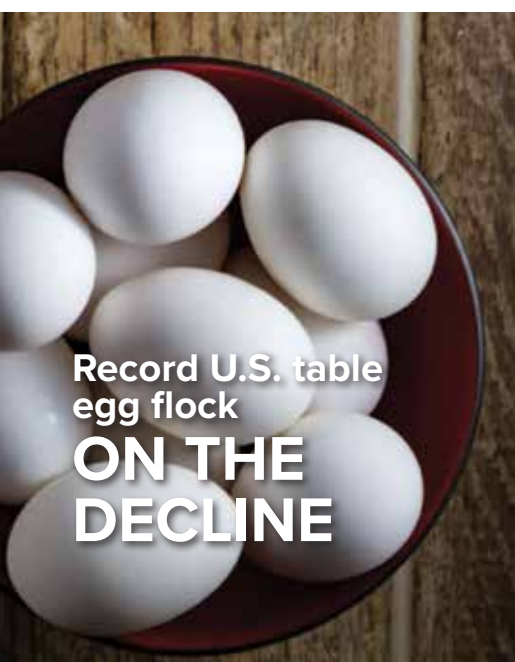


Urner Barry's Reporter

the newsmagazine for the food industry professional

VOLUME 14 | NUMBER 4 | FALL 2019 | QUARTERLY

Choice and
Select Spread
**WIDENS
TO RECORD
HIGH FOR
SUMMER**



Record U.S. table
egg flock
**ON THE
DECLINE**



WOMEN
in Food &
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From the Editor's Desk...

While putting a few final touches on the Fall issue of Urner Barry's *Reporter*, I wondered how it was that Number 4 (Fall edition) was about to go to press. After all, it seemed to me that it was only a couple of months back when it was rolled out with a fresh new look up front, along with new features, layouts and expanded coverage in between. As it turns out that was almost a year ago.

It's true what they say. As I grow older, one thing that has become quite clear is that time is fleeting, and it waits for no one. That is certainly true for the food industry. How time flies. Just when the latest packaging, taste and nutritional profile is rolled out to meet the latest surveyed consumer data, minds are changed, external influences intervene, and existing marketing plans get trashed. Before you know it, the latest and greatest has passed and the industry scramble to satisfy the next customer driven culinary whim du jour is on.

So, time is not necessarily on the food industry's side. However, there is no doubt that it has learned to use the time available to better adapt to changing consumer wants and needs. Response time is quicker while significant strides in food technology and safety, in combination with engineered marvels of automation, afford more variety and form than ever before. And yet, somehow, it isn't always enough. Every year time-tested food industry institutions fade away and ultimately disappear to make room for those who have found the current formula for success.

Today, it's the companies within the food industry who can adapt with the most innovative solutions and the least amount of internal and external resistance that are ultimately the winners. But it wasn't always that way. During the mid-1970s, when beef and pork consumption was at its modern day peak, and in the 80s when poultry and seafood consumption was expanding at an enviable clip, it was more a matter of production efficiencies—the more the merrier, the bigger the better. A slim margin was fine because economies of scale were in control. That was pre-RFS (Renewable Fuel Standard), a period of \$2/bushel corn which gave rise to an oft coined phrase in the poultry industry: cheap corn means cheap chicken. Demand was not a driver for change, as long as profit was being made.

In the end, while it's true that time may fly, it is also a teacher. During my formative years at Urner Barry, I was fortunate enough to have a friend and mentor by the name of Don Busch. Don was full of wit and wisdom and was prone to just a little sarcasm. But there was one thing that he always said to me with conviction and it was right on the money. Don told me that in time, the food industry must learn to "produce what it can market, not market what it produces." As it turns out, he was right. That time is now.

Stay in touch,



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Urner Barry's Reporter

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FOOD INDUSTRY PROFESSIONAL

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UrnerBarry

MARKET PRICES, NEWS, AND ANALYSIS

Urner Barry's *Reporter* (ISSN 1944771X) is published quarterly by **Urner Barry Publications**, 1001 Corporate Circle, Toms River, NJ 08755. Periodicals Postage Paid at Toms River, NJ 08755 and additional offices. POSTMASTER: Send address changes to **Urner Barry's Reporter**, 1001 Corporate Circle, Suite 1, New Jersey 08755.

Subscription to Urner Barry's *Reporter* is free. Mail subscription orders and changes to **Urner Barry's Reporter**, Subscription Department, 1001 Corporate Circle, Toms River, NJ 08755 or call 800-932-0617.

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AGRI BRIEFING

FOOD DELIVERY CONTINUES TO GROW IN POPULARITY

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Gone are the days when you had to pick up the phone to place your food order, give your credit card information over the phone, or even drive to pick it up. On-demand food ordering has taken off and the trend is just beginning.

According to the National Restaurant Association, three in five U.S. consumers order delivery or takeout once a week. Food delivery, however, has hands down become more appealing than takeout. The convenience, speed, and even anti-social aspect it provides in today's fast-paced world make it an attractive option.

In 2017 the online food delivery services market was valued at \$81.56 billion, and forecasted to grow at an annual rate of 9.8% from 2018 to 2026, according to a market research report published by Credence Research. Driving the growth are higher income households, along with millennials and Gen Z, who have grown with technology and embraced it. Funding and investments have further propelled the growth of online food delivery services.

Restaurants handle orders placed digitally either through their own in-house delivery or through a third-party platform. The top three current phone applications in the food delivery market are DoorDash, Grubhub, and Uber Eats. According to Fortune, DoorDash has rapidly grown its business, almost doubling its consumer spending since March 2018, but the company trails behind Uber Eats in total number of transactions.

Food delivery options render attractive promotional discounts, rewards and cashback offers. Platforms compete amongst each other to convince customers to pick them. Although discounting has cost these companies, it has also helped them add new members and more traffic flow.

Additionally, the data that is collected from the platforms can be analyzed to help the restaurant or company understand its consumers better and their food preferences. For instance, Grubhub in its "State of the Plate" report, where it shares dining trends from customers and predictions for the remainder of the year, identified that there is a continuing and rising trend for plant-based options. As reported, "orders of vegan-friendly foods on the Grubhub platform increased by 25% so far in 2019 (as compared to Jan-May 2018), with orders for the Impossible Burger specifically rising overall by 82%." Such understanding is key to thriving in this battle to win over the customer who is busy, has extra disposable income, and is attracted by the convenience of food delivery.

As David Portalatin, NPD Group Vice President, food industry advisor states, "Digital orders will remain an outsized source of growth for the restaurant industry over the next few years, and operators who desire to grow need to embrace a digital strategy."

Indeed, the current food delivery trend shows that an increasing number of consumers are ordering online and at a higher frequency. There will be some food delivery competition between restaurant-to-consumer and platform-

to-consumer delivery. Technology will play an important role in the years to come and will result in increased analytics that will help restaurants understand their consumers better. Furthermore, there may soon be added competition in food delivery with things like drone delivery being introduced.^{UB}

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“Initial expectations back in 2018 were that we would be feeling the wave of unprecedented demand by now, as China scrambled to make up for unparalleled hog losses.”

African Swine Fever: **WAITING FOR THE COMING STORM**

Timing, timing, timing. When we first got wind of the African Swine Fever (ASF) outbreak in China last August, and then started to grasp how severe and widespread the outbreak was, many predictions were made as to when the impact would be felt on global pork trade. Initial expectations back in 2018 were that we would be feeling the wave of unprecedented demand by now, as China scrambled to make up for unparalleled hog losses. Surely, herd declines exceeding 20% by official numbers, which equates to roughly what the U.S. slaughters in a year, would mean China knocking on our door sometime in the summer.

Well, as of writing this article in late-July, that demand has yet to materialize to the degree we were expecting, and that is due to a couple miscalculations or misunderstandings about the dynamics of this situation in China.

First, it should be stated that it is still believed that the hog losses are enormous and that there is a chance China has been underreporting the severity. Along those lines, much of the industry still expects the demand to come, as the shortfall in pork supplies will just be too large.

We have also seen world pork exports to China rise to levels not reached in several years, while global beef exports to China extended to new highs as this situation has developed. The Chinese demand for protein is there, just not yet to the extreme levels that were expected.

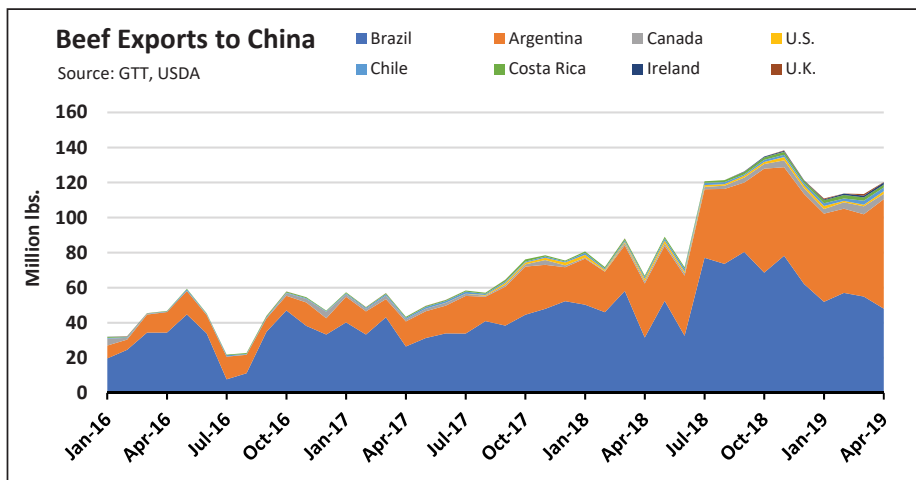
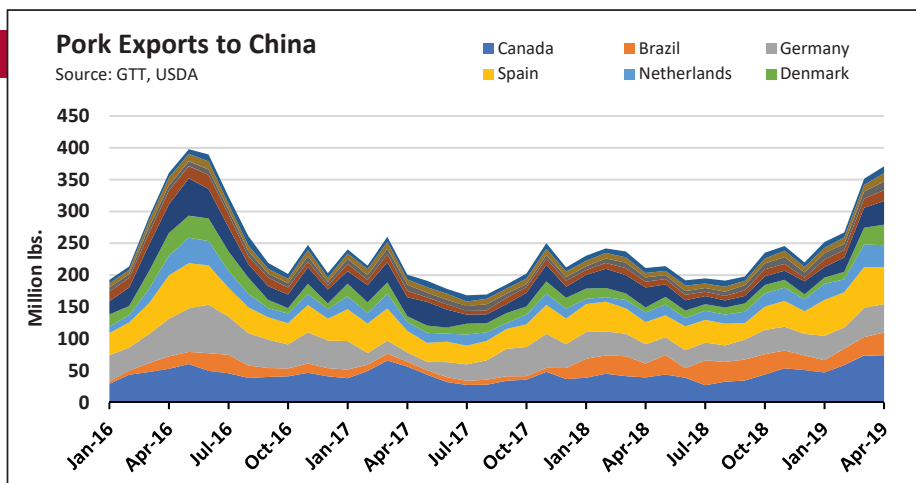
What might have generally been overlooked in the early days of this outbreak was China's cold storage capacity and the efforts by hog producers to cull what they had and freeze the supplies before the disease rendered their herd valueless. The exact size of China's cold storage capacity is a State-held secret, but it's widely believed to be large... very, very large. As ASF spread through the country, it is believed that farmers were packing these freezers full of pork, which over several months created a pork supply cushion large enough for China to delay having to enter the open market in the grandiose fashion that was initially anticipated. Ultimately, while their herd may have been reduced by over 20%, that doesn't necessarily mean 20% of the pork was destroyed, which is a critical distinction here.

This safety-net of meat, while a finite resource, has enabled China to continue to make bold moves in the ongoing trade/political spat with North America. Whether being unwilling to bend in trade negotiations or banning the imports of

Canadian meat, China has been acting in a manner that depicts they are not quite backed into a corner on their pork situation, yet.

Moving forward, we come back to timing and the uncertainty therein. How long can China hold the line, utilizing frozen storage and imports from around the globe without tapping the second largest pork producer in the world in a more substantial way? With the official year-over-year hog loss numbers reaching 26% and sow losses at 27% in June, and unofficial estimates extending considerably further, reality is sure to catch up with them at some point. Whether that is this fall, winter, or into 2020 is still up in the air, but the shortfall will be substantial and it is critical that pork industry participants do not become complacent during this waiting game.^{UB}

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Amy Cornell: Making an impact on agriculture

Amy Cornell has strong roots in agriculture. Growing up on a crop farm in Illinois, Amy was ironically allergic to most things—which didn't foster fondness of the farm in her early years, especially at harvest time. But things changed when she interviewed her father about farming for an assignment while studying at Purdue University.

"That changed my whole career path. Once I had that conversation with him, I decided that even if I wasn't going to actively farm, I still wanted to help farmers. I realized that growing up on the farm was unique. And that there was just a lot of history—a lot of family history. I actually still have that assignment. I saved it, and I got an A on it."

Her father's hard work and passion for farming inspired her to return to her farm roots, and so she went to law school with the intent to become an agricultural attorney. From internships at Indiana Environmental Management and the Indiana Farm Bureau, to involvement with the American Agricultural Lawyers Association and the State Department of Agriculture, Amy actively sought out roles where she could make an impact.

"I started to crave a bigger platform, because in agriculture we do a really good job of talking to each other, but we don't necessarily do a great job of talking to the general public."

This drive eventually led her to her current role as Vice President at Bose Public Affairs Group and President of the Agribusiness Council of Indiana. As for her impact in the agricultural sector, Amy succeeded (and continues to succeed) in spectacular fashion.

In 2018, Amy was one of three recipients of the Women in Agribusiness Demeter Award of Excellence. This award recognizes excellence and extraordinary contributions to the agribusiness industry. She was the sole representative from the United States, with the other two award winners hailing from Canada and the United Kingdom.

"It was very rewarding. I was super shocked and honored to get it. What I also appreciated about it was my family flew out with me for that conference and they let my daughter come onstage. She was three at that time, and she got to be onstage when I received my award and got to see an entire room of professional women. And as a mom that just made me really proud."

Like many women, Amy has more than one full-time job—and being a mom is a 24/7 one. In fact, our initial interview session with Amy got postponed a few hours because her daughter needed a last-minute visit to the doctor as the cold/flu had made its way around daycare—a



scenario most moms can relate to. This series of events poetically introduced the reason for our interview as we seek to shine a light on women working in food and agriculture—an industry that often requires the same juggling skills that are honed while multitasking throughout motherhood.

There's a lot that goes into a successful career in agriculture, and women in this traditionally male-dominated industry have some unique challenges.

"Often in [some] cases, women don't make a jump or try to make a jump to a



leadership role unless they're encouraged to, whereas males that's not so much of a thing. I don't necessarily know if it's so much formal policies as it is identifying women leaders and encouraging them to take the next step."

Most importantly: Don't be afraid to fail.

"I think you have to create some level of a culture of honesty. Everyone's trying to do their best all the time, but not everything that we do is a raging success. And helping people understand that that's okay, right, it doesn't mean you have to take yourself out of the game. If you're a committee chair, and something didn't go well for the organization, that doesn't mean you can't run for the board later. As long as you're demonstrating that you learned from that opportunity, and you're moving forward and continuing to be resilient, that's what's important."

So, how do we inspire women in the industry to pursue leadership roles?

"I think by continuing to see more women leaders and continuing to encourage people to take risks. It's about investing time and, in my experience, it's about letting people know that you care about them and that you see them. Lifting people up makes the biggest difference."

And to the young women looking to start a career in agriculture—Amy's advice is to seize the day.

"I think opportunities are everywhere. It's about inserting yourself into the opportunity that you want to have. I don't think gender should be limiting in agribusiness. You may look at leaders and see all of these skills that they have and feel totally intimidated by it, but know that those leaders didn't come into the workforce with all those skills and talents. They built them over time. So, look for opportunities, be open to opportunities. Don't necessarily turn something down because it's not in your normal skillset, be willing to stretch yourself, and you will find the opportunities. And pay it back! I got to where I am and am continuing to grow because people are continuing to invest in me."

The environment in which we work can be just as important in fostering success and career satisfaction. Often, this culture is defined from the top down. Healthy working relationships and a realistic understanding of work-life balance is key to improving the workplace and employee retention.

"I'm a whole person. And so, I don't stop worrying about my daughter when I walk in the door. All of that stuff—it's still there. Even if you're trying to push it into the background and just focus on the work,

you're a whole person—and understand that your boss is a whole person. It's about being able to adapt to individual employee needs. I've found that in my current role, where someone's willing to invest the time and willing to invest the extra emotional energy and just caring about me, the whole person, and being invested in my family, and all the things that make me get up and work a lot harder every day."

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

WOMEN

in **FOOD & AGRICULTURE**

Amy's story and more from real women working in food and agriculture can be found at: www.wfasummit.com. In 2019, we're celebrating the women who work to feed the world—shining a light on female leaders in the industry. Get involved—and join us at the Women in Food and Agriculture summit in Amsterdam, December 3-4, 2019.



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Urner Barry Choice and Select spread widens to seasonal record high

The Urner Barry Choice and Select Spread has reached over \$20/cwt during the mid-summer month of July, averaging above that number weekly. This compares to \$7.35/cwt last year, nearly double the three-year average of \$10.29/cwt, and widening to levels not seen during this time based on our data set starting in 2008.

There are a few factors at play. The overriding macro theme that Urner Barry has discussed over the course of the last 18 months is the willingness for consumers to pay for quality, no matter the industry. In the face of growing domestic protein supplies—beef, pork, and chicken—consumers have voted with their wallet and the segment that is winning is beef.

That doesn't mean there haven't been challenges. The lead up to the first official grilling holiday of the season had cool and rainy weather, which seemed to push back demand. Because of this, the rally in Choice product started later than normal to tip interest to higher quality, which really started the first part of the widening at the start of June.

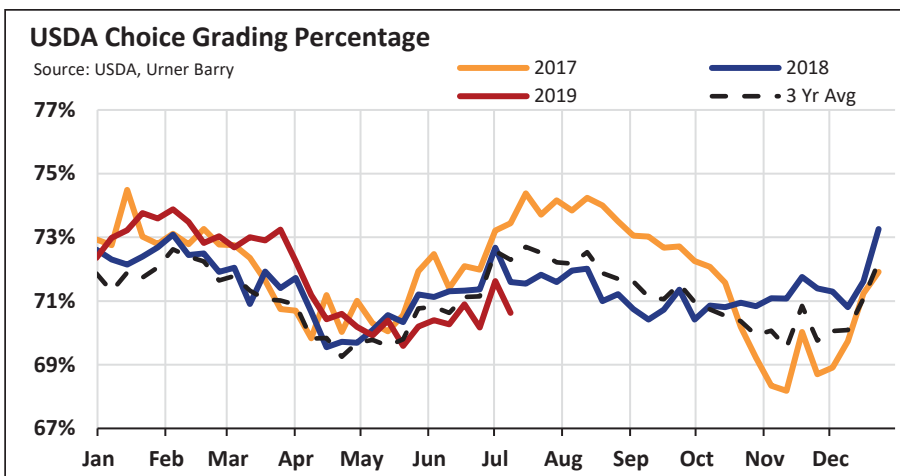
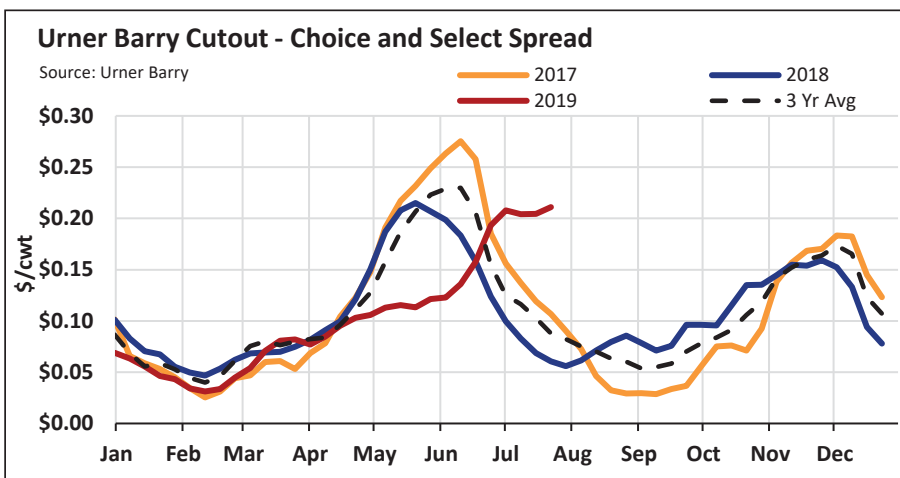
But what has continued the trend higher is the lower supply of Choice product seen more recently. While the percentage of product trading Choice remained above last year for the first five

months, it has shifted below last year and the three-year average in the latter part of May. This has helped put a floor on Choice prices, while the increase in Select has decelerated prices rather quickly.

