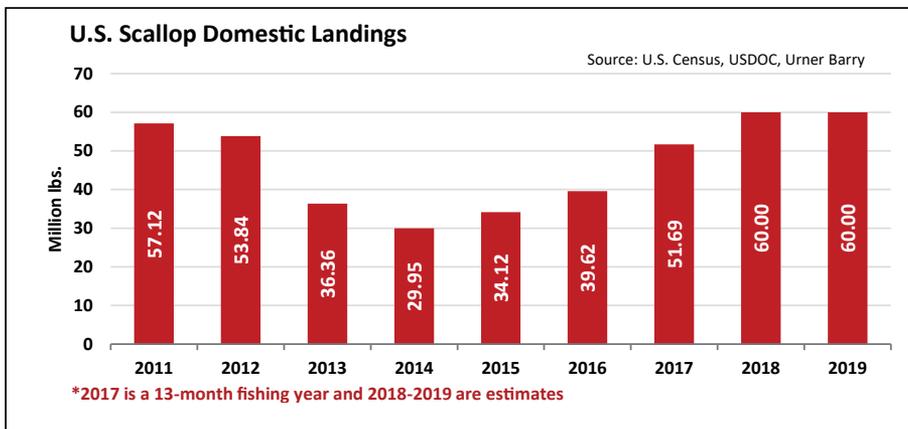
In December, the New England Fishery Management Council approved Framework Adjustment 30 to the Atlantic Sea Scallop Fishery Management Plan. The framework contains specifications for the 2019 scallop fishing year, which will begin on April 1; default specifications for 2020; and two “standard default measures” that will carry on into future years. If approved by the National Marine Fisheries Service, the region’s scallop fleet should be able to land roughly 60 million pounds of scallop meats in the 2019 fishing year.

The overwhelming majority of the fishery is allocated to the full-time limited access fleet, so for illustrative purposes, we’ll look at how it’s constructed. In 2019, vessels with full-time limited access scallop permits will be allocated...

- 24 open-area days-at-sea
- seven 18,000-pound access area trips
  - Three trips into Nantucket Lightship-West
  - Three trips into the Mid-Atlantic Access Area
  - One “flex” trip that can be fished either in Closed Area I, Nantucket Lightship-West, or the Mid-Atlantic Access Area.



As depicted in the map above, vessels with full-time limited access scallop permits will be allocated seven 18,000-pound access area trips for the 2019 scallop fishing year under Framework Adjustment 30. Credit: New England Fishery Management Council



The measures above should yield the same quantity of scallops as the 2018 season, however it has been suggested that the change in which access area trips were allocated could result in fewer U10 and U12 scallops. It has also been suggested that maintaining the same number of open area days, but the addition of another closed area trip, could result in a similar outcome in overall tonnage. The Council expects lower catches per day in open area fishing. **US**

Article contributed by Jim Kenny | jkenny@urnerbarry.com

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Continued from page 6

Now, much of this production is spoken for, but it is far more CA compliant production overall than what the nation had in 2015 to service Prop. 2.

As we saw in 2015, market conditions typically solve these situations. Higher prices temper consumer demand and motivate producers to make changes. Within three months of 2015's peak, California prices regulated and spreads with the Midwest fell back into the 30-cent per dozen range.

With California shifting its production standards once again, the egg industry is bracing for another turbulent transition. How the market will react is still anyone's guess, but as we have seen in the past, the market has a way of figuring itself out, as prices help to balance supply and demand. **UB**

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

Continued from page 45

"It's estimated that approximately 90 percent of global protein consumption growth will occur outside the United States, with 60 percent of the volume growth coming from Asia over the next five years," said Donnie King, group president of International for Tyson Foods. "Increasing our international footprint with in-country operations and export capabilities will help Tyson Foods strategically access new markets and better serve the growing global demand for our value-added protein."

Expansion initiatives also come in the form of production enhancements. Cal-Maine recently opted to expand capacity with the acquisition of the egg production assets of Featherland Egg Farms. Chairman and CEO Dolph Baker commented on the transaction, saying "This transaction is consistent with our strategy to expand our business through selective acquisitions. It is located near many of our other locations and major market areas in south Texas, and we intend to capitalize on specific market opportunities created by this additional production capacity. We look forward to the opportunity to extend our market reach and deliver greater value to both our customers and shareholders."