Some further support for the contra-seasonal widening of the spread that might persist throughout the latter part of the year is how current cattle marketings are evidenced by the previously talked about decline in Choice grading percentage, along with the trend of falling weights.

It will be interesting to see if the rest of the year remains wide or a more seasonal trend starts to develop. Keep an eye on the Choice

grading percentage, falling weights, as well as any downside risks to the economy that could leave beef vulnerable to changing consumer habits.¹



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Bushels of money: What is happening with corn?

The agricultural industry is reeling from the shockwaves of recent months. African Swine Fever (ASF) has decimated an unprecedented number of hog farms across the world; tariffs imparted between trade partners have created tremendous tension; and a record rainfall throughout the corn belt of the United States has sent corn prices soaring after a relatively quiet few years. With so many unforeseen factors in play, how can a producer in the poultry industry stay on top? Glenn Smith, Director of Feed Ingredient Procurement at Wayne Farms, works every day to mitigate whatever risks he can in a sector impacted by these events. As a speaker at Urner Barry's first ever Global Protein Summit this October, Smith will cover the implications of the uncertain feed landscape and potential outcomes in the livestock industry.



SO, WHO IS GLENN SMITH?

Beginning his dive into the ingredient world in 1992, Smith started out as a grain and feed ingredient merchant for Central State Enterprises in Florida. When the opportunity arose to join the family business, Edward E. Smith and Company, as a grain and feed broker, Smith did not hesitate. Yet another chance to get more exposure to the feed sector came his way in 2003, leading him to become grain merchandising manager of the Alabama Farmers Coop. One of Smith's best customers in this role was none other than Wayne Farms. So when his predecessor left Wayne, it was only natural for him to join the company almost eight years ago this November.

As the sixth largest poultry producer in the United States, Wayne Farms goes through between 55 and 60 million bushels of corn per year. Smith not only secures the corn and other bulk feed ingredients, but handles logistics and contract negotiations as well. While keeping focus on getting the best price, Glenn never loses sight of maintaining consistent high quality for the broilers at Wayne. But there is more to the role than one might imagine.

"Really the primary focus for me is risk management," explained Smith.

With the responsibility of forecasting outlook of crops and ingredients—including corn, soybeans, soybean meal, and wheat to help ensure the success of his company—Smith's 27 years of experience serve as a strong foundation for securing the road ahead.

URNER BARRY'S REPORTER: *Let's talk about the record rainfall and late plantings.*

GLENN SMITH: The past three or four years have been pretty level without any big events in the price of corn. It's so volatile and so much has happened this year with the tariffs from China and the massive crop of corn and beans from 2018. And then the spring was epic as far as the rainfall we've had. Not just as we got into planting, but even before spring we had issues on river systems with flooding in the east

along the Tennessee river system, making the planting in the south late. Then the unprecedented rainfall, how late it was and how extended. It wasn't a hurricane with extensive flooding or one particular storm, it was just week after week after week of relentless 4-8" rains across the entire belt. And it went on for two months. Every week everybody would look at the forecast and say "ok, we're going to have a window," and the window would never materialize.

Now we have acres that we still don't know what they are. The USDA flat out said they saw such complaints of the planting reports being inaccurate, but despite the need for accurate information, won't update until the August report. The maturity of the crop is a month behind; some people think we could be at a deficit; it could be that bad out there and we won't know until August. This is a year like none other I've seen for so

"Every week everybody would look at the forecast and say 'ok we're going to have a window,' and the window would never materialize."



many reasons. Differing opinions, reporting, trading, exports are down, demand shifts, usage is down. How this is going to shake out come fall is very challenging.

UBR: *What are the short-term implications for poultry producers with corn at over \$4 a bushel?*

GS: When a company like Wayne Farms is buying 55-60 million bushels of corn a year, that increase comes right from the bottom line. Proportionately, chicken prices don't go up because of that. Things are good for the industry right now because of ASF, which puts more demand for proteins from other areas, which helps have less chicken in the marketplace. After the holidays, when things are historically down, chicken was doing surprisingly well. I don't necessarily think that the cost of grains and producing them has a big effect on the prices of chicken. Eggs or diseases really are the things that would cause that to happen.

UBR: *Do you think that the prices of corn shooting up the way that they have was a knee jerk reaction or that the lessening demand due to ASF will even it out?*

GS: Corn shot up and I don't think that was knee jerk. There was genuine and legitimate concern for this corn planting. The acres just aren't there to the levels that the USDA is reporting. The yield and condition are not there the way that the USDA is reporting. In talking to different merchants from the Dakotas to Ohio and south, the corn acres are dropping, ethanol demand is steady, chicken rations steady, but there are substantially less acres, yield and condition.

Beans on the other hand, which you can plant later, were thought to be increased on the reports. But even as corn has rallied, soybeans haven't moved the way that soybeans can when planted later in the season. In China there is a huge appetite for soy to feed hogs, but ASF has decreased demand after so many hogs being lost.

UBR: *GMOs get a bad rap at times, especially with younger generations. Does the tight supply of these ingredients impact the use of GMOs?*

GS: If we did not have GMOs, and corn did not yield the way it does, there is no telling what the price of food would be in this country and I don't think anybody can grasp that. And I've heard that the younger generations think that GMOs are harmful, but the macro view of demand shows us that we simply cannot feed the world with non-GMO.

If we just stopped using GMOs and converted all the acres as some have suggested, it would be such a high cost and you're not going to get the yield. The non-GMO acreage now is such a small percentage. Even in Europe where it's all non-GMO, the yield is substantially less. We would starve.

UBR: *Without giving away anything too big that you will be discussing at the Global Protein Summit, is there anything else on the horizon that could impact price and demand?*

GS: It's funny because things change so much there really is no telling what the situation will be when we get to the Global Protein Summit in October. This could quite honestly be changing right up until the day before, so I don't think we can really give anything away.

Aside from something major and unforeseeable like a war, stock market crash, plummet of the dollar or something like that, the story in October will be about tariffs with China and the U.S. crop situation. We will be coming off of the WASDE reports for August and September, which will give more insight. By the time I speak at the Summit we will have estimated projections and industry average guesses leading up to the October WASDE, which will be pivotal right before the harvest.^{UB}

Glenn Smith will be presenting at Urner Barry's 2019 Global Protein Summit in Chicago, October 6-8. To learn more about Smith's presentation and for further event details, please visit urnerbarry.com/globalproteinsummit.

Article contributed by Laura Zinger
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CHICAGO OUT TO DINNER

What delicious aromas are on the breeze lately in the windy city?

While Urner Barry serves up the recipe for success at the Global Protein Summit, let the streets of Chicago serve up the dishes their rich culture and history have inspired. Check out some of the more noteworthy places to dine below:

FAT RICE

Wednesday-Saturday 11am-2pm
Tuesday-Thursday 5:30pm-10pm
Friday-Saturday 5:30pm-10:30pm
Sunday 11am-1:30pm
(773) 661-9170 • 2957 W Diversey Ave
Brunch, Lunch, Dinner, Late night

Fat Rice aims to preserve the culture of the Luso-Asian table through thrilling and soul-satiating globally influenced dishes. Their famed "Arroz Gordo" is a cornucopia of curried chicken, Chinese BBQ pork, Portuguese smoked pork sausage, chili shrimp, and, naturally, mounds of rice. They feature delicate small plates, like orange-chili-thyme olives with garlic almonds, to punctuate the marathon eating that umami bomb dishes like Arroz Gordo are sure to inspire. Don't miss the colorful cocktail menu and rotating fried rice feature.

ROISTER

Monday-Thursday 5pm-9pm
Friday-Sunday 10am-2pm, 5pm-10pm
(312) 789-4896 • 951 W Fulton Market
Brunch, Dinner, Late Night



Photo credit: Allen Hemberger

Alinea Group's foray into an atypical fine dining experience, Roister, has a modus operandi: "The kitchen is the restaurant, the restaurant is the kitchen." An open and sleek feel, both in architecture and cuisine, meld beautifully with primal, rustic

technique and ingredients. The menu changes regularly, but has a worldly feel, boasting caramelized salsify, mango serrano dressing, chamomile chicken, a terrine of foie gras, and strawberry-rhubarb-sherry cheesecake or a hearth roasted banana split to finish. The cocktail menu is of note. One visit and Roister will stay on your roster.

PROXI

Monday-Thursday 4pm-11:30pm
Friday 4pm-12:30am
Saturday 10am-2pm, 4pm-12:30am
Sunday 10am-3pm
(312) 466-1950 • No. 565 W Randolph
Brunch, Lunch, Dinner, Late Night



Photo credit: Paul Strabbing

Proxi boasts "boundary blurring dishes," both curious and comforting. The dinner menu neatly presents as three subtly divided categories: vegetable, land, and sea. Offerings span from carbonara to kimchi, or kombucha to clarified milk punch. Imagine: a Slagel Farm sourced pork porterhouse doused in herbed mushrooms and coal roasted onion sauce beckons to you from the far right corner of the menu, your mouth already full of tempura street-corn and your hand blessed with a coal roasted oyster dripping ssamjang butter. Expect to dine at Proxi in an airy, superbly chic, yet comfortable space. Don't miss the cocktail menu, which is extensive and features whimsical, crisp nonalcoholic offerings.

PURPLE PIG

Daily 11:30am-11:30pm
(312) 464-1744 • 44 N. Michigan Ave.
Brunch, Lunch, Dinner, Late Night

Purple Pig is a jovial, accessible Mediterranean diamond tucked in the rough behind an office building. It draws students and statesmen

alike to savor shareable flavor bombs, like house made spicy 'Nduja Salami, or their freshened-up take on calamari, served with radishes, cucumbers, pistachios, and fregola, a spherical Mediterranean pasta.



Photo credit: Haas and Haas

Wash it down with a choice from their "uncompromising and extensive" beverage selection. Over 125 by the glass wine options ensure you'll have the perfect liquid companion to your lamb saddle and shrimp mousseline with pickled green strawberries and king trumpet mushrooms.

OSTERIA LANGHE

Monday-Thursday 5pm-10 pm
Friday & Saturday 5pm-11 pm
Sunday 5:30pm-9 pm
(773) 661-1582 • 2824 W. Armitage
Dinner, Late Night

"The fast fusion of slow food and fine wine" is Osteria Langhe's motto. The antipasti section offers cauliflower flan with fonduta cheese and black truffle, as well as a simpler grilled bread with citrus-herb butter. Move on to gnocchi with duck confit or hand pinched ravioli for your primi. Secondi may find you staring down a prosciutto wrapped rabbit loin, with a pepper ragu, potatoes, and pork belly, or perhaps heritage pork short ribs draped in peppered honey and spicy garbanzo puree. Finish sweet with panna cotta or affogato. Separate from the wine list and cocktail menu is a list of Digestivi, authentic Italian nightcaps with a twist. A selection of grappas, from chamomile to moscato, awaits you.

Article contributed by Bridgette Hanson
bhanson@urnerbarry.com



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The Butcher's Block provides a taste of old-world European cuisine



Two words drive The Butcher's Block, Long Branch, New Jersey's newest "carnivore heaven": family and quality.

Owner Tom D'Ambrisi has been working side-by-side with his brother, Rudy, and father, Rudy Sr., at the family owned and run USDA wholesale distribution facility D'Ambrisi Wholesale Foods LLC.

For more than 40 years the D'Ambrisi family has been supplying the Jersey Shore's finest institutions and restaurants with quality center of the plate proteins. So, what sprouted the idea to expand?

While in Europe for a family wedding, D'Ambrisi had a taste of old-world European cuisine that opened his eyes. A whole animal was brought out after being slaughtered just two weeks ago. The freshness and quality of the locally sourced meat was something he found unique and wanted to bring back home.

"You can't find anything like that around here, our way of doing things is completely different," explained D'Ambrisi.

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Inspired by how the whole animal was used, and after conducting more research, D'Ambrisi began plotting his butcher shop—something he thought would be a hit in Long Branch. But his butcher shop evolved into a restaurant combo after a trip to New York's Ends Meat in Brooklyn. While Ends Meat is primarily a whole-animal salumeria, the shop also prepares food during lunch time. Having a Prime 1-inch thick Porterhouse for lunch was the tipping point for D'Ambrisi.



Middle row from left to right – Rudy D'Ambrisi Jr., Rudy Sr., Tom D'Ambrisi (cleaver in-hand), Mayor of Long Branch John Pallone, Executive Chef Brandon Carter

"I said, when we open I'm going to have the kitchen open for lunch," said D'Ambrisi. "So I borrowed that idea, and all of a sudden people were saying 'can I come back for dinner?' I went to the chef and was like, 'we're doing dinner tonight.' Before we knew it we were adding tables. The front room is literally my dining room table."

The ambiance—and of course the food—is what keeps people coming back. According to D'Ambrisi, one of the best compliments he has received from a customer was being told that they felt like they had literally been invited into someone's home to eat.

"That's exactly how I want it to be... That's the type of environment that we're creating here."

Diners can indulge in any Prime-graded cut of beef from the butcher case, or feast on one of the many other menu options, like the mouthwatering Block Burger, made up of left-over grinds, short ribs and brisket. Other options include their Maitake Chop, featuring Korean BBQ sauce, tograshi aioli, charred scallions and arugula on a toasted baguette, or their double battered Fried Nashville Hot Chicken Sandwich, served with pickles, ranch and lettuce on a potato roll. And while a veggie burger won't be on their menu any time soon—"this place is a carnivore heaven"—The Butcher's Block also offers seafood options and handmade pizza straight from their wood burning, brick oven.

Whatever you end up ordering, it's guaranteed to be fresh. D'Ambrisi ensures that what makes his menu is sourced from local New Jersey and Pennsylvania farms.

"I think that's important...people want to know where their food is coming from."

Watch out for the new kid on The Block! [UB](#)

Article contributed by **Brandon M. Guenther** | bguenther@urnerbarry.com

Britain's agriculture industry has mixed views on new Prime Minister Boris Johnson

Boris Johnson's arrival at Number 10 Downing Street has been met with a mixed response from Britain's agricultural community.

On the one hand the Prime Minister's positive messaging around energising the nation with a "spirit of can-do," promising to open up new markets for export and allow farmers access to the biotechnology which has so far eluded them due to the UK's membership of the European Union, is something the industry has welcomed.

On the other, Mr. Johnson's attitude towards leaving the EU on October 31, "no ifs, not buts," with or without an exit treaty, has sent hares running.

While the Prime Minister has said he would prefer to leave with a deal between the UK and EU, its largest trading partner, he believes delaying the withdrawal any longer will add to economic uncertainty and go against the majority of British people who voted for Brexit.

The political situation has already seen sterling slide on the foreign exchanges, plummeting to a two-year low when Mr. Johnson took office.

Polls have consistently highlighted the damage a no-deal could have on the British economy. And farming unions and rural organisations have continually reiterated the "catastrophic" impact a no-deal would have on British farmers.

An August 14 report by independent economist Sean Rickard, formerly of England and Wales' National Farmers Union, predicted that more than 50% of farms will go out of business as a result of no deal.

The loss of export markets, coupled with the removal of direct support payments and tariff protection, would act as a "vicious pincer movement," Dr. Rickard said.

The food and farming sector would suffer restricted access to the EU for its food and

agricultural exports, while at the same time facing increasing volumes of imports from low cost third countries.

The report was published ahead of the launch of new campaign group, Farmers for a People's Vote. The People's Vote movement has gained cross-party support in the UK and is gathering momentum as the October 31 date draws near.

Its supporters want to give the British public a final say on the Brexit deal, but ultimately, Farmers for a People's Vote would like to see Brexit scrapped all together.



©Christian Horz/Getty Images

Meanwhile, leader of the opposition Jeremy Corbyn has confirmed he will call for a vote of no confidence in Mr. Johnson's conservative government, which, if defeated, could see voters called to the polls in a general election.

Amid all the political turmoil, farmers on the ground continue to produce stock and crops for markets which may not exist in just over two months time.^{UB}

Article contributed by **Olivia Midgley**
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Record U.S. table egg flock on the decline

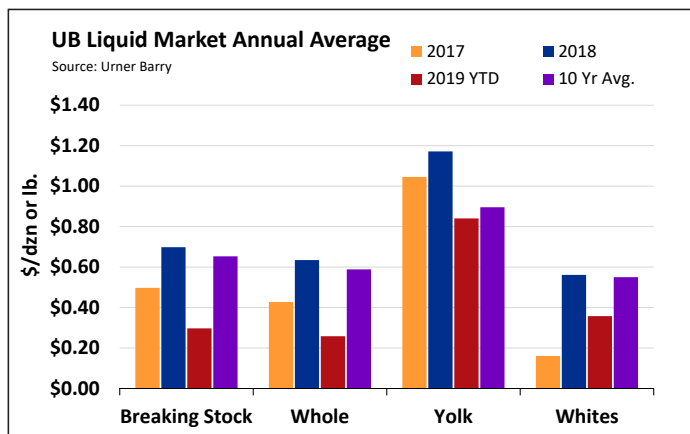
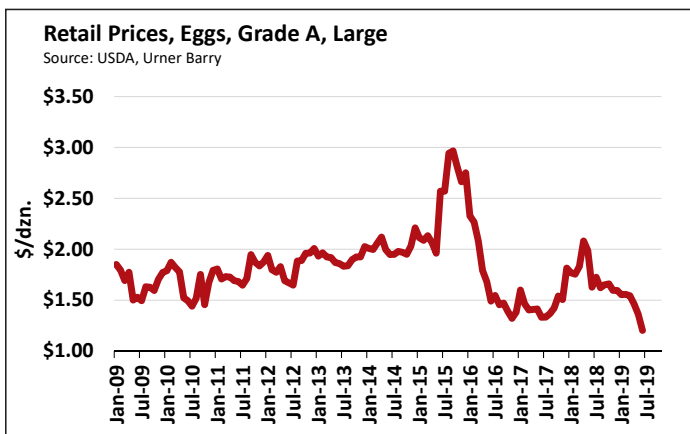
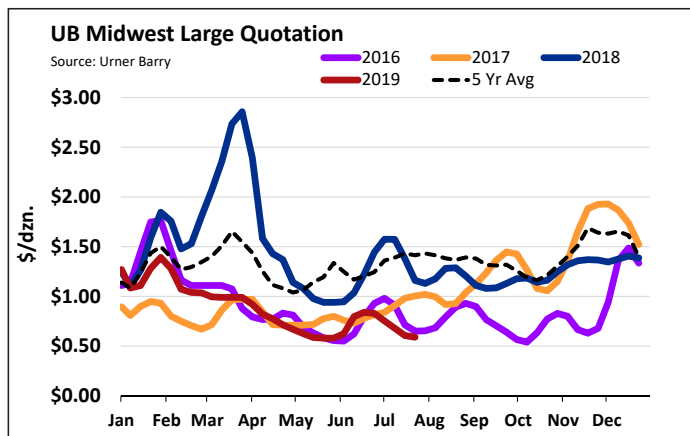
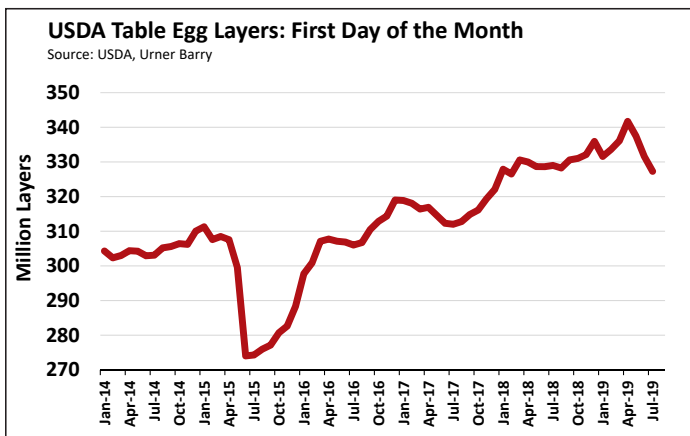
U.S. egg prices limped through the front half of 2019, essentially falling from the end of January through the end of May. Though consumption is at or near decade highs, overproduction and a lack of external demand have kept markets depressed. The USDA's Monthly Chicken and Eggs report, released in July, showed that at 327.31 million layers. The flock was down nearly 1.7 million head from this time last year, marking the first time the total dipped below year-over-year levels since the beginning of 2016. The U.S. total table egg layer population was cut by more than 14 million layers from record highs reported in April, one of the biggest adjustments ever seen with the exception of 2015's avian influenza outbreak. Producers continue to work on getting outputs in balance as they expand cage-free operations, with the cage-free flock now sitting around 67 million layers, or more than 20% of the total flock.

The egg market broke below the \$0.60 mark during the month of July for the first time in our Comtell database history, which tracks prices back to 1985, as Midwest large fell to \$0.59 per dozen. If market levels weren't bad enough for producers, they were also confronted with some of the highest input costs recorded over the last five years, as cash corn prices neared \$4.50 a bushel due to late plantings.

Markets rebounded off similar lows in June when the post-Easter cull began. That bounce was also partially driven by national retail feature activity, which yielded ad prices well below the dollar mark across the U.S. for the first time since the second half of 2017. Planners may have been a little more reluctant to get similarly aggressive during the most recent downturn as a result, but consumers are also not responding as well to promotions as temperatures have soared across

much of the country. It is common to see consumption slow during the warmest months of the year when people eat less and shift their attention to cooler breakfast alternatives rather than cooking over a warm stove. National retail pricing for grade A large dozens was reported at \$1.20 by the USDA for June, the lowest price point on record since 2006. As you can imagine, this has stifled cage-free and other specialty sales, sending much of the excess production into generic outlets.

Secondary channels have also provided very little relief. Year-to-date exports through May are at the lowest levels seen in the last three years, falling 16.5% when compared to the same period a year ago. Though yellow product prices are very competitively priced in the global market, there are really no major global drivers to speak of, with the exception of African Swine Fever. Most of our regular trading



partners have been self-sufficient. The two exceptions to note here are Canada and Hong Kong, which are both up almost 20% in volume year-to-date. Some believe Hong Kong interest may be a residual factor of ASF and is something worth monitoring through the rest of the year.

Further processors have broken a record number of cases year-to-date, exceeding last year's pace by 4.4% through the middle of July. Breakers have more production of their own and have taken advantage of the overall supply glut. Breaking egg prices have averaged under \$0.30 per dozen year-to-date, the lowest average observed over the last 10 years for the period. Conditions have allowed processors to restock dried inventory levels, which climbed back over 20 million pounds in June for the first time since 2017.

Liquid prices are flirting with all-time lows in all categories, while finished product markets have been slightly more mixed. Buyers of dried and frozen seem more interested in locking in current levels well

the 4 million pound mark, and 35% below the 10-year average for the beginning of July.

Producers are doing their best to match outputs with normal demand patterns,

evident in the month-over-month flock reductions that have taken place since Easter. Meanwhile, they continue to plan for seasonal demand shifts around the fourth quarter and continued cage-free expansions. Hatch numbers hit record highs in both April and May, exceeding 60 million head in each month. It will be interesting to see how the market responds to current lows in price, the flock adjustments made over the last quarter, and what impact the hatch numbers will have later in the year, especially as

California transitions into the first phase of Proposition 12 to begin 2020.[LBB](#)

Article contributed by **Brian A. Moscogiuri**
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“The U.S. total table egg layer population was cut by more than 14 million layers from record highs reported in April, one of the biggest adjustments ever seen...”

into next year rather than negotiating lower. Whites have been the exception, moving well into manufacturing and foodservice channels. This is supported by inventory levels in the category, which are still below



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FDA updates advice about eating fish for expectant mothers

“I would avoid fish or eat very little.”

I could hardly believe the words coming out of the nurse's mouth. I was 12 weeks pregnant and meeting with the nurse to go over some basic information. As a seafood reporter who has reviewed numerous studies about the benefits of seafood for moms and babies, I was shocked at the misinformation being shared. I knew better—but how many women listened to this advice?

Fortunately, the U.S. Food and Drug Administration (FDA) recently issued updated advice about eating fish for women who are or might become pregnant, breastfeeding mothers and young children. The verdict? Women who are pregnant or breastfeeding should consume between 8 and 12 ounces of a variety of seafood per week—from choices that are low in mercury, of course.

Fish provide protein, healthy omega-3 fats, vitamin B12, vitamin D, iron, and other beneficial minerals, like selenium, zinc and iodine. Omega-3 DHA, which is often found in prenatal vitamins, helps baby's brain and eye development; while protein, vitamin D and

iron help to build strong bones and muscles. There are other studies that found that moms-to-be who ate the recommended 8 to 12 ounces of seafood had babies with higher IQ scores and babies who slept better.

But despite all the health benefits, some mothers steer clear of seafood—and the word that seems to scare them away is “mercury.”

Mercury exists in different forms, but most people are exposed to it through the consumption of seafood. Nearly all fish contain some traces of mercury, however, fish with high mercury levels include king mackerel, marlin, orange roughy, shark, swordfish, tilefish (Gulf of Mexico) and bigeye tuna. According to the World Health Organization, consuming high levels of mercury can adversely affect a baby's growing brain and nervous system. Cognitive thinking, memory, attention, language, fine motor and visual spatial skills could all be affected by exposure, which is why the FDA advises pregnant and breastfeeding mothers to avoid the species listed above.

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“Women who are pregnant or breastfeeding should consume between 8 and 12 ounces of a variety of seafood per week—from choices that are low in mercury, of course.”

The good news is that there are plenty of other options for pregnant or breastfeeding women. And to make it real easy to reap the health benefits of eating fish, the FDA has broken it down into a chart to help women choose which fish to eat and how often to eat them based on their mercury levels.

So, future mamas, don't be afraid to order that lobster mac-n-cheese and double up that order of fish tacos! [UB](#)

Article contributed by **Amanda Buckle**
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Best Choices

EAT 2 TO 3 SERVINGS A WEEK

Anchovy	Herring	Scallop
Atlantic croaker	Lobster, American and spiny	Shad
Atlantic mackerel	Mullet	Shrimp
Black sea bass	Oyster	Skate
Butterfish	Pacific chub mackerel	Smelt
Catfish	Perch, freshwater and ocean	Sole
Clam	Pickering	Squid
Cod	Plaice	Tilapia
Crab	Pollock	Trout, freshwater
Crawfish	Salmon	Tuna, canned light (includes skipjack)
Flounder	Sardine	Whitefish
Haddock		Whiting
Hake		

OR

Good Choices

EAT 1 SERVING A WEEK

Bluefish	Monkfish	Tuna, albacore/white tuna, canned and fresh/frozen
Buffalofish	Rockfish	Tuna, yellowfin
Carp	Sablefish	Weakfish/seatrout
Chilean sea bass/Patagonian toothfish	Sheepshead	White croaker/Pacific croaker
Grouper	Snapper	
Halibut	Spanish mackerel	
Mahi mahi/dolphinfish	Striped bass (ocean)	
	Tilefish (Atlantic Ocean)	

Choices to Avoid

HIGHEST MERCURY LEVELS

King mackerel	Shark	Tilefish (Gulf of Mexico)
Marlin	Swordfish	Tuna, bigeye
Orange roughy		

* Some fish caught by family and friends, such as larger carp, catfish, trout and perch, are more likely to have fish advisories due to mercury or other contaminants. State advisories will tell you how often you can safely eat those fish.

www.FDA.gov/fishadvice
www.EPA.gov/fishadvice

EPA United States Environmental Protection Agency

FDA U.S. FOOD & DRUG ADMINISTRATION

Mid-July U.S. range and pasture conditions overall best in at least 10 years

As of mid-July, overall pasture and range conditions across the U.S. were rated by USDA as the best in at least 10 years.

Adequate to excessive widespread rainfall occurred this spring and early summer, including flooding at times in March in many areas of the northern Plains and Midwest. While the flooding caused extensive damage to cropland, equipment, stored grain and hay, along with some livestock and poultry operations in portions of Nebraska, Iowa, Missouri, Kansas, and the eastern Corn Belt, other areas such as the Southwest benefitted greatly from the additional precipitation.

Pasture and range ratings in the mid-July reports showed 66% of the acreage in good to excellent condition. The next highest rating for those combined categories during the latest 10 years came in 2010 at 64%. The lowest was in 2012 at just 18% during the severe drought period.

Using the government's ratings of very poor, poor, fair, good, and excellent, along with the percentages reported for each, a weighted average numerical index was calculated. The lowest number, 1, represents very poor, while the highest number, 5, represents excellent. The calculated index for mid-July this year was 3.68. The lowest index in the last 10 years occurred in 2012 at 2.39.

This past July only 9% of the total acreage was classified as poor to very poor, compared with 55% in 2012.

The improved pasture conditions will encourage cattle producers and feeders to keep young animals on grass and other forages longer before sending them to the feedlots for further fattening. If the pasture and range conditions remain good throughout the summer and into the early fall, farmers and ranchers should also be able to harvest adequate hay supplies for the winter and build some additional inventories. That could encourage them to possibly save more young females to be added to their breeding herds as the year progresses.

Cattle feeders could see fewer young cattle offered for sale up front as the animals add pounds on grass and, as a result, more are likely to be placed on feed later—and at heavier weights.

Adding weight on grass is typically cheaper than on grain in the feedlot so cattle feeders will take the opportunity to put more pounds on the animals out on pasture when conditions are good.

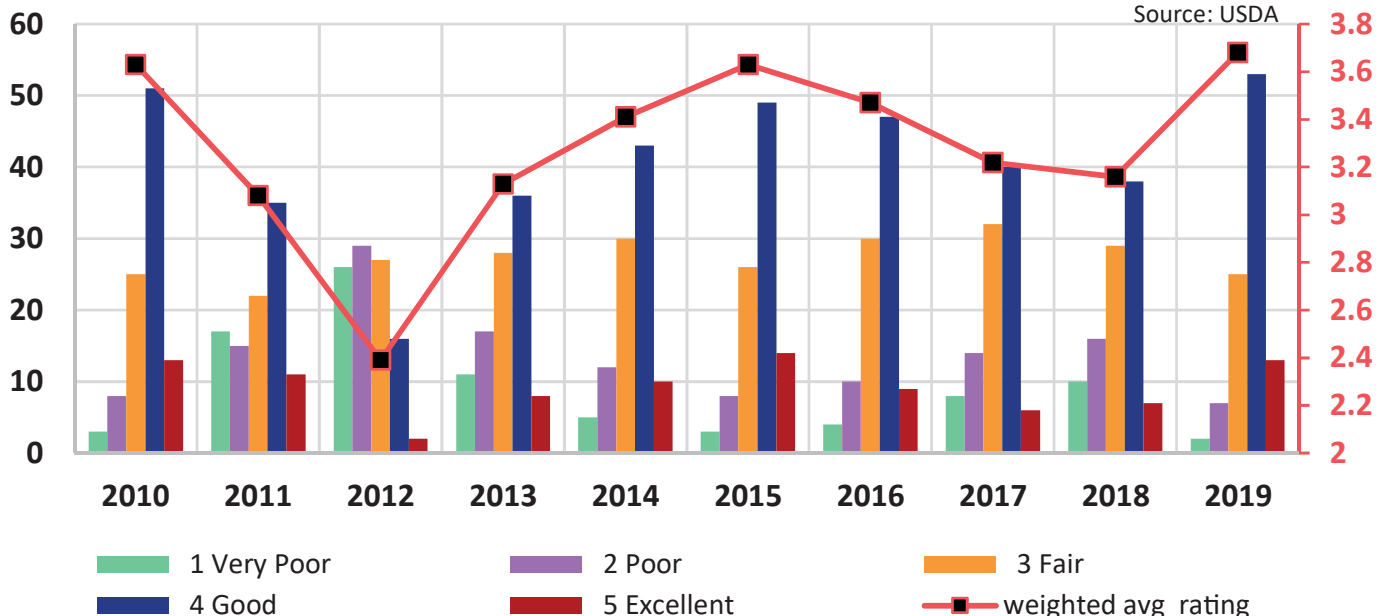
Based on current conditions, this may be one of those years.¹

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

Pasture & Range Conditions Across the 48 Contiguous States Mid July in the last 10 years

*Figures represent % of total

Source: USDA



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SCIENCE'S ANSWER TO AVIAN INFLUENZA

So, would the development of a new “super breed” of chicken even be possible, and could it aid in preventing the spread of high-path AI or even a human influenza pandemic? The answer to both of these questions is yes, well, theoretically.

According to a study published on June 4 by the eLife Organization, entitled “Species Specific Differences in the Use of ANP32 Proteins by Influenza A Virus,” a research team demonstrated their ability to edit a sequence of chicken DNA which, in turn, was able to block some bird flu strains from replicating within the bird. The study targeted a particular protein coding gene in chicken cells called ANP32. According to the publication:

The gene currently designated as avian ANP32B is evolutionarily distinct from mammalian ANP32B, and that chicken

ANP32B does not support Influenza A Virus (IAV) polymerase activity even of human-adapted viruses. Consequently, IAV relies solely on chicken ANP32A to support its replication in chicken cells. Amino acids 129I and 130N, accounted for the inactivity of chicken ANP32B. Transfer of these residues to chicken ANP32A abolished support of IAV polymerase. Understanding ANP32 function will help develop antiviral strategies and aid the design of influenza virus resilient genome edited chickens.

In other words, the research team was able to isolate ANP32A and ANP32B genes within chicken cells and found that ANP32A was solely responsible for supporting the viral replication of the avian influenza virus. More specifically, ANP32B was found to have two naturally occurring amino acid mutations at sites 129 and 130 which are not supportive to viral cell replication. By utilizing a genome-editing technology called CRISPR, which stands for clustered regularly interspaced short palindromic repeats, researchers were able to target these two amino acid mutations found in the chicken ANP32B gene and transfer them into the chicken ANP32A gene in order to eliminate their support of IAV polymerase.

While this study carries with it some very promising potential, especially for those on the commercial grow-out side of the chicken business, it also raises some concerning questions. At the time of this publication, it remains unclear whether or not the genetic modification of ANP32A will negatively alter other aspects of the bird's biology. Because of this, there are currently no plans in place to take the study from the petri dish to the grow house. Additionally, the introduction of AI resistant poultry, which in this case could be classified as a genetically modified organism, opens the door to consumer criticism. This situation could potentially take the wind out of the R&D department's sails before the final product makes its way to the grocery shelves.^{UB}

Article contributed by **Dylan Hughes**
dhughes@urnerbarry.com

Many players within the poultry industry would agree that when it comes to external variables, the ongoing threat of avian influenza (AI) cannot be understated. AI has a long-standing track record of being a costly and frustrating virus for commercial farmers around the world to contain. In many instances, AI's pathogenic and quick-spreading nature has propagated to nearly all of the birds in a given flock. With that in mind, some scientists and researchers point to genetic engineering as a means to eliminate this widespread problem at the genetic level.



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How EGGS, one of the world's oldest foods, continue to



SURPRISE US IN NEW WAYS

©Jirananwong/Getty Images

It is said that people have been eating eggs since, well, the beginning of people. Preparations and usages have been evolving for centuries. The Ancient Romans were among the first to scramble eggs in the 14th century. Eufa a' la Benedict—known to you and me as eggs Benedict—was brought to us in the late 1800s by Charles Ranhofer, head chef at Delmonico's Restaurant, New York City. And in the year 2017, Taco Bell delighted breakfast-lovers everywhere with their introduction of the Naked Egg Taco, featuring a "shell" made entirely of a fried egg.



Photo credit:
Taco Bell



Egg innovations abound, not only in the breakfast category, but also as a healthy alternative to carb and calorie-heavy foods, such as bread and potato chips. Last year, Brooklyn-based Crepini launched Egg White Thins, a low-carb, gluten-free alternative for traditional sandwich wraps and bread. According to the company's website, what started out as a recipe-research project gone awry has turned into one of its best sellers, now featured at Walmart stores nationwide.

Childhood friends Nick Hamburger and Zack Schreier are hoping for similar success with Quevos, their concept for a protein-packed egg white chip that was born out of Zack's need for a low-carb snack as a Type 1 diabetic. The pair launched a Kickstarter campaign this Spring with a goal of raising \$10,000 to help bring their idea to fruition. A few short months later, that target was toppled seven-fold, thanks to more than 1,500 backers, Kraft Heinz among them. The startup plans to begin offering its products this year in select health food stores throughout the greater Chicago area, with the hope of expanding its reach to Whole Foods in 2020.

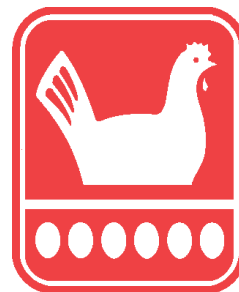
The realization of that goal has the potential to revolutionize not only the snack world, but also the egg world. The salty snack category, which Packaged Facts reports is projected to reach \$29

billion in retail sales by 2022, does not currently share much space with eggs. A successful foray into that category could provide an additional outlet for egg producers, who have struggled this year with balancing growing production against fairly steady demand patterns.

If there's one thing people seem to love more than their salty snacks, it's cosmetics. And here too, egg innovations are flourishing. According to Allied Market Research, the global beauty and personal care market is anticipated to reach \$716 billion by 2025, with a growing trend in the use of natural ingredients—like eggs. Korean-based Too Cool for School recently launched an entire line of egg-based products that are enjoying great success at major retailers like Ulta and Target. The brand is reportedly moving its workhorse product, Egg Mellow Cream, at a pace of one unit every 12 seconds, globally.

These recent innovations suggest that the story of the egg, in spite of its long and celebrated history, is far from over. That's great news for consumers—who continue to benefit from its relative affordability, as well as its nutritional and medicinal properties—and perhaps even better news for egg farmers, who could certainly benefit from a boost in demand to help absorb expanding production.¹

Article contributed by Karyn Rispoli
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What college students are looking for in their DINING HALL EXPERIENCE

The new class of students heading back to school are known as Generation Z, or Gen Z. This demographic consists of 23 million Americans born between 1994 and the early 2000 s, representing a larger buying group than the baby boomers or millennials. By 2020, Gen Z will represent 44% of the population and become the largest group of consumers worldwide, influencing tomorrow's dining trends.