It's no question there was a myriad of exciting M&A news in 2018. Looking ahead, the current financial landscape has created opportunity for more potential deal-making in the year to come. How will companies use available capital to expand and diversify through new mergers and acquisitions? Time will tell—but sure enough, the industry will continue to grow and evolve. **UB**

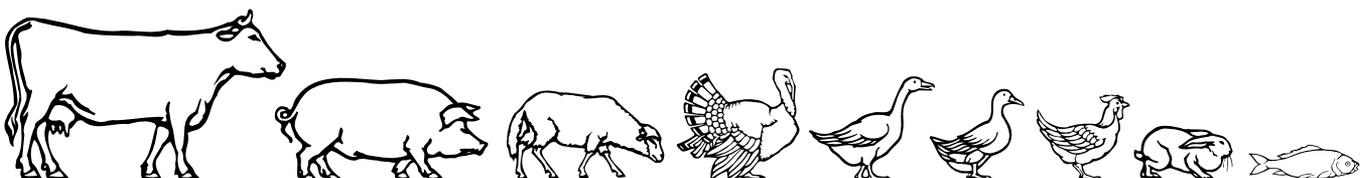
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# Livestock

Continued from page 51

Also, ongoing cases of african swine fever in China has contributed to expectations of stronger U.S. pork exports at some point ahead. China is by far the world's largest producer and consumer of pork.

Cash hog prices have rallied more than 17 percent since the December quarterly Hogs and Pigs report was released on December 20.

Hog processing capacity is still advancing as the new Prestage Foods pork plant in Iowa is scheduled to open in early March and a refurbished poultry facility in Minnesota is expected to reopen as a pork plant operated by Premium Iowa Pork sometime this spring or early summer. These additional facilities will push the daily capacity to nearly 500,000 head. Eventually, the possibility of second shifts at two of the newer plants could boost the daily capacity to around 520,000 head but that may take two or more years to achieve.

Competition among packers for hogs could be price supportive provided that production does not move up just as rapidly as processing capacity. **UB**

Article contributed by Curt Thacker  
cthacker@urnerbarr.com

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# Selling it, 1922 style...

## New York Produce Review - American Creamery

PUBLISHED EVERY WEDNESDAY BY THE  
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 NEW YORK, MAY 3, 1922

Starting some time back in ancient Egypt, hawkers were probably advertising their wares to the masses, much as we do today. Chances are some of those undecipherable hieroglyphics are ads for the latest embalming fluid that could be had for a few gold pieces by the local mummifier. As we were delving into the vast archives of Urner Barry printed editions, we started to notice a few advertising trends that were tried and true in their day, which in this case was 1922. We've culled some of the best specimens from Urner Barry's "New York Produce Review and American Creamery"—not the shortest title of an Urner Barry publication—but definitely a favorite advertising vehicle for many of the traders of the day. Please enjoy our take on a few curious examples from the yellowed, if not hallowed, pages of this fine periodical of yesteryear...

### From the "Bright Side of Life" department:

As seen below, it appears that a lot of ads in the 20s were focused on the promise of a worry-free life with literally "no suffering" and "all's well that ends well" with butter and eggs. If only that held true in today's markets...

**Are Egg Prices Too High?**  
 There is no question that the prices paid for eggs at shipping points have a controlling influence upon the proportion of the production that is to be added to the reserve accumulated in cold storage.

# You'll Never Worry if you Store Your Eggs

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**On the Chicago Junction Railway which connects with the 23 Trunk Lines entering Chicago.**

**No Cartage or Switching Charges on Carload Lots.**  
**A Day's Notice on Outgoing L.C.L. Lots Saves Cartage.**

**UNITED STATES COLD STORAGE CO.**  
 The World's Largest and Best Equipped Plant  
**Eggs ordered out before noon, will be 150 miles "on their way" at sunrise.**

There will never be any reason for worry. All you need to do is order your eggs from this great plant and the minute they leave they will be under the kindly care of operators who know through years of experience just what must be done to retain freshness, flavor, quality and safe storage of eggs.