So, what sets this group apart from their predecessor, the millennials, and what do they want from their college dining experience? For starters, they are the most ethnically diverse group in history. Almost half of Gen Z are of an ethnic background

be transparencies in meal preparations. As there are more Gen Z-aged students attending college than the Millennials, there are also more students who identify as vegetarian; expanding meal options to not only exclude meat and/or dairy, but to include plant-based options.

Having been born after 1994, Generation Z students do not know of a world without mobile technology. As a result, they expect convenience. Generation Z grew up ordering out and online. Gone are the days of three-square meals a day. They are always used to the convenience of having healthy snacking options available. Many colleges have introduced more market themed areas within



and 25% are Hispanic. They expect to have authentic options that reflect globally influenced flavors. Gen Z students are much more sophisticated and adventurous in their choices and crave genuine cuisine. Having early access to cooking shows and videos on Instagram, this generation is exposed to more types of cuisine than ever before. Growing up experiencing true ethnic cuisines—their expectations are high.

Following up on the millennials, Gen Z want their dining providers to share their values and have a greater purpose—whether that is having locally sourced product, making sure it is sustainable or that they adhere to humane treatment of animals. Gen Z students grew up in homes and schools where healthy eating was the norm. Having organic options on the menu is a must and there needs to

be the dining hall to mimic typical convenience stores. Generation Z students want to have at their fingertips the ability to order their meals ahead of time to reflect their tastes and have it customized due to any special dietary needs they may have. Gen Z diners want an easier and faster way to dine on campus. Since this generation is always used to having their phones in their hands, social media is the way to reach them. It is also the way they share views of any dining experience... whether it's good or bad.

By following the preferences of Gen Z, food and beverage companies have a lot to gain. Their buying and eating habits now will be shaping our choices in the future.^{UB}

Article contributed by **Liz Cuzzo** | lcuzzo@urnerbarry.com



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Suck on this...

Aluminum, pasta and hay compete to replace **PLASTIC STRAWS**

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TO PLASTIC STRAWS!**

©nadia_bornotoway/Getty Images

The ban on plastic straws is growing. More and more cities and companies are vowing to end their plastic straw use by 2020. But with a reported 500 million straws used daily, what do we replace it with?

There is no denying that we have a plastic problem. According to a 2015 report published in Science Magazine, between 4.8 and 12.7 million tons of plastic ends up in the ocean every year. These pieces of plastic are not only polluting our waters, but killing marine mammals, turtles and sea birds. Not all this pollution can be attributed to plastic straws. However, the growing ban is a small step that some places are taking to curb plastic pollution.

Businesses that are no longer allowed to give customers plastic straws are now

looking for alternatives. And some of these options are certainly creative—just look at “The Amazing Pasta Straw.”

Bob Morris was inspired to create The Amazing Pasta Straw after the city of Malibu banned plastic straws a little over a year ago. As the owner and operator of Paradise Cove Beach Café, Morris had to come up with an alternative. The memory of a trip to Italy 30 years ago reminded him about a piece of pasta shaped like a straw. After finding the pasta at a local store and testing it out, Morris and his wife found a

source in Italy and “without even thinking about it” bought a million straws.

“They lasted four hours in a cold drink,” said Morris. “We named it the Amazing Pasta Straw and brought them into Paradise Cove... they worked great. The price was just a little more than a plastic straw, and I said, maybe we should try to sell these things to other people... This is just strictly two ingredients—flour and water—and it really works.”

The pasta straw looks beautiful in the beachy cocktails that Morris serves at his restaurant, and certainly makes for the perfect Instagram photo. But the straws are gaining traction in the media for being biodegradable and eco-friendly. In the

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past year actor Jeff Bridges, actress Zooey Deschanel, and reality star Khloe Kardashian have all shared that they've used them. Morris has been working with Sysco and beta testing the straws with a couple of larger chains with the hopes of spreading the pasta straw movement into more restaurants across the U.S.

But Morris is not the only one with a single-use plastic straw alternative. HAY! Straws is another product working to break into the market. These straws are all natural and made from 100% wheat stems. And while other single-use options could deteriorate over the course of drinking (cough, here's looking at you paper straw), co-founder Emma Grose boasts that HAY! Straws never get soggy.

"90% of our business is focused on the hospitality industry—restaurants, bars and hotels," explained Grose. "Some perks are that they do not go soggy in drinks and they can be used in hot and cold beverages—this makes them pretty versatile."

Besides never going soggy and being able to use them in hot beverages, HAY! Straws prides themselves on supporting small farmers around the world. The wheat stems that they source offer an extra financial opportunity for the farmers to sell byproduct instead of throwing them away. The stalks are harvested, cut to length, and then cleaned in sterile water to remove any dirt or bacteria. They don't use any chemicals to create the straws, and even use unbleached kraft boxes and soy-based inks on their packaging.



Photo credits: (top) Malibu Sign Shop, (right) HAY! Straws, (bottom) www.Sea-Straw.com

While these straws seem like an eco-friendly dream come true, Grose admits that pricing is one of the biggest hurdles they've encountered when converting businesses over to HAY! Straws.

"Plastic straws are much cheaper to produce and can be produced in very high volumes because plastic can be easily molded and shaped," said Grose. "HAY! Straws are produced from natural materials that vary in size and diameter. Each HAY! Straw is unique, so scaling production to meet high volumes while trying to compete with plastic pricing is challenging."

The pricing challenge is something that Bill Marshall, co-creator of the Sea-Straw, has also encountered. The Sea-Straw is a plastic straw alternative made from marine-grade aluminum. They're reusable, contain no heavy metals, and if they end up in the ocean, they're "reef-friendly" and would not harm marine life. According to Marshall, the only issue is that restaurant owners are so used to paying the low price of plastic straws that it's hard for them to initially swallow the cost of a reusable aluminum straw. But we reuse forks, knives and spoons at restaurants—so why not add straws into the mix?

"Plastic needs to go away, it doesn't matter how cheap it is," said Marshall. "Paper is the next one."



Marshall sees more people coming to terms with the fact that plastic straws will be a thing of the past, but believes that more education on the alternatives is needed. People want cheap options, but metal straws being sold for low prices online are often not made with food-grade materials and can contain toxic metals. Some are even sold in plastic wrapping. He's got sales reps around the country pounding the pavement to educate business owners about why the aluminum Sea-Straw is the best option for them.

So, what will be the straw of the future? Aluminum, pasta and hay are only a few of the options out there. Get sippin'.^{UB}

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Export markets key to growing U.S. turkey industry

Article contributed by Beth Breeding, National Turkey Federation

We've always been told less is more. But when you're in the protein business, more is always more. More of your product moving through the market is exactly what you want, and the National Turkey Federation (NTF) is working toward increased export market access to grow the reach of U.S. turkey products.

Today, the U.S. turkey industry exports roughly 10% of our products annually. In 2018, NTF members exported more than 277 million metric tons of turkey, totaling nearly \$623 million in sales. While the volume of turkey exported is steadily on the rise, the industry has yet to fully recover export sales that were lost as a result of the 2015 Highly Pathogenic Avian Influenza (HPAI) outbreak that devastated U.S. poultry operations. Compared to 2014, turkey export sales are down \$140 million, leaving substantial room for growth when it comes to boosting turkey exports.

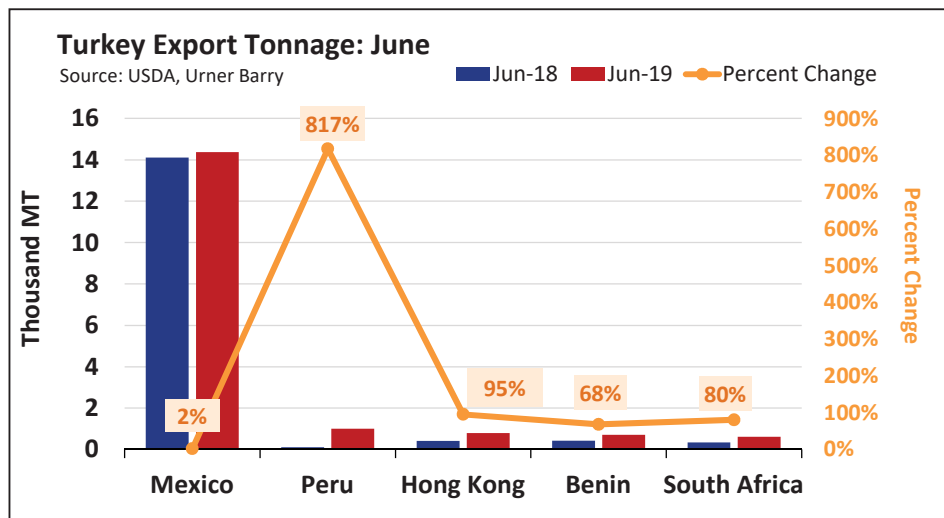
Recovery from HPAI, coupled with political obstacles that have kept some markets—such as China and Russia—closed to U.S. poultry, has required the turkey industry to reassess our industry goals related to exports.

Part of NTF's expanded focus on exports is working to bring turkey to new customers in places such as India, Australia and Latin America, and we are working closely with our partners at the USA Poultry and Egg Export Council to identify additional target markets. India's population size and affinity for poultry products makes it a prime opportunity for turkey, and while turkey is already exported to countries in Latin America, there is still considerable room for growth in this part of the world. We like the sound of dishes like turkey tikka masala or a turkey arepa, and we think residents will, too. Expanding these markets is key to introducing

millions of new consumers to the flavor and health benefits of turkey as a lean protein source.

While the turkey industry is pursuing new export opportunities, it is also critical that we maintain our current trade relationships. Mexico is by far the largest export market for U.S. turkey products. Since 2014, over 60% of U.S. turkey exports have gone to Mexico. Ensuring this partnership remains uninterrupted is paramount to turkey businesses on both sides of the border. That is why NTF has fully endorsed the U.S.-Mexico-Canada Agreement (USMCA) awaiting ratification by Congress.

“Part of NTF’s expanded focus on exports is working to bring turkey to new customers in places such as India, Australia and Latin America...”



The USMCA, which would replace the current North American Free Trade Agreement, preserves the U.S. turkey industry's trade relationship with Mexico. The USMCA also creates an important new opportunity for turkey exports to Canada. Though a more modest market, Canada is still the U.S. turkey industry's fourth largest export market, and concessions included in the agreement could

increase total U.S. turkey exports to Canada by 29%. A large portion of the agriculture community has spoken out in support of USMCA as a much-needed tool to protect American jobs and industry. However, the agreement has become mired in the politics of Washington. It is now expected that the USMCA will be sent to the House of Representatives for consideration early this fall. America's turkey farmers are looking for greater certainty in the status of important trade relationships with our neighbors—we need the USMCA now. Congress must act swiftly on ratification.

At the end of the day, any producer wants to sell more product. For the turkey business, the potential for export growth is there given the demand for protein options worldwide. NTF is committed to advancing the push for expanded access to global markets for nutritious and delicious American turkey products. [US](#)



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Fiona Lake: Challenging stereotypes and promoting women in the ag tech space

Fiona Lake is an agriculture specialist, photographer and writer based in Australia. She sees women as the overlooked key to speeding up the glacial pace of agricultural tech adoption, including the use of drones on farms. And says if you want to be successful, work and tenacity are an essential requirement.

Q: Can you share a little about your background experience as a woman in the food and agriculture industry?

I grew up on a wheat/sheep farm on a state border, where there's still agricultural and demographic differences on either side, largely due to historic state government policy and programme differences.

This is perhaps why I have a low tolerance regarding parochialism and "silos" in ag and other industries. On the side I work to reduce wheel-reinvention and spread innovation news via one of my favourite creations: A Twitter account that promotes agricultural events worldwide (@Agri_events).

I started taking photographs in the early 70s and selling them in the early 80s, featuring the million-acre cattle station I worked on. I set my business up to fund a rural advocacy need that wasn't being met and to simultaneously provide income as I was living more than 100km from the nearest towns, too far for off-farm employment to be an economic option. It morphed into a multi-strand entrepreneurial enterprise—to date I've published 3 books (featuring photographs of more than sixty of Australia's largest cattle stations, the largest in the world), run many photography exhibitions (most recently in Australia's Embassy to the US, in Washington DC), and run workshops across Australia on photography, best-practice social media use and drones in agriculture. Due to shifting economics and technology I've had to "reinvent" myself several times and this was particularly tough because there's no rule book or role models for what I do. When others have taken up what I've launched into, I move onto another unmet need that has been waiting in the wings. I plan years in advance but can take up an unexpected offer at the drop of a hat. I became a speaker regarding drones in agriculture by sheer accident—simply because there aren't any other women doing it! I keep thinking, "the invitations will dry up soon," but they've kept coming, so there's still more work to do.

Q: What are some of the challenges you've encountered or witnessed of women working within this industry?

Enough challenges to fill a book and these have increased past the age of 50, as in Australian society older women tend to



become "invisible." Added to the fact that agriculture is deemed to be a "sunset" industry run by straw-chewing hicks or worse—just a pack of environmental vandals by many in the position to influence public views, i.e. many urban journalists plus people in creative industries, from film and TV and marketing agencies to the literary, music and art world. Ever since my business began, I've loved the challenge of being proof that stereotypes need rethinking.

I've taken aerial images since 1988 and I accidentally upped the ante when I took up flying drones a few years ago. And challenging ageism added itself to the list. At tradeshow I can stand in front of my work, with my name all over it, introduce myself and talk about where I've visited to take the images—and people still then ask who took the photographs. I am "mansplained" regarding using drones at every turn despite being very experienced, fully licensed and invited to present at drone conferences on three continents, with the fourth in June (in Shenzhen, the global centre of drone manufacture).

Unfortunately—womensplaining is also alive and thriving.

Women as well as men have said to me, "you're so lucky that your husband lets you travel," to which I've been known to respond, "I wriggled out of the chains in the middle of the night and stole a car."

Some still say, "who looks after your children when you're away?" Even though they know my youngest son is nearly 18. Do people say these things to men? Doubt it.

I have an extra layer of challenges because what I do is unique. The art world thinks I'm just a businessperson, the business world thinks I'm an artist and not to be taken seriously, and now I live in town, many in agriculture view me as an outsider—a "townie." The truth is that what I've spent more than 30 years doing is really self-funded rural philanthropy. I love the diversity of my business, but it does cause some teeth gnashing at times. Art is additionally powerful because it is underestimated.

Q: What do you think it takes to be a successful woman in our sector?

In terms of leadership, there's two streams in Australia: The conventional route—via industry awards and formal leadership roles—and the solitary route, as I have chosen. The latter doesn't have the high profile but can be even more effective, in terms of influencing, leading and inspiring others—if what you do is unique and useful. Because there's no constraints and requirements to toe the official line of an employer, if you're self-employed. I did what I wanted to do, what I thought needed to be done—and became a role model by sheer accident.

Either way, work and tenacity are required. Plus, an ability to identify problems that need solving and original ideas on how to do so.

Being egalitarian and independent by nature, I've very rarely asked for help and from the outset I've taken care to give before receiving and assist others that I recognise as givers rather than takers.

As I prefer they have a clear field to thrive as they bring others along with them. This philosophy has underpinned my work. I have seen some other women in ag climb to the top by empire building and it's very disappointing. Along the way, some fantastic individuals have gone out of their way to help me.

Some fabulous women—but mostly men.

Q: Where do you think there are opportunities for women in food and agriculture?

Ag tech. Which is in desperate need of the other 50% of the population to drive development and uptake. Women who are good at STEM subjects and/or humanities are vital.

For the last couple of years, I've been on a mission to encourage rural women to fly drones as there's fantastic regional business opportunities that are ideally suited to rural women. And Australia, like many countries, has the ridiculous situation of having more women flying manned aircraft than drones! We also have a higher percentage of women trained to shear sheep than fully licensed to fly drones! Rural drone businesses can be created part-time and run with flexible hours, with relatively little capital and built up slowly, using agricultural and rural knowledge along with local contacts. Perfect for rural women who are also the primary caregivers for children!

WOMEN

in **FOOD & AGRICULTURE**

The drone industry desperately needs more female role models. There are so few women flying commercially at present that every single one stands out as an example for others to potentially follow.

Q: What advice can you give to a young professional who is looking to start a career in this business?

Play to your natural strengths and think long-term.

Agricultural youth awards can come with fantastic training, travel, public speaking, networking and leadership opportunities. But if you choose this route, ensure you stay humble and mentor others; and not just "people like you"—a diverse range. I've seen many dismayed that accolades don't last longer than 12 months or so, and struggle to recover when the "honeymoon" wears off. Burnout isn't uncommon. Building up slowly creates more resilience from the inevitable knocks.



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The Women in Food and Agriculture Summit will be held December 3-4, 2019 in Amsterdam.

Dedicate yourself to an industry field for years and your tenacity and experience will attract respect.

If you don't care deeply about what you do, you'll fall at the first or second hurdle.

Q: What can businesses do to increase diversity and attract female talent?

My favourite quote from last year: "If everyone around the table looks like you, you have a problem."

Continued on page 34

WOMEN IN FOOD AND AGRICULTURE

Continued from page 33

So first up, businesses need to look closely at their employment track record. Has bias been exhibited already? Are most employees or members called Peter or Michael? Research has shown that diversity of gender, age and background leads to greater productivity, so there's sound economic reasons for improvement.

It is generally true that men will apply for jobs despite having large gaps in the requested skills while women won't apply unless they feel they tick every single box. In the publishing industry, most male authors will submit manuscripts repeatedly to publishers—whereas women are more likely to be put off for good, after just a few rejections. These things apply to women in agriculture, e.g. in relation to employment, running for leadership positions, and speaking at conferences. And women tend to take critical comments regarding their performance to heart whereas fewer men do.

So, for best “results,” feedback needs to be handled thoughtfully and delivered in a way that fits each individual rather than taking a “one way for all” approach. If businesses want women to apply, go and headhunt them, rather than just waiting for them to apply. The very best candidates may not, simply because they've been too self-critical.

When advertising, businesses should make it clear that women are welcome to apply. And that training is available to fill skill gaps for the right applicant. To keep women, they must feel welcome—by the workplace, other staff and management. Critical mass is required. If they're the only woman amongst a group, it feels very much like being the token, and odd.

Modest quotas may be essential in order to reach critical mass. And unless there's almost no women at all in a field, quotas do not “elevate incapable or unqualified women” (as some unfortunately suggest).

Instead, quotas just remove the bottom rung of male applicants—who, on too many occasions, have only been considered above the best female applicants because of their gender.

Q: You are supporting the WFA campaign, can you tell what this initiative means to you and why is it important?

A lack of diversity means less productivity, creativity and sustainability.

There are campaigns running in several countries to promote the vision of women in agriculture and thus raise respect. Unfortunately, they're all accidentally helping to foster the stereotype as real farmers meaning working outdoors, driving a tractor or working with livestock, when in reality, the reason why women don't feature in images is because mostly their roles are indoor and thus, less photogenic.

“Female farmer” campaigns are just fostering the stereotype that farming means outside with dirty hands, instead of raising respect for the farm business roles that so many women undertake—administration and communication, financial management, employee care, catering, workplace health and safety management, etc.

So, I'm delighted to support a programme that shines a light on the complete diversity of agriculture-related roles that women are involved in. Every farm-related task is a worthy one and deserving of respect and acknowledgement—not just the photogenic.^{UB}

Article contributed by Jamie Chadwick
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Fiona's story and more from real women working in food and agriculture can be found at: www.wfasummit.com. In 2019, we're celebrating the women who work to feed the world—shining a light on female leaders in the industry. Get involved—and join us at the Women in Food and Agriculture summit in Amsterdam, December 3-4, 2019.

Unscrambling the truth...

COMMON EGG MYTHS DEBUNKED

Despite their ubiquity, eggs are a fairly misunderstood food source. There are a lot of questions surrounding their nutritional value and best practices in the kitchen. Let's tackle a few of the more common misconceptions.

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TRUE OR FALSE: EGG YOLKS ARE BAD FOR YOU.

FALSE! While egg yolks have been much maligned over the years as an unhealthy source of fat and cholesterol, they actually provide the bulk of an egg's nutritional value. The yolk essentially functions as a multi-vitamin, delivering healthy doses of Vitamins A, D, E and K. And if that weren't enough, yolks also provide two key nutrients—lutein and choline—that support eye and brain health. While it's true that egg whites contain most of an egg's protein, they lack just about everything else. For more balanced nutrition, doctors recommend you opt for the whole egg and instead pay closer attention to the other items on your breakfast plate.

TRUE OR FALSE: WHEN BAKING, ROOM-TEMPERATURE EGGS ARE BEST.

TRUE! When called for, anyway. Since baking is a fairly precise chemistry, skipping this step can yield a less-than-desirable result. This is especially true if you're baking with fats that can harden—like softened butter or cream cheese. Adding in cold eggs can re-harden the fat, making the batter appear lumpy or curdled. Room-temperature eggs also whip more easily, which is important when working with fluffy recipes, like angel food cake. The best way to bring eggs to room temperature is to simply put them on the counter. If pressed for time, place them in a bowl of luke warm water for 5-10 minutes. Once they no longer feel cold to the touch, they're ready to go!

TRUE OR FALSE: BROWN EGGS ARE BETTER FOR BAKING.

FALSE! The only difference between a white and a brown egg is exactly that—one is white, the other is brown. The nutrition, quality and composition are exactly the same and the use of either color will yield identical results. The type of egg used when baking, however, will. Duck eggs, for instance, have a higher fat content and more protein than those laid by hens—making cakes, muffins, breads and other baked goods richer and fluffier. Since duck eggs are typically larger than chicken eggs, the recommended substitution ratio is one duck egg for every two chicken eggs.^{U.S.}

Article contributed by **Karyn Rispoli** | krispoli@urnerbarry.com



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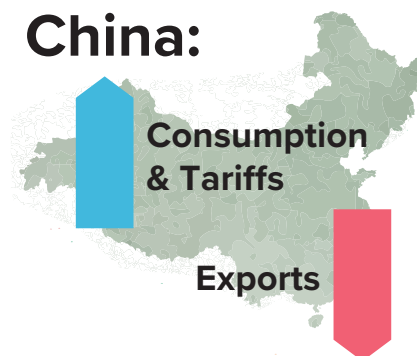
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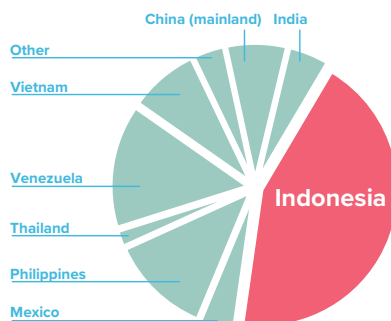
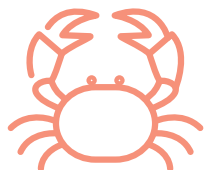


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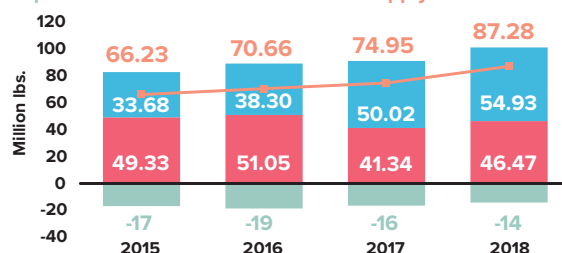
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WHAT MAKES THE FAJITA SIZZLE

Like many culinary classics, the fajita grew from a regional favorite (re: South and West Texas) in relative obscurity to a known staple to consumers. The traditional fajita features a strip of grilled meat that is served on a flour or corn tortilla and originally consisted of the skirt steak. The limited number of skirts per animal and the fact that most consumers didn't know about this cut early on supported the use, but as popularity grew, both commercially and at home, so did demand.

This has forced buyers to search for viable alternatives that have value compared to the skirt. From the price chart, traditionally the inside skirt, the ball-tip, and the denuded inside round rise and fall at similar periods. Spreads have remained relatively consistent throughout price history.

“Like many culinary classics, the fajita grew from a regional favorite...”



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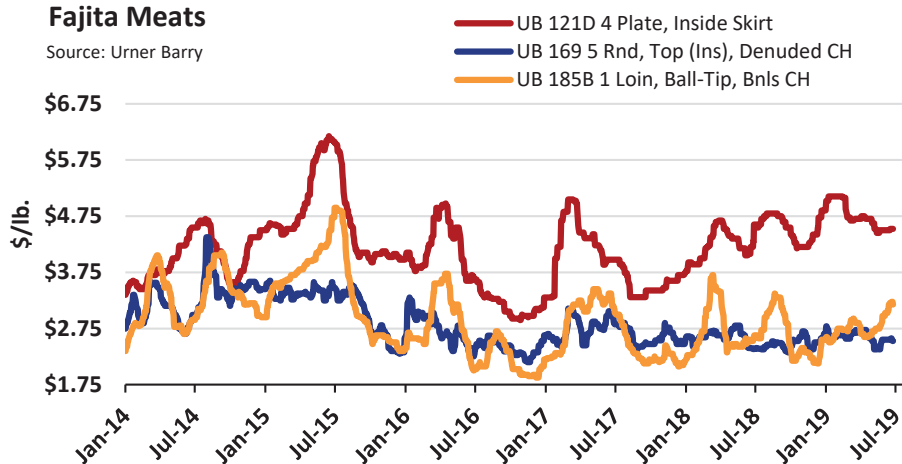
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Fajita Meats

Source: Urner Barry



More recently, however, the gap has started to narrow with inside skirts trending lower in the summer, while the other items have remained steady to slightly higher. The gains are more pronounced on ball-tips as more and more buyers are substituting product. If this trend stays intact, it could change the price relationship between the three items. Buyers who are more willing to switch out one item for the next will look for comparative value.

It will be interesting to see if this is an anomaly or more of the norm moving forward. Further data is needed, but either way, go out and enjoy your fajita with all the toppings.[UB](#)

Article contributed by **Gary Morrison** | gmorrison@urnerbarry.com

2019 a good year for waterways and reservoirs in Texas panhandle, SW region

This year has been a good one regarding precipitation for the Southwest U.S., but a sustained period of increased rainfall over a multi-year period would still be very welcomed by ranchers and others across the region.

To get a quick glimpse of the overall moisture conditions in the often dry Southwest, one has to look no further than the U.S. Drought Monitor and the latest water level in Lake Meredith, a huge reservoir about 30 miles north of Amarillo, Texas.

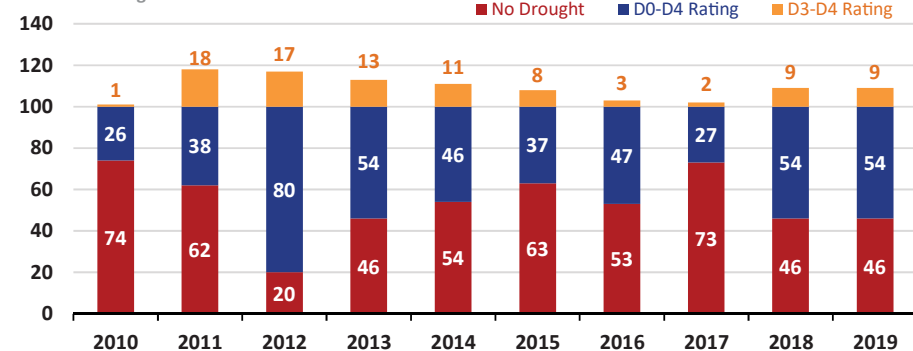
As of mid-July, the water level in Lake Meredith was reported at 76.6 feet, the highest since February 2002, according to the Canadian River Municipal Water Authority, which operates the lake. This represents a big recovery from the all-time low of just 26.1 feet hit in the summer of 2013 following the severe drought period. But, it's still well below the record high of nearly 102 feet hit in 1973. An extended drought period began in 1999, which gradually reduced the lake's water level. The decline over the next 12 years became so severe that withdrawals for drinking purposes were halted in 2011.

The return of the lake level to its latest level of over 76 feet deep has attracted more visitors to the park once again. Water is being pumped out but wells continue to be used by the member cities to supplement their supplies coming from the lake and in some cases are needed to bring the water quality up to proper standards, according to CRMWA.

Will the lake ever again reach its record high level? CRMWA officials said it is possible, but the amount of water entering the lake is 100% dependent on the rainfall, so it would require unusually wet conditions for an extended period to achieve. Water levels in the lake are monitored daily and available online.

U.S. Drought Monitor Status July 2010-2019

*Figures represent % of total acres across the contiguous 48 states



Source: National Drought Mitigation Center at the University of Nebraska-Lincoln, USDA, NOAA

The wind-swept northern Plains of Texas gets considerably less rain than does the eastern half of the state. Average annual rainfall in Amarillo is just 20.3 inches, less than half of what Dallas receives and well below the 36.5 inches that Oklahoma City, OK gets, according to U.S. Climate Data.

ABOUT THE LAKE

The idea of creating a large lake in the Texas Panhandle to address water shortages and to provide a source of drinking water to the cities in the region was first presented in the 1920s. But it was some 30 years later that more progress towards making the lake a reality occurred, and with federal funding becoming available, construction of the dam began in 1962. The dam was completed in 1965.

According to the Texas State Historical Association, Lake Meredith at capacity has a surface area of 21,640 acres. The lake, its pumping plants and pipelines to 11 member cities receiving water from the lake had an estimated cost of \$103 million.^{UB}

Article contributed by Curt Thacker
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The evolution of Nicolosi Foods: From Berkshires to birds

Once upon a time, pork was valued for being lean because it was “the other white meat.” In 2004, Rob Nicolosi and his newly rebranded company, Nicolosi Foods, decided to depart from that norm and make way for pure Berkshire pork to shine.

Backed by over 60 years of tradition, best practices, quality product, and key partners, Nicolosi Foods has grown about 10% year-over-year since 2013. The company found success with their Berkshire ground pork, sausages, chorizo, chops, Asian teriyaki belly, and bacon.

Nicolosi’s Berkshire pork sells itself. It’s superior in texture, taste, and marbling due to its higher pH levels. It takes longer to raise a Berkshire hog, and is more expensive on the market, but according to Nicolosi, buyers “realized it ate like a steak,” and it surged in popularity.

“We work with select farmers that aren’t so big where they lose touch with the animals. You can’t do everything yourself. You can’t be raising the hogs, harvesting the hogs, butchering hogs, and making sausages. Our focus is on what we’re really good at, and that’s the butchery side and the charcuterie side... If people ask, ‘Why should I buy from Nicolosi?’ I point them right to the slaughterhouse. If you have a problem, you get Rob Nicolosi. Our focus is on artisanal, 200lb., 300lb. batches. We’re constantly testing in our kitchens, making sure we’re on target with our finished product.

Our goal is strong intrinsic growth in a niche market through quality products and having the right partners. We’ve given up business to people that don’t care about that kind of growth. They care about, ‘Well, how cheap can I get the Berkshire?’ Well, you know, if you want to do that, go to a program where it’s a cross breed. Our Berkshires are 100% Berkshire. I could raise a Berk a lot more quickly crossing



The man, the myth, the legend: Rob Nicolosi with some of his products.

**“You’re not going take Wagyu cattle and breed them
with dairy cattle and hope you have good beef.”**

with another hog, but then you lose that consistency and quality. You’re not going take Wagyu cattle and breed them with dairy cattle and hope you have good beef.”

With having the pork market locked down, Nicolosi Foods is now looking to expand their offerings. This year the company is collaborating with FreeBird Chicken to roll out new co-branded products. Nicolosi has known FreeBird’s VP of Sales, Ted McGuire, for 40 years. The company humanely raises chickens that are on a fortified vegetarian diet, and are never, ever given antibiotics, hormones, or steroids.

“We’re using a great product from FreeBird, which is their leg meat. We played with the ratio of fat to lean. We want it to be healthy, but also flavorful. So, we found our own recipe that worked out perfectly. It has a great nutritional value while having a great flavor. It took us about six months just to develop that, making sure that [FreeBird] was happy and we were happy as well.

Current varieties include sweet and hot Italian, jalapeno bratwurst, sundried tomato & smoked gruyere, as well as apple breakfast sausage. The collaboration will ultimately bring over 25 flavors in total.

“Our sausage should taste like sausage. Being of Sicilian descent, it shouldn’t taste like a hotdog! And most chicken sausage out there now is over chopped, over processed, and just doesn’t have the bite that sausage should have. A lot of retailers have had chicken sausage for quite a while, mostly cooked. There are not too many great programs out there that are fresh. We take a lot of pride in being a fresh source to a great market in the tri-state area.”

Common sense, transparency, and attention to the quality of life of their hogs and chickens have brought great success to both Nicolosi Foods and FreeBird. Both companies target people who love great, natural foods. And as Nicolosi puts it, “Something my family tries to do is sit down and enjoy a good meal, savor that meal and then, of course, talk about life. As a family business, that’s something we’re trying to get consumers to go back to.” That’s a mission as wholesome as the products Nicolosi and FreeBird are rolling out.^{UB}

Article contributed by **Bridgette Hanson**
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Photos: (top) FreeBird Chicken Sausage; (left) a Berkshire pork chop, with prominent marbling and deep red color; (right) Nicolosi Foods’ chorizo rests on butcher block, a sleeping flavor giant.



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AquaBounty CEO Sylvia Wulf opens up about the challenges of bringing GMO salmon to market

With the world's population surpassing 7.5 billion people, science indicates that new and alternative proteins will be required in order to adequately feed every corner of the planet. Companies around the world are no stranger to this theory and 2018/2019 introduced the general public to new products including plant-based protein, cell-based proteins, and now genetically modified fish.

AquaBounty is near the finish line and in the coming months will be introducing genetically modified salmon to consumers who are looking for sustainable and earth friendly options. AquaBounty's AquaAdvantage Salmon includes a new system that will conduct low impact fish farming, which not only helps conserve wild fish populations, but also reduces carbon emissions. Urner Barry had the opportunity to interview Sylvia Wulf, CEO of AquaBounty, on how the company plans on turning the seafood industry upside down.



URNER BARRY'S REPORTER: *How and when did the AquaBounty project go from a vision to a reality?*

SYLVIA WULF: The technology was developed 30 years ago when researchers were trying to address the impact of the environment on the growth of Atlantic salmon in traditional ocean pen farming operations. Since 1992, we have produced 13 generations of our salmon using conventional breeding methods. The vision of the scientists and original company founder brought the product from concept to reality through their commitment to rigorous research and ensuring a robust regulatory process.

UBR: *What challenges did AquaBounty face when applying for FDA approval?*

SW: The primary challenge was being the first to pursue regulatory approval for a bioengineered animal. There was no process in place, so we worked closely with FDA to create the process and the testing requirements to ensure safety of the food for people, safety for the fish and safety for the environment. The protocols are stringent, and it was concluded that our

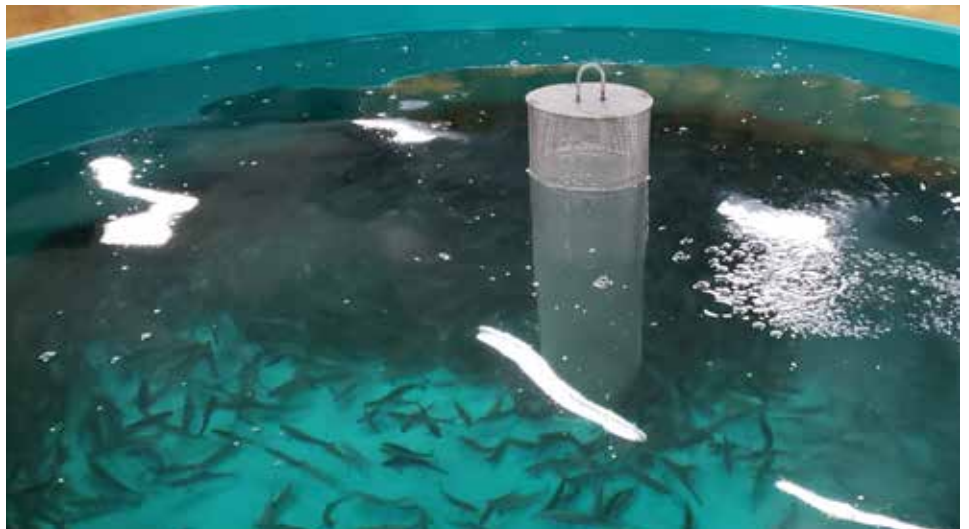
fish are identical to Atlantic salmon apart from one gene.

UBR: *What pressure and challenges has AquaBounty faced being the first to market with a genetically modified protein?*

SW: We are the pioneer, so we moved into uncharted territory. In addition to the regulatory challenges, we experienced political opposition. This opposition masqueraded as concern for consumers but conveniently ignored the science and

potential benefits of biotechnology. As a small company, both of those challenges put us under tremendous financial strain to stay the course. We have a resilient and committed team who believe in the product and the benefits it brings to the world.

UBR: *As is the case with any new product which the general public is not familiar with, educating customers is key for success. What campaign is AquaBounty executing to educate customers on the benefits of AquaAdvantage salmon?*



SW: AquaBounty is in the process of building out our communications strategy to educate and engage a variety of stakeholders on the benefits of AquaAdvantage salmon. Consumer and customer research will be conducted in the near term to better understand the questions and perceptions surrounding our product in order to develop a targeted communications plan. Our approach will be based on addressing questions in a transparent manner and building trust with customers and consumers.

UBR: *What is the stigma around genetically modified food?*

SW: Consumers don't understand the science behind genetic modification and are not familiar with its wide-ranging benefits, such as addressing food insecurity and overcoming environmental challenges. The anti-GMO faction has controlled the dialogue to date by creating fear and misperceptions. Consumers have indicated concern that the technology is controlled by major corporations, but they don't understand that it's these same corporations that provide the investment necessary to meet safety and efficacy regulatory requirements.

UBR: *How does AquaBounty plan on changing negative perceptions of the product?*

SW: The first step is to better understand and acknowledge their concerns. The second is to address them head on with transparency and information related to the broader value our fish bring to the market, such as increasing production of a healthy protein to meet growing demand close to consumption (local) while reducing impact on our oceans and the environment. Our containment protocols ensure our fish are raised in a healthy land-based environment protecting them from disease, predators and parasites (no need for antibiotics) and negating the risk of escape.

UBR: *How do you plan on addressing and educating the market to be more acceptable of AquaAdvantage salmon?*

SW: Customers are interested in learning more about the product, particularly when



Pictures courtesy of AquaBounty

they realize it is grown closer to their shopper base and can provide a fresher alternative to the current imported product. Conversations with those customers are framing our communication plan and requirements. The landscape is evolving and there is receptivity to engage in a dialogue.

UBR: *Several grocery chains have vowed not to sell GMO salmon. How are you educating grocery chains on the benefits of AquaAdvantage salmon?*

SW: While a small number have indicated no interest in AquaAdvantage salmon, many are interested in learning more. Seeing the fish and learning more about how they are raised is one step toward building acceptance. We will also be communicating the broader range of benefits associated with AquaAdvantage, which support many of their corporate social responsibility platforms.