For a list of L.C.L. rates, call or write to the nearest office of the United States Cold Storage Co. or to the Chicago office, 173 and 175 Chambers St., New York City.

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**No Suffering  
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Because the goods had to be moved to accommodate other shipments.

Our storage facilities and increasing percentage safeguard your interests.

Our sales are made in accordance with our judgment of the market.

# Butter and Eggs

# All's Well

That ends well has a good beginning has great advantages. If you are not already doing so, commence to ship your BUTTER and EGGS to the Old, Prompt, Reliable and Responsible house of

**F. C. Barger & Co.**  
 121 FRANKLIN ST. - NEW YORK

Reference: Irving Trust Bank, N. Y. Member of Federal Reserve System.

**So, where have we heard THIS before?**

"Lock them up..."? "...behind a wall..."? Some phrases never go out of style. Although, in this case, the fine people at J.G. Cherry Company are talking about germs and mold spores! It would be difficult to debate the notion that we don't need these things in our butter!

**May the best man win...**

It appears that the woman in this ad is going to go with the guy with the biggest bunch of flowers. Perhaps merely being "prompt and reliable" is not quite enough in the discriminatory world of butter and eggs of 97 years ago.

**Discriminate**

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AND  
**EGGS**

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**From the "Quaint but Creepy" department:**

We're not quite sure what three guys saying "Ah!" in the shower together has to do with butter and eggs but they sure want to "demonstrate what they can do..." if we "...favor them with a consignment." Uh... OK.

All bad butter puns aside, what's the deal with the creepy clown/pilgrim guy in the F.C. Barger & Co. ad below?

**Ah!**

"That's the kind of a commission house," is what you'd say if you'd favor us with a consignment, so that we may demonstrate what we can do.

**WELLS & RICHARDSON CO. BUTTER AND EGGS**

**NO LIES OR BUNS**

BUT IF YOU ship your BUTTER or EGGS to **F. C. Barger & Co.** you will get the best possible results to be obtained in the best market in the country.

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Refer to Irving National Bank or your own Bank.

**Dandelion dealings?**

Although "Dandelion Butter Color really costs nothing to use," we're not sure if we'd trust either one of these characters in a business deal, even if it is "used by 90 percent of America's successful butter makers."

**Put the Bugs in Jail**

Lock them up behind a metal wall of germs!  
That's what you do with germs and mold spores and other enemies to good butter when you



**Copper-Paraffine Your Butter Tubs**

Invert the tub over the steam jet at the left to open the pores of the wood. Then raise the steamed tub to a shower bath of hot wax, then into every service and pass by 100 lbs. steam pressure by securing it over the bowl at the night.

An easy job and a quick one and the paraffined tub is ready for a top in Europe of necessity, where it will deliver as least of butter in prime condition.

A fine money-making investment because it means top price for good butter.

Send for the "Copper" Circular.

**J.G. CHERRY COMPANY**  
CUTLERS BLVD. 1077A  
22 22  
22 22



**An ounce of "Dandelion Butter Color" adds an ounce of weight to your butter**

Dandelion Butter Color really costs nothing to use. It does pay for itself and in addition gives a rich, golden June shade to butter that makes it marketable at top-notch prices. Therefore "Dandelion" is consistently used by 90% of America's successful butter makers.

Year after year Dandelion Butter Color figures in the biggest prize winnings at the National Dairy Show and the State and County Shows. Gus Kahlboon's "97", reached peak at Minneapolis in two classes, were the greatest hooding mummies of the big event. Its own Dandelion.

At the St. Paul Show of the Minnesota Creamery Operators Association and second highest scores were made by E. G. Hein, St. Charles; and August Schoberg, Ruab City, Dandelion Butter Color users.

"Dandelion" is preferred for many reasons and among them are these:

It is pure vegetable and fully meets all Food Laws—State or National. Ask your dealer or us for prices.

**WELLS & RICHARDSON CO., Inc. BURLINGTON, VERMONT**

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