UBR: *How are you reaching restaurants?*

SW: We believe forward thinking culinary professionals who care about the environment, particularly the oceans, will be receptive to our fish. We are in the process of having those conversations to better understand their needs and requirements.

UBR: *What has the feedback been thus far?*

SW: There is a high level of interest, some skepticism due to what they have heard from our opponents, and a genuine desire to learn more.

UBR: *What does the future have in store for AquaBounty?*

SW: We continue to focus on raising our fish, bringing them to market, expanding into additional geographies, both in North America and internationally. We are also evaluating how our core capabilities of molecular biotechnology and genetics can be used to bring new and better alternatives to market in the aquaculture industry.[UB](#)

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NFI's award-winning blog shines a light on seafood

Article contributed by Natalie D'Apolito, National Fisheries Institute

Dish on Fish continues to offer weekly meal plans, recipes and helpful tips that encourage readers to increase the amount of seafood they eat and expand their palettes. Recently, Dish on Fish welcomed chef and author Barton Seaver as a guest contributor to the popular "Dishing With" feature, where he wrote about the power of grilled seafood. "The flavor of seafood paired with rustic live-fire cooking is something magical," said Seaver. "It reminds me that seafood is part of the global ecosystem, and that it links us to our natural world in beautiful ways."

Another recent blog post was inspired by consumer research conducted by the Fisheries Research and Development Corporation (FRDC) in Australia, which found that Australians are more likely to cook seafood at home if they had recipes that used seafood straight from the freezer.

"We love to incorporate consumer insights into the Dish on Fish blog," said Judy Dashiell, Senior Vice President of the National Fisheries Institute (NFI). "We adapted FRDC's findings into a blog post called 'Frozen to Fabulous: 7 Seafood Recipes You Can Cook Right From the Freezer.' Our 2019 original recipe photo shoot included techniques using the Instant Pot and Air Fryer because we know consumers are looking for recipes featuring these kitchen tools," she added.




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From popular monthly meal plans—to guest experts like seafood advocate Chef Barton Seaver—the blog dishes up ideas, how-tos and tips under the watchful eye of spokesperson and NFI Registered Dietician Rima Kleiner.

Photos courtesy of National Fisheries Institute

Dish on Fish grew out of an NFI Strategic Plan goal to educate consumers. “Since its launch in the fall of 2016, the Dish on Fish blog has become a trusted seafood resource,” said Dashiell. “Through the site’s content—recipes, nutrition information and relatable seafood tips—NFI has effectively connected with consumers and encouraged them to eat more seafood.”

By seeking to understand consumers needs and habits, Dish on Fish has developed a strong content calendar, which has also caught the eye of leaders in the public relations community. The result is several accolades for Dish on Fish, including the 2018 Platinum PR and Agency Elite Award for blogs; and the PRSA 2019 Bronze Anvil Award in the blog category.

Its newest social channel, Instagram, allows Dish on Fish to showcase amazing seafood dishes while connecting with an extensive audience. With the sponsorship support of King & Prince Seafood, the channel continues to grow, and is nearing 3,000 followers.

Dish on Fish is a relevant vehicle given today’s foodie culture and the growing appetite for preparing seafood at home. NFI relies on Butin Integrated Communications to support the effort.

“Despite the known health benefits of seafood, from baby brain development to reducing the risk of heart disease, Americans are hesitant to prepare seafood at home because they don’t know how,” said Dashiell. “Dish on Fish aspires to give consumers the confidence to feed their families a diet rich in a variety of seafood.”

Featuring crave-worthy seafood dishes and helpful preparation tips, Dish on Fish continues to climb the ranks of food-blog stardom, encouraging Americans to add more seafood to their tables.

“The success of Dish on Fish is due to the passion that NFI members have for seafood education,” said Dashiell.

Visit dishonfish.com for seafood recipes, nutrition information and more. Plus follow Dish on Fish on Facebook, Instagram, Pinterest and Twitter @DishOnFish.™



Genetic hackin' for antifungal agro-action



© Alina Demidenko/Getty Images

Fungi are wonders and scourges of nature with colorful and intricate history. They produce molecules that can't be replicated in the lab and they adapt to resist and thrive. They were some of the first life to flourish here on Earth. About 400 million years ago, immense two-story mushroom spires loomed stark against a prehistoric sky. The lonely giants dominated their sludgy landscape before even trees evolved to join the ranks.

Despite mushrooms laying claim to Earth first, humans have cohabitated with them peacefully—for the most part. Fungal foods like portabellas, beer, tofu, salami, and sourdough are distinctively delectable. Sadly, it's not all "fungus" and games. The toxic and hallucinogenic fungus ergot tainted a rye crop and killed 40,000 people in 944 AD in southern France. Ergot poisoning was afoot during mass illness and hysteria in Salem, Massachusetts, in 1692; today, we know this as the Salem witch trials. Another fearsome fungal foe is grey mold, an all-too-common and all-too-lethal blight on cash crops like potatoes, grain, tomatoes, and more.

Obviously, civilizations made it through the tribulations fungus presented it. But overuse of antifungal drugs and the natural evolution of fungus has led to an aberrant rise in new and treatment resistant strains, which threaten both agriculture and the non-cultivated resources that support it. Professor Matthew Fisher with the School of Public Health at Imperial College of London remarked that "the threat of antimicrobial resistance is well established in bacteria but has largely been neglected in fungi."

Fortunately, as fungi evolve, so does science. Plant virology and gene modification may hold the key to long term effective antifungal treatments for both flora and fauna. Strides are being made and friends are being found in former enemies. For instance, the Tobacco Mosaic

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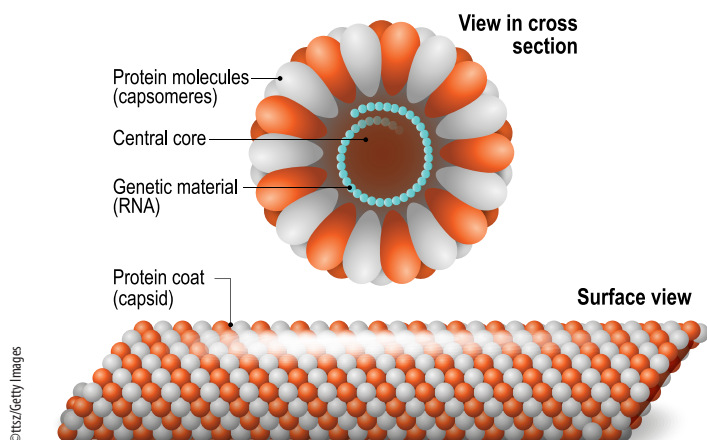
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Tobacco Mosaic Virus



Virus, TMV, is ancient, deadly, and incredibly contagious amongst a wide range of plants. However, scientists were recently able to modify TMV's genetic code to make it target and reproduce the microscopic antifungal proteins, or peptides, already present in tobacco plants.

The modified virus gets injected into the permeable spaces between plants' cells, turning the unsuspecting tobacco plants into bona fide micro-factories for all-natural fungus frying peptides.

"The growing demand for organics in the food arena makes this development a very timely and attractive arrival."

Left: A structure diagram of the Tobacco Mosaic Virus. The blue circle of RNA holds the key to TMV's antifungal power.

That's not all, though. Once the peptides are formed, they remain remarkably stable and effective, both in liquid form at room temperature and in dried plant leaves. This antifungal breakthrough has massive commercial potential in the agricultural and packaged food sectors. Production is cost effective and straightforward while all resources involved are renewable. Additionally, the growing demand for organics in the food arena makes this development a very timely and attractive arrival to the agrarian scene.

Science and the comestibles sector are seeing the premier of an effective, efficient, and all-natural way to quell fungal qualms. While primordial 'shroom trees aren't part of nature's skyline anymore, fungus still reigns quietly from the damp and the dirt, holding slimy answers for big questions we haven't thought to ask yet.[UB](#)

Article contributed by **Bridgette Hanson**
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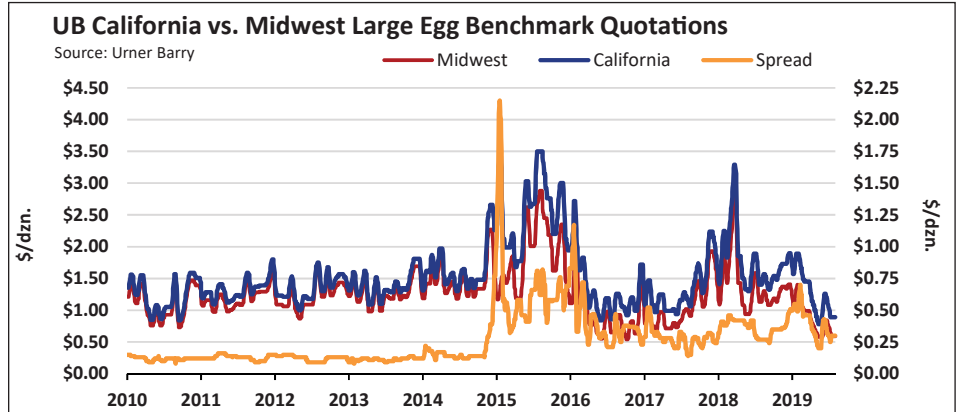
First phase of California Prop. 12 set to roll out with the New Year

In early November of last year, California Proposition 12 passed with more than 61% of the vote. Prop. 12 set new space requirement for pigs, chickens, and cows, while charting the path for egg production standards in the state, and in some ways, across the country.

Prop. 12 measures are set to impact egg producers in two phases. The first, which goes into effect at the end of the year, requires all egg layers in California and others whose production is marketed into California to have a minimum of 144 square inches of usable floor space per hen. Then, effective January 1, 2020, all eggs sold must be from hens with cage-free housing. This comes just 10 years after Prop. 2 was passed and five years after implementation in 2015.

California's nearly 40 million people are being serviced by under 13 million table egg layers in the state, according to the USDA's July Chickens and Eggs report. Theoretically, each consumer absorbs the production of one layer, meaning about 27 million outside layers are required to service California demand.

As we approach the first phase of the Prop. 12 deadline, producers have begun to make adjustments to service what some believe will be an initial shortage of compliant eggs. It is hard to blame them for their expectations, especially when



looking at how Prop. 2 impacted the California marketplace in 2015. Regional spreads are often driven by the cost of freight between regions, but in the leadup to Prop. 2 prices between the Midwest and California began to swell. In the five years prior, the large spread averaged just under \$0.13 per dozen. Buyers began inventorying eggs through the end of 2014, sending the spread to almost a dollar by the end of the year. Prices between the two benchmarks peaked over \$2.00 a dozen in January, before trending back into the \$0.30's over the next few months as a result of demand destruction and producers chasing premiums by adjusting flocks across the country.

The sample timeline was limited by avian influenza (AI), which shocked the market only a few months later, but the biggest margins were short-lived. Proposition 12 could have a similar impact but there are a few key differences in how the market is set up when compared to five years ago.

First, egg products are included in Prop. 12. Though some are debating whether dried egg is part of the requirement, at the very least, liquid produced or shipped into California is included in the guidelines. The recent expansion of the cage-free flock will also play a role. Over the last three years, cage-free production has more than doubled to 70 million total layers or more than 20% of the overall national flock. A good portion of this production

is already contracted, but cage-free has been generally surplus, with much of the oversupply moving into generic outlets at conventional prices. These eggs are already flowing into California compliant channels and will continue to do so until cage-free demand develops elsewhere.

Producers have also adjusted their conventional housing systems since Easter. The total flock peaked over 341 million layers and has since seen one of the largest adjustments in history, except for AI. Some facilities cut back on their flocks by converting to California specs for the end of the year. Though there is no way to really tell how many layers are now Prop. 12 ready, this should offer additional supply into California and other states following similar timelines.

Egg producers have struggled with market conditions for much of 2019. Buyers are expecting to see some sort of seasonal rally in the fourth quarter and are forecasting market disruptions as California transitions to a new production standard yet again. However, the makeup of the current flock is a lot different than 2015, and it will certainly be worth monitoring how the market shakes out during this first phase of a broadening cage-free push on a state-by-state and national scale.¹⁰

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Can Impossible possibly beat beef?

Quick service restaurants are now attempting to meet the soaring demand for alternative proteins. Consumers want options, and strong demand for Beyond Meat and Impossible Foods has expanded across retail, restaurant, and foodservice channels alike. However, these offerings are not alternatives for meat eaters. Adding plant-based proteins to fast food chains just provides more choices for vegetarian or vegan consumers who typically don't visit a QSR due to restricted menu options. The alternative protein offering is an opportunity for restaurants to expand their market and is not intended to convert those that consume meat.

Burger King recently added the Impossible Whopper, and found that while foot traffic increased 18%, sales of the original Whopper made with real beef were not impacted.

"We're not seeing guests swap the original Whopper for the Impossible Whopper," said José Cil, CEO of Burger King's parent company, Restaurant Brands International. "We're seeing that it's attracting new guests."

Additionally, Del Taco began providing plant-based options to create new burritos this past April. Fast food chain Taco Bell will not be offering alternative proteins, as the restaurant stated they prefer to focus on their vegetarian menu rather than incorporating fake meat products. Arby's has also stated that plant-based options will not be included on the menu and poked fun at alternative protein companies by creating a carrot out of turkey, known as the "marrot." This was Arby's attempt at producing a vegetable from meat, the way companies like Beyond Meat and Impossible Foods pursue generating meat from vegetables.

According to Nielsen, plant-based foods are seeing tremendous growth, and the

industry is booming. This can be attributed to the fact that consumers are enjoying the wide-variety of plant-based foods. Nielsen reported that alternative protein sales are up 20% in dollar sales since last year, compared to the sales of all foods which grew just 2%. Grubhub's State of the Plate report saw alternative protein orders rise 25% this year, particularly for Impossible Burgers, which rose by over 80%. However, these increases may be due to a growing number of foodservice operators providing options as demand to dine out among those who do not consume meat increases.

Restaurants gradually introducing plant-based varieties, along with fresh meat, are setting the pace for the industry.

Consumers that eat meat are not replacing that consumption with a plant-based item. The NPD Group found that 95% of plant-based buyers have made a beef burger purchase within the past year at a QSR. Although vegetarians and vegans are certainly contributing to the growth in plant-based, they still represent a small percentage of the United States population and are not the primary contributors. While demand has skyrocketed in comparison to all foods, these alternative proteins cannot seem to take a bite out of meat sales or beat the authentic product.^{UB}

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CRAB SHABU-SHABU A GROWING TREND IN JAPAN

Buckle up, because we're heading to Japan for Urner Barry's new global food tourism series. Each issue of the UB Reporter we'll take our readers to a different part of the world to highlight unique food trends and popular dishes. Up first: shabu-shabu at Japan's famous crab houses.

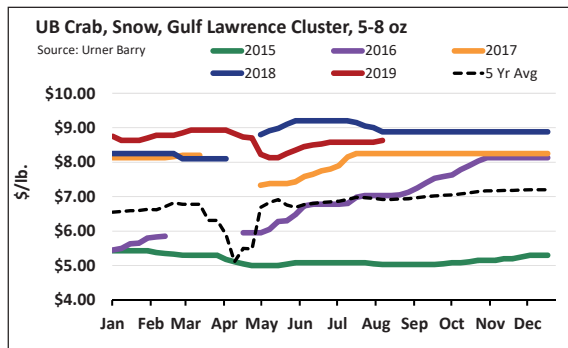
Japanese tourists tell stories of the lines that form outside restaurant chains Kani Doraku and Kani Honke. Most people have to make reservations a couple weeks in advance, but others take a chance on getting a table and end up waiting a couple hours to be seated. No matter how you end up at a table at one of these restaurants, the consensus is that it was worth the wait.

So, what has people flocking to these crab houses? A unique Japanese dish called shabu-shabu.

Shabu-shabu is a hotpot dish where the diner cooks their food piece-by-piece right at the table. Thinly sliced meat – or in our case crab – are briefly submerged in a pot of boiling broth before being dipped in a

sauce and immediately enjoyed. These crab houses are using raw parts, including the “merus” sections.” Diners take the knuckle, which still has its shell on, and using chopsticks, dip the exposed meat into the broth. The meal ends with the leftover broth combined with rice, creating a savory soup from the scraps of meat, crab and vegetables at the bottom of the pot.

These raw crab parts are coming from Canada, and what's truly interesting is that the dish has created a completely different product than what Japan has traditionally imported from the country. And Canada



has certainly taken notice of the uptick in raw parts, investing in more labor and equipment to pack the pieces. Currently, there is not another producing country of snow crab that provides this product for the shabu-shabu market in Japan. With this investment, Canadian producers are continuing to solidify their snow crab relationship with Japan and thus creating a higher value product that the Japanese consistently demand.

Japan has always historically been a strong buyer of Canadian crab. The U.S. market competes directly with them for snow crab, especially in the opening of the season in late April early May. Overall, worldwide demand for snow crab has grown. Over the past two and a half to three years, 5-8s have seen a drastic rise in price compared to the five-year average. 5-8s recently have been hovering over the \$8.00 mark when the five-year average has been at and below \$7.00. Smaller crab is what is most desired in the Japanese market; 4 ounce and up and 5-8 ounce clusters.

So, crab lovers, the next time you're in Japan, be sure to keep an eye out for these famous crab houses ... just remember to make a reservation! [UB](#)

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Away from plastic, towards consumers

Canada's Prime Minister Justin Trudeau recently announced that the country aims to ban single-use plastics by 2021. The ban will impact not only consumer-oriented end products, but also materials at the manufacturing and production level. It comes as no surprise that Canada, a historically progressive nation, has taken this step towards what's been a developing trend for years now. Even some U.S. states have claimed their intentions towards this goal, with California serving as a prime example. Compared to the Canadians, their proposed phaseout is a bit less aggressive, with their deadline set at the year 2030.

From reading articles online to talking amongst a group of friends, it's becoming quite clear that this trend is growing in prominence, and consumers are paying attention. Whether it be switching brand loyalty or forking over a few more dollars, the willingness to purchase eco-friendly or plastic-free products is being demonstrated throughout retail stores and in everyday purchases. In response, the food industry is doing more than just switching their plastic straws at restaurants (see page 28). Innovative food packaging is on the rise throughout every sector of the industry.

Food processors, packers, and distributors alike have adopted a few different techniques in response to these environmental demands. Utilizing reusable containers is among the most common practices. Other companies have formed partnerships with allied firms so as to reduce their packaging overall.

Some packaging experts don't see the need to totally eliminate single-use packaging. With "on the go" demand stronger than ever before, the call should be to meet this trend with sustainable solutions such as plastic alternatives, rather than entirely eliminating the idea of single use.

Examples of plastic-alternatives that share similar properties as plastic are as follows: Sugarcane fiber, wheat, bamboo, wood pulp, and straw. These are referred to as

"molded fiber packaging," and they are 100% recyclable and biodegradable. The manufacturing process also generates no waste.

Even if a meat company decides that it wants to switch to these resources, there still remains the barrier of the USDA's approval. According to the USDA's Food Safety Meat and Poultry Packaging Requirements, "Inspectors may question a packing material's performance or other physical aspects; for example, a food is discolored by what appears to be ink coming from the packaging, or the food has developed a 'chemical' odor after contact with the packaging material. The packaging must be approved by FDA under the Federal Food, Drug, and Cosmetic Act."

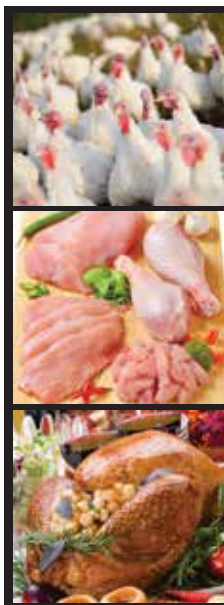
Nonetheless, while clear financial investments must be made to transition out of single-use plastic food packaging, there doesn't appear to be all that many barriers in terms of finding alternative substances and achieving the approval of the USDA. Consumers are calling for it, the States are moving towards a call to action, and food companies must soon follow if they hope to achieve the dollars of the customer.¹²³

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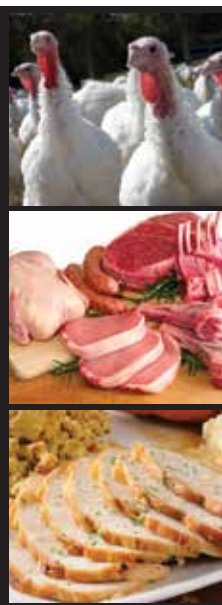
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CoBank's lead animal protein economist Will Sawyer

Will Sawyer is among the most respected ag-centric economists in America. He has been employed by the top names in the business and currently is the lead animal protein economist in CoBank's Knowledge Exchange research division. In that capacity Sawyer focuses his efforts on providing market and industry research for the pork, poultry and beef sectors. Urner Barry's *Reporter* had a chance to catch up with Sawyer while he was visiting Urner Barry's Toms River, New Jersey, headquarters this past July. Below are a few highlights of his time spent with Urner Barry.



UBR: So when you say that you've been on farms a lot in the past five to 10 years, is that just to visit customers? Is that to kind of assess a situations? What are the purposes of those visits?

WS: I'm always trying to understand what the producer sees in their business. I'm engaged with some of the biggest meat companies and some of the smallest contract growers and everything in between. Everybody has an important message to share from their own business that's important for me to understand.

Whether it was the PED virus of five years ago, understanding how they were adjusting their bio-security practices to try to minimize the risk of PED on their farm. That's something that only I can understand by getting on the ground and spending time with those producers. So disease is always one of those issues where you can really learn a lot about how producers operate on a day-to-day basis. I like to share my views, but I love hearing what the producers have to think too. So that's always a fun part of it.

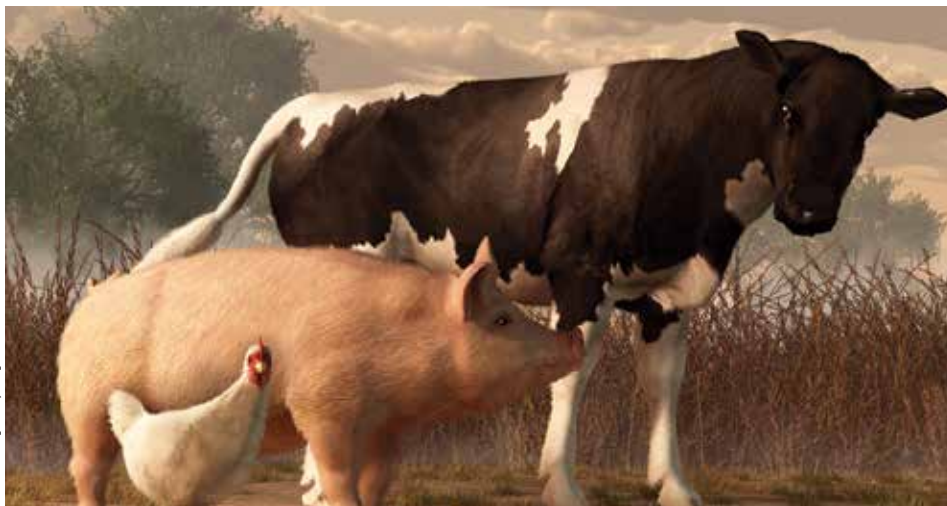
UB REPORTER: Will, we are so happy that you are able to join us. You are pretty well-acquainted with Urner Barry, being a veteran of the Executive Conference, and this October you will be joining us at our inaugural Global Protein Summit. Could you tell us what you do day-to-day, what your career has been like, and how you became focused on the protein category?

WILL SAWYER: I'm very happy to be a part of CoBank; I've been with them for a little over a year. It's been a great year focusing on the animal protein sectors, mostly on the beef, pork, and chicken side of things, and trying to help our customers understand some of the major issues impacting those industries.

I've been at various other banks over the last 12 or 13 years. I'm a North-Carolinian so I kind of hold the pork and poultry sides of the protein industry close to my heart. I went to Wake Forest, so I'm not a farm boy by trade, but I spent enough time with customers, especially in the last five to 10 years, to gain invaluable insight. For me, as a finances and accounting guy, I try to take a little bit of a different perspective to understand why people are making money or losing money. That's always a great way to understand how they are going to make decisions as they move forward. But I've really enjoyed CoBank, we have a great network of relationship management managers and customers around the country. We really enjoy taking care of rural America as much as we can.

UBR: Here at Urner Barry we're pretty niche in what we do. Being in market intelligence, we really, really focus on exactly what the operation needs to be. We strive for accuracy and are unbiased, and we don't bring in a lot of people from outside the production side of the business. This is the first time we ever had somebody from finance, your specific area. It is usually a producer or maybe a livestock expert, but never the lending side of it, the finances of it. It's something entirely new but so relevant to our client base.

WS: It's always important for me to really keep in the back of my mind that we're trying to be, not just a lender or provider of capital for folks as they run day-to-day operations or try to expand, but also try to be that trusted provider for when things are not going so well. When prices don't go in the direction they would like them



“...it’s always important for us to try to think ahead for our customers so that when we face some of these disease challenges or trade disruptions, we can offer real solutions.”

to go, and we have seen that more than a few times in the past 12 months. We have been around for so many decades in rural America, not just agriculture, but in rural America, so we have seen the 80’s, we’ve already gone through that time with producers. For us, especially on the research and economic analysis side, it’s always important for us to try to think ahead for our customers so that when we face some of these disease challenges or trade disruptions, we can offer real solutions. It’s nice for us to help our customers to be prepared as much as we can. But we have no crystal ball either so that’s the nature of the business.

UBR: *That was kind off the reason we asked you to sit down.*

WS: It’s hard to check the crystal ball, that’s why I left it in Atlanta.

UBR: *You skipped over one really prestigious part of your career that we wouldn’t want you to gloss over—it’s that you’ve had speaking engagements for Urner Barry.*

WS: It’s always great being at an Urner Barry event. You have a lot of tough question, which is the double side of the coin where you have to be on your toes. I always like hearing those questions. I kind of feel like picking those producer inquiries when I’m at an Urner Barry event because I know the people that are there are very engaged and they always have tough questions.

UBR: *We are very proud to have you in the office. I have heard nothing but good feedback about all the presentations that you have given. Everybody feels that you are very informed and very informative, and I don’t want to miss that because it’s important to mention that you’ll be at the Global Protein Summit at the*

InterContinental, Chicago Magnificent Mile, this October.

WS: Looking forward to being in Chicago.

UBR: *This is the first one we’ve ever had. Have you done events at the InterContinental before?*

WS: I haven’t. I’ve done a few Chicago events, but I’m looking forward to it. I’ve been giving more and more thought about the subject matter: Trade Partners, Laws and Barriers. Luckily for me the world is changing every 24 hours, if not even a shorter frequency than that, so we’ll have a lot to talk about.^{UB}

Will Sawyer will be presenting at Urner Barry’s 2019 Global Protein Summit in Chicago, October 6-8. To learn more about Will’s presentation and for further event details, please visit urnerbarry.com/globalproteinsummit.

To listen to Urner Barry’s interview with Will Sawyer in its entirety, check out Urner Barry’s Market Digest at soundcloud.com/urnerbarry.

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This just in... According to surveys completed by Nielsen, one in 10 Americans are actively using in store click and collect purchasing of some type; with the average joe spending over 24% of their hard-earned cash on some type of online platform. Because of the growing trend of online shopping, leading grocery retailers have been playing a game of "one-upmanship" when it comes to raising the bar for online ordering convenience.

Although it seems incredibly attractive to be able to stay on the couch and have your sustenance literally brought to you, there are challenges that could present obstacles for the projected growth of this new form of technological convenience.

Let's begin with a bit of background. The percentage of U.S. consumers 18 and older who shopped for online groceries within a 30-day period increased 20% to 51 million consumers in the first quarter of 2019. Despite these rapidly increasing numbers, experts say that brick and mortar grocery stores will still be a necessity in acquiring foods, especially in the cases of items such as fruits, vegetables, and meats.

This presents online grocery retailers with the challenge to truly create a diverse shopping experience for the customers that would revolutionize the way we think about online grocery merchandising.

Cue in, the Amazon effect.

With some projections showing that more than 60% of groceries will be bought online by 2025, it is not at all surprising that the world's leading retailer would throw their hat in the ring to capitalize on this increasingly growing consumer trend.

In June 2017, Amazon broke into the grocery delivery arena by announcing a blockbuster deal to acquire Whole Foods for nearly \$14 billion. Two years later, instead of Whole Foods being the cornerstone of Amazon's grocery delivery ambitions, it merely presented moderate gains in terms of volume. However, the union presented some clear difficulties in delivering fresh foods inexpensively. Let's face it ... bananas are not the same as books.

Even though Amazon's original vision was to target a more affluent demographic in terms of its grocery delivery model. The growth potential simply cannot be ignored. With increasing competition from retailers such as Target and Walmart for a piece of the market share, the continued research and investment of resources to find more sustainable delivery means continues to evolve.

What does this mean for you? While there is no clear-cut winner, there is enough research available to indicate that delivering food in general, whether it be from grocery retailers or restaurants, will be evolving within the next five years. The next big thing in food and delivery is the growth of companies that will utilize industrial kitchens, specialized farming and food processing techniques for fresh food, and vans capable of baking meals on the way to the customer.

With these new processes in place, specialty retailers will continue to struggle to compete with the low prices that consumers can find from online sellers. In due time loyalty rewards and a greater range of delivery options will give consumers the convenience they seek, at a cost that fits their budget.

Stay tuned America, binge watching with your favorite foods is getting a whole lot easier.^{UB}

Article contributed by Pete Iridoy | piridoy@urnerbarry.com

An advertisement for Turkey Valley Farms. At the top is the Turkey Valley Farms logo, which includes a circular emblem with a turkey and the text "TURKEY VALLEY FARMS", "GROWER-OWNED", and "SINCE 1973". Below the logo is a red banner with the text "Times Change!". In the center is a large, detailed image of a whole turkey in its packaging, which also features the Turkey Valley Farms logo. 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", and "www.turkeyvalleyfarms.com".

Keeping an eye on the competition...

Interpreting the everchanging protein market landscape



Those in attendance at USAPEEC's annual meeting held in beautiful Panama City were greeted with the personalities and presentations of a number of engaging and well-educated food commodity experts. Among the group was Christine McCracken of Rabobank. During the event, McCracken shared some insight into the widespread and highly pathogenic nature of African Swine Fever, as well as explored the implications that the disease could have on the mid to long term global protein landscape.

"A massive drop in pork production is expected, with chicken hopefully picking up some of the slack," she told attendees.

McCracken went on to compare the consumption patterns of both pork and poultry and detailed chicken's recent rise to the top of the most consumed meat-based protein list. As for pork's market outlook, McCracken believed that global supply situation could rebound back into a better balance. However, as it currently stands, she warned that it may take years to recover from the hog losses overseas.

As Urner Barry prepares for the debut of the Global Protein Summit this October in Chicago, it is our pleasure to announce that Christine McCracken will be joining us, this time to discuss the unrelenting and contentious rise of lab-grown and plant-based protein alternatives. McCracken plans to take a detailed look at the impact that traditional protein markets might experience should these new alternatives gain a stronghold. Additionally, McCracken will examine the reasons behind why a meat-based processor, for example, might choose to partner with an alternative protein company, and what the future benefits of this unusual unification might look like.

To learn more about McCracken's presentation and for further event details please visit urnerbarry.com/globalproteinsummit.ub

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FROM THE
RED MEAT
MARKET
TO
SEAFOOD...



UrnerBarry

MEET
**GARY
MORRISON**

The joke around the Urner Barry office is that everyone "wears many hats." The phrase can't be truer for UB Vice President Gary Morrison, who not only serves as our human resources manager, but also reports on the red meat, shrimp and lobster tail markets.

Gary first began working at Urner Barry in 2001 as a reporter on the pork desk and manager of the Instant Market News Department. While he left Urner Barry for a couple years to work as a financial advisor for Merrill Lynch, he ultimately rejoined the UB team in 2013, this time as a reporter for the boxed beef and beef variety markets. Since 2013 he's been promoted to Vice President and took over human resources responsibilities. Most recently he joined the seafood department to report on the shrimp and lobster tail markets.

When he's not at Urner Barry, Gary can be found at his gym, Crossfit Toms River. He's also in the process of opening up a new craft brewery, Battle River Brewing, in downtown Toms River.

Gary will be on hand at Urner Barry's Global Protein Summit in Chicago this October. Be sure to say "hi" and pick his brain about the red meat and seafood markets!

Providing our customers with a more modern, user-friendly redesign

COMTELL is in the middle of a complete redesign and since, ultimately, it will be our users that will be working within it everyday, we would like to keep everyone in the loop during this exciting process.

The staff here at Urner Barry are working diligently to provide our customers with a modern, user-friendly version of our staple product. The goal is simple: offer an intuitive, eye-pleasing experience that will streamline your time on COMTELL—ultimately making your day more efficient.

We recently wrapped up one of the early phases of development with a focus on user experience. With the help of UX Team, a software design firm, we were able to pinpoint areas that needed improvement. Multiple clients were asked to assess the product and give their feedback on the current iteration of COMTELL. Through a meticulous interview process, shadowing sessions and additional methods of examination, we were able to evaluate how a number of user personas utilized COMTELL.



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The results were fascinating.

Not one single shadowing session was the same. Each of the users navigated and utilized the service differently, which truly highlighted the need for COMTELL to be customizable. Some were interested in quotes, some in news, weather, futures, MyItems etc. The one common thread was that it could be easier to access all of these parts of the site.

With all of this feedback, UX Team and UrnerBarry are nearing the completion of a COMTELL prototype.

One of the key elements of the COMTELL redesign has been a reimagining of what the homepage to the website should be. A frequent piece of feedback that we received during the shadowing sessions was a desire to customize the front page of COMTELL to the individual user's needs. Our vision includes the ability to see the quotations, reports and commentary that you utilize everyday right on the homepage when you login. A menu of widgets would allow the user to customize what they see on the homepage, tailoring the COMTELL experience to better suit the needs of specific job roles or interests.

The image to the left is an example of a customizable dashboard that a typical poultry user may find useful. Every white box on the screen would be a module, and in this case those modules are the fresh chicken parts market, news related to the poultry market and our daily Urner Barry poultry commentary.

We know that your time is valuable. In an effort to make navigating through COMTELL as efficient and intuitive as possible, we approached our menu system from the ground up. The navigation

in the prototype has taken on a left hand, vertical structure, which then expands depending on what data you are interested in finding. The categories and what is contained within have been adjusted to be more intuitive and easier to navigate for both new and longtime customers.

Another useful addition included in the design process so far has been fast access to data visualizations, or charts. From quotation tables, a single click could bring up a pre-built chart, enabling the user to quickly identify trends. In addition, a right hand flyout screen would show more details on the item of interest, including historical data points and a larger chart.

We are just scratching the surface on our redesign. The new-look of the homepage, intuitive navigation and easy access to our abundance of data will transform the COMTELL experience.

Once the prototype is released, we want our users to help us perfect it. UrnerBarry is looking for users to test the new software. rbarton@urnerbarry.com

Those interested in being the first to get their hands on the latest COMTELL should send an email to rbarton@urnerbarry.com to be added to our COMTELL tester list.

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South American egg powder exports to EU may increase in years to come

South American countries, and Argentina in particular, are set to profit from new duty-free egg powder quotas to the European Union after both regions finalized a large free-trade agreement on June 26.

The EU said in a statement that the agreement will remove most tariffs currently in place between EU members and Mercosur's four founding members: Argentina, Brazil, Paraguay, and Uruguay. More specifically, the EU will liberalize 99% of Mercosur's agricultural imports. For 81.7% it will eliminate import tariffs, while for the remaining 17.7% it will offer fixed quotas or preferential tariffs. Only about 100 products are completely excluded from the agreement.

In terms of animal proteins, the EU will open a beef import quota of 99,000 tonnes cwe (carcase weight equivalent) at a reduced tariff of 7.5%. In poultry, the import quota will be of 180,000 tonnes cwe (CWE)

to which no tariff duty will be applied. It will be split equally between boneless and bone-in cuts. And in pork, 25,000 tonnes cwe will be available for exporters, although under certain specific conditions.

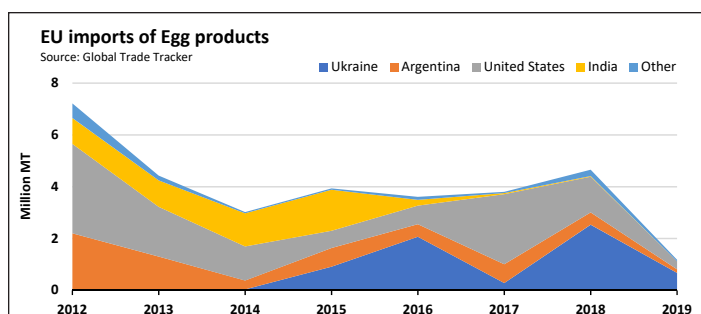
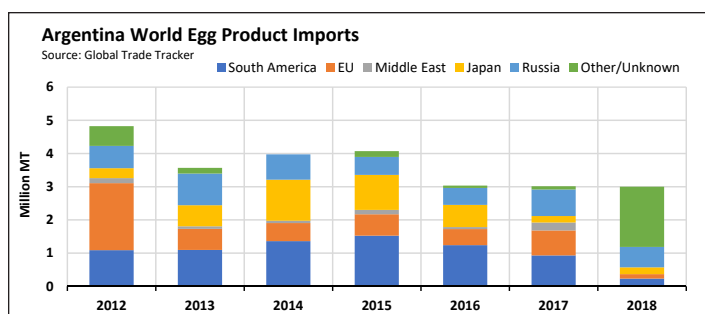
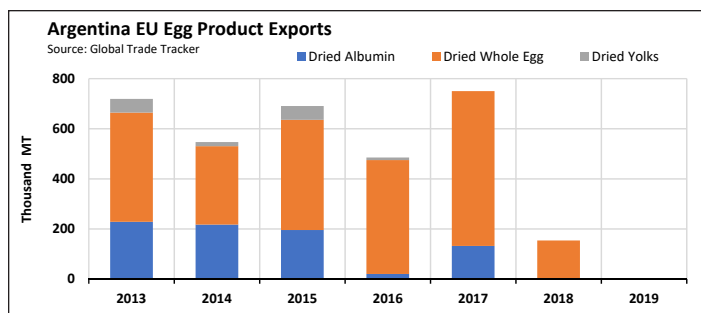
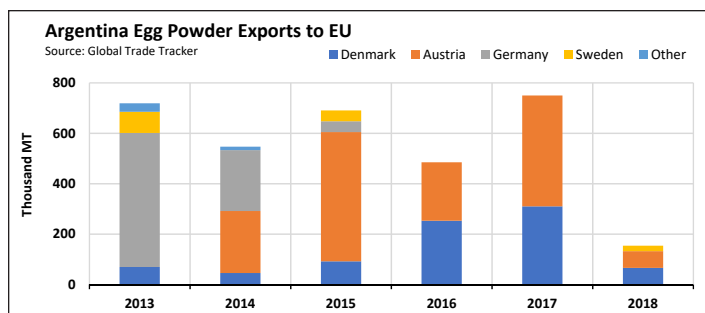
Finally, two import quotas will be opened for egg products—one of 3,000 tonnes for albumin and one for 3,000 tonnes of “dried eggs.” Details on a phase-in are currently unclear and will be published after the summer, the EU Trade Department said in an email to Urner Barry. Some participants have said the quotas will be specifically for use by Argentina, although that hasn't been confirmed by the EU Trade Department.

Nevertheless, Argentina is set to gain the most from the quotas with companies such as Tecnovo, Ovobrand, Ovoprot, and Compania Avicola potentially increasing their market share in the EU region.

Argentina has about 45 million laying hens, mostly in cages, implying a cheaper cost base than most European countries. According to the IEC, Argentina can produce some 3,000 to 5,000 tonnes of egg powder. Most of that production is set for the export market in Japan and in Russia.

In the past, the EU was an important export market for Argentinian producers, although it dwindled substantially in the last two years with no exports reported to any EU country in 2019. Ukraine and the U.S. have become the largest exporter of non-EU powders to Europe, but with the quota this could change in the years ahead.

Most of the egg powder consumption in Europe is filled by EU producers, with only 8-10% usually served by non-EU producers. Some of that ends up outside Europe, re-exported to other regions. A 3,000 t quota represents some 5% of the total traded



“Ukraine and the U.S. have become the largest exporter of non-EU powders to Europe, but with the quota this could change in the years ahead.”

market in the EU. Therefore, a total of 6,000 t would have a non-negligible impact on the market and would provide stiffer competition to domestic producers, as well as U.S. and Ukrainian producers.

Argentina mostly exports whole egg powder and some albumin powder, according to customs data. Currently,

2018 Total Egg Product Market

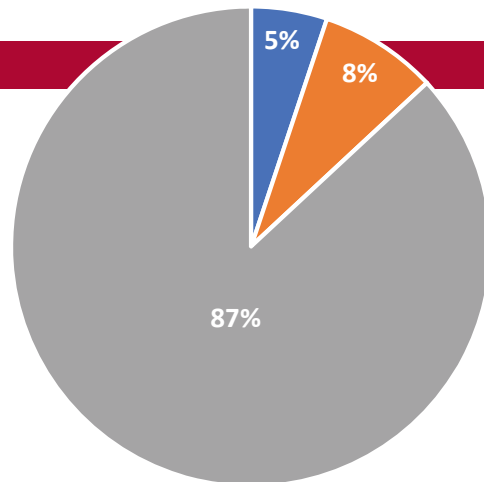
Source: Global Trade Tracker

- Future Mercosur Quota
- Non-EU Trade (Incl. Argentina)
- Intra-EU Trade

tariffs are set at 1.2350 Eur/kg for whole egg powder with average delivered prices around Eur 4.00 kg in the last five years. Removing that tariff would substantially improve Argentina's commercial position.

As of this writing there has been no published timeline for the ratification of the agreement, but many steps remain outstanding before that happens. What seems clear is that implementation will be staggered. For example, 60% of the Mercosur supply will be allowed to freely trade over a period of 10 years or more.

Some trade could also go the other way, of course, with South American food processors sometimes keen to use



European egg products to exports their food to European customers that need European ingredients. Nevertheless, European egg powder markets look set for some restructuring in the years to come with Japanese, Canadian, Ukrainian trade deals, and now South America set to impact trade.[UB](#)

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Microsoft's Claudia Roessler on diversity: "You can't fake it"

Claudia Roessler is the Director of Agriculture in Microsoft's Azure Global Engineering Group. She is responsible for developing strategic partnerships around digital innovation and ag tech solutions within the agricultural ecosystem. Originating from Germany, Roessler now operates within the U.S. where she seeks to help businesses drive increased productivity by leveraging technology.

Roessler joined Microsoft 26 years ago after realizing her passion for data and technology solutions.

"I was always excited about what technology can do for a business," she noted.

This became especially apparent when Roessler was introduced to the agricultural sector. "While age-old ag is fast in adopting technological advancements and mechanizations, it lacks getting the value due dissipated systems, missing data and lack of interpretation coming for analytics."

Now, ag tech solutions are at the forefront of the industry, across the globe and throughout all levels of the supply chain. "It's a good time to be in this place and I'm excited about it."

Roessler is part of the Global Engineering Group that is working on building the agriculture technology road map. "We want to help companies to build technology solutions for agriculture by using our cloud analytics platform. A lot of that has to do with getting better data, being able to run analytics on massive amounts of aggregated technical data."

For an industry on the cusp of realizing the advantage of information technology capabilities, and one that is facing an immense need for increased production efficiencies, Roessler says that despite agriculture being a bit of a late-comer, there's currently a transformation underway.

"We are facing really tremendous challenges—the need to produce more food or get food to where it's needed. There are massive sustainability challenges, climate is changing, so we need to be even more on our feet to make the right decisions. That's really the role that technology can play."

And for women, the opportunities in the digital side of agriculture are tremendous, with far-reaching impacts.

"I think there are a lot of women that are coming to agriculture now," she said. "I absolutely think that for women, technology is playing an even more important role."

The significance of ag tech can be felt in all corners of the globe. Roessler says that, in developing areas, women around the world are becoming landowners for the first time, but that they don't have access to the same historical, tribal knowledge that some of the male farmers have, so they are needing to learn things in a new way—and are therefore receptive to trying out new things. Technology can play an immeasurable role in that.

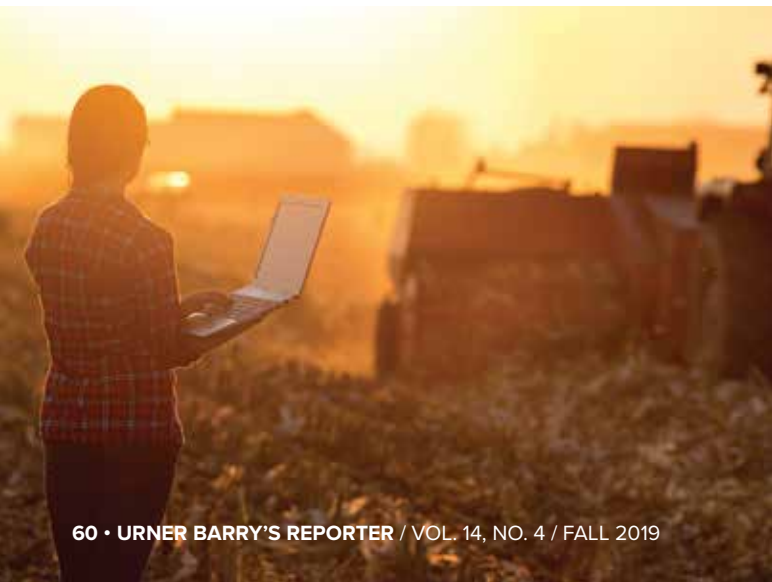
"What data analytics/artificial intelligence does is that it can process massive amounts of data and see patterns and predict potential incidents which, without technology, it'd be much more than any human brain can identify. We're not made to process and compare massive amounts of data in time and space. Therefore, I'm absolutely expecting we find patterns and new insight that we would have never seen without. I think it can bring a little advantage that women need."

But this concept isn't limited to the developing world. "In general, when you think about technology adoption in developed markets, I think there's an opportunity for women to become first movers here because of the advantages that come out of it."

Roessler's experiences over the years, meeting with various businesses, echo that of so many women working in male-dominated industries: "It's predominantly men in the room."

"It's just the pure ratio of the underrepresentation of women in those key positions," she says. "I'd love to see the ratio change."

For women looking to start a career in the agricultural or tech industry, Roessler says being creative and resourceful are essential qualities, along with collaboration and networking. And networking and technology happen to go hand-in-hand.



For women looking to start a career in the agricultural or tech industry, Roessler says being creative and resourceful are essential qualities, along with collaboration and networking. And networking and technology happen to go hand-in-hand.

"Building your network and using technology plays an important role, because you don't need to be in the same room; you can build a social network. There are tools to be able to benchmark you with others and opportunities to crowd source for ideas. So, getting creative about building your own network and how you can collaborate with others and accomplish things better is important."

"I feel the agriculture industry is incredibly collaborative by nature," Roessler added. "There are fantastic tools to get social networks across the world."

For companies looking to diversify and harness the talent of women entering the space, Roessler says it must be genuine and it must include the executive level.

"I think it starts with company culture," she says. "You can't fake it right? If you want to have women in your company, want to attract them, you need to show that." Additionally, "You want to have

female leaders in leadership teams on the board."

"I think it starts with company culture," she says. "You can't fake it right? If you want to have women in your company, want to attract them, you need to show that." Additionally, "You want to have female leaders in leadership teams on the board."

Roessler is on the advisory board for the upcoming Women in Food and Agriculture event, being held in Amsterdam on December 3-4.

Speaking on the event, Roessler says, "I think the structure is a little bit unique, I'm really excited to see how it's perceived and the feedback that women are giving, the level of networking that's going to happen there, and thrilled that I'm part of the advisory board and I have an opportunity to look at and help build this agenda. I think there's a little bit of me in it as well and I'm very excited to see what's coming."

And of course, "Events are the best source to build your personal network."^{UB}

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



Claudia's story and more from real women working in food and agriculture can be found at: www.wfasummit.com. In 2019, we're celebrating the women who work to feed the world—shining a light on female leaders in the industry. Get involved—and join us at the Women in Food and Agriculture summit in Amsterdam, December 3-4, 2019.



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The reason for the seasons of beef



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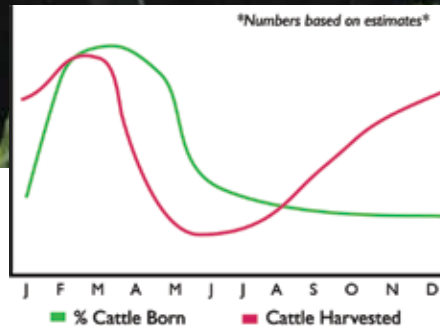
The economics of supply and demand are a widely understood concept. But when supply and demand for high quality beef don't agree, there is a natural seasonal shift of the Choice-Select spread.

Paul Dykstra, beef cattle specialist with the Certified Angus Beef® (CAB®) brand, explains what's happening on the ranch and in the feedyard.

"At least 70% of cows calve in the spring," he explains. "That gives us quite a surplus of calves that have a pretty similar birthday."

Most of those calves go down one of two tracks: backgrounding or feedyard. This balances the supply of cattle being harvested throughout the year.

Backgrounding refers to the phase where weaned calves are fed high-quality forage or graze on pasture before entering the feedyard as yearlings. They'll typically be ready for harvest in the fall and winter. A benefit to finishing older cattle is their ability to grade exceptionally well, and that's why most calves go down that track.



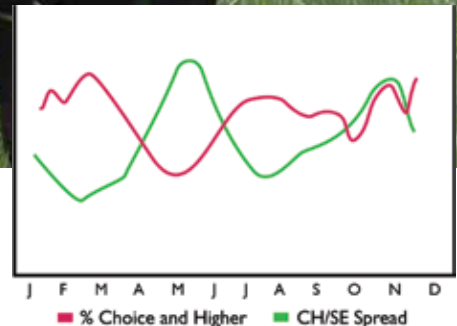
Note: Seasonality illustrations based on current estimates and USDA data.

"These are still young, A-maturity cattle, just a bit older when harvested," Dykstra says. "February and March have the highest quality grades because the fed cattle mix is rich with yearlings then."

In the summer, feedyards are stocked with calf-feds. These cattle typically go straight from a ranch to a feedyard after weaning. They are fed and harvested at a younger age, between 14 to 18 months old. Consequently, quality grades tend to go down.

"Each spring we see a transition where those calf-feds born the previous spring come to harvest in April and through the summer," Dykstra says. "That's when you start to see the quality grade go down, because the youngest of the calf-feds are being harvested. On average, they don't grade as well since they're very young and have fewer days on feed."

That affects the balance of supply and demand.



"During the spring, we have a decline in the percentage of carcasses grading Choice and higher," Dykstra says. "CAB acceptance rates go down; the Prime grade goes down a bit as well."

This all coincides with strong buying demand for peak grilling season. Think Memorial Day. Two factors are driving the price of beef.

"We've got less supply of top-grading cattle, with a heightened demand for Choice and higher quality items for grilling season," Dykstra explains. That's why the price of premium beef increases relative to lower quality in the first half of the year.

Towards the end of fall you can expect the Choice-Select spread to widen again as we get closer to the winter holidays.

"That's also more related to demand for high-quality, highly marbled middle meats just ahead of the winter holidays," Dykstra says.

Certified Amazing Beef...

Must try recipe: Asian slow cooker short ribs

This Asian-inspired recipe is the perfect fall meal — although it's made even more often than that in Chef Tony Biggs' home.

"My wife and I love eating Asian food, celebrating her heritage," he says. "I love the spices, the Asian influences it brings to the table and the cut of meat in this dish."

The director of culinary arts for the Certified Angus Beef® brand has led the kitchens of Casino 5-Star Resorts in the Philippines, the Tokyo American Club in Japan, and Hyatt Hotels in the U.S. and Caribbean. He has also worked as a private chef for the king and queen of Jordan. His impressive career has allowed him to pick up techniques and insight that have become part of his repertoire.

The short rib, or serratus ventralis, is one of his favorite cuts. "The meat falling off the bone is just delicious," he says.

Chef Biggs pairs the beef with steamed garlic rice, which can be molded in a cup for an elegant presentation with the beef stew and garnish of micro greens. To spice it up a bit, Chef Biggs suggests adding minced jalapeno or bird's eye chili pepper, which is also known as Thai chili. He finishes the dish with diced raw chilies to give it a bit more heat.



Recipe contributed by
Certified Angus Beef
Chef Tony Biggs

Asian Slow Cooker Short Ribs

Serves 6

Ingredients:

- 2-1/2 pounds Certified Angus Beef® boneless chuck short ribs
- 1/4 cup canola or vegetable oil
- 3 tablespoons Chinese five spice
- 1 large onion, diced
- 1 (12-ounce) bottle lager beer
- 1/4 cup soy sauce
- 1 head bok choy, chopped

Instructions:

1. Season short ribs with Chinese five spice. Heat oil in frying pan over medium-high heat. Sear 2-3 minutes on at least two sides until brown; remove from pan and put in slow cooker.
2. Add onion, beer and soy sauce to frying pan, stirring browned bits up from bottom. Transfer to slow cooker, cover and cook on low for 8 hours until short ribs are tender.
3. Skim excess fat, stir in bok choy, cover and turn off slow cooker. Rest 20 minutes before serving.



Photo provided by Certified Angus Beef®

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‘Dinner Eggs’: Transforming the egg category for growth



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

As the marketing organization for America's egg farmers, the American Egg Board (AEB) proudly advances its mission to increase demand for eggs and egg products through research, education and promotion. We

focus on several key targets: consumers, national quick service restaurants, manufacturers, schools, health professionals and export markets. Today, I am delighted to share just how our latest consumer effort is driving demand for eggs at retail in a new and rather audacious direction.

THE CHALLENGE

How do you increase egg consumption when eggs are already in nearly every home in America, and they're synonymous with breakfast?

Let's start by touching on several key facts and “good problems”:

- Eggs are a staple in 94% of U.S. households, so increasing penetration (the number of households consuming eggs) has limited growth potential without a population explosion.
- 80% of consumers eat eggs for breakfast; and of breakfast eaters, eggs are the most preferred breakfast item, whether eating at home or on the go. Normally, increasing frequency of existing behavior has the most growth potential; but eggs and egg products have already saturated the breakfast ritual—even as the breakfast ritual has expanded to breakfast all day snacking or grazing—so the growth potential in this space is also fairly limited.
- The number of eggs consumed per household has increased significantly over the past 10 years. In fact, today “heavy” users of eggs (those who buy three or more dozen eggs every month) are now at a historical high of 40%, while “light” users (those who buy only one or fewer dozen eggs every month) are at a historical low of 27%. So eating more eggs is already a trend that we expect to see continue, but its total growth potential may be limited.

These are all good problems to have and underscore the success eggs are enjoying today. At the same time, it leaves us asking:

Where is the most dramatic growth potential for the egg category? For our dynamic Consumer Marketing team, led by VP of Marketing Sofia Therios and Committee Chairman Paul Sauder, the answer would be found by taking a consumer-centric approach to solving consumers' food needs.

Especially for families, dinner is the most important meal of the day, according to the Harris Poll. Even though people are eating on the go more often, dinner remains the mealtime people try to protect. In fact, consumers eat dinner at home more than any other meal, with 87% of Americans sitting down for a family dinner at least once a week. Folks also make a concentrated effort to cook dinner from scratch (or mostly scratch) and eat it with others.

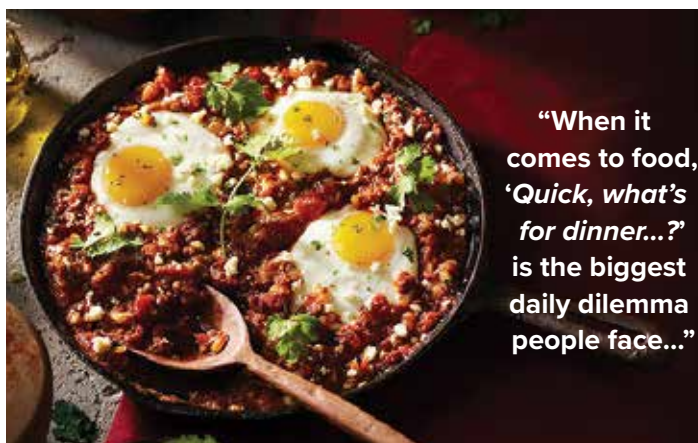


Photo credit: American Egg Board

But consumers need help planning and making dinner. When it comes to food, “Quick, what's for dinner...?” is the biggest daily dilemma people face—usually at the end of the work day on the way home. People are often scrambling to figure out what to make, with 51% of dinner meals decided upon within an hour

of eating, according to The Hartman Group. And “coming up with something different” for dinner is the number one challenge to meal planning. Consequently, dinner is the most searched and re-pinned mealtime on Pinterest, with 46% year-over-year growth and more than nine million dinner recipes re-pinned monthly.

The definition of home cooking has also changed as consumers, looking for more convenience, are turning to prepared meals or packaged components to satisfy their desire to make dinner at home instead of eating out. Today, a family dinner at home is often precooked rotisserie chicken, ready-to-heat potatoes, and a homemade salad; in response, grocery stores and fast casual restaurants are increasingly offering more prepared, easy meal solutions.

THE DILEMMA

Clearly, dinner is the #1 consumer need for at-home food consumption, but what does that mean for eggs? Are eggs getting their fair share of stomach at dinner time? We know breakfast (whether weekday or weekend) is the top usage occasion for eggs for nearly 80% of users. But only 42% of total egg users report

using eggs regularly at the much larger dinner occasion (even among heavy users, only 54% report using eggs for dinner).

Incredibly, eggs—one of the most versatile and easy-to-prepare ingredients, and almost always on hand in people’s refrigerators—are under-represented in the most important and commonly prepared-at-home meal occasion, the weekday dinner.

As a result, consumers are missing out on a delicious, beloved staple that could help solve one of their biggest food challenges; and the egg industry is missing out on the largest and most important at-home food occasion!

How is this possible? Well, eggs are so entrenched as a breakfast solution that they almost become invisible when people are standing in front of their refrigerators looking for something to make for dinner. They’re so deeply associated with breakfast that consumers fail to recognize them as a dinner option.

THE OPPORTUNITY

Now we’ve identified a perfect marketing challenge with significant business upside: If we could break through consumers’ blind spots to get them to think about eggs in an entirely new way, we could solve a true consumer need, potentially creating an enormous growth opportunity for the egg category. To accomplish the classic marketing win/win scenario, all we needed was a truly breakthrough creative to drive awareness and trial an entirely new way of thinking about eggs.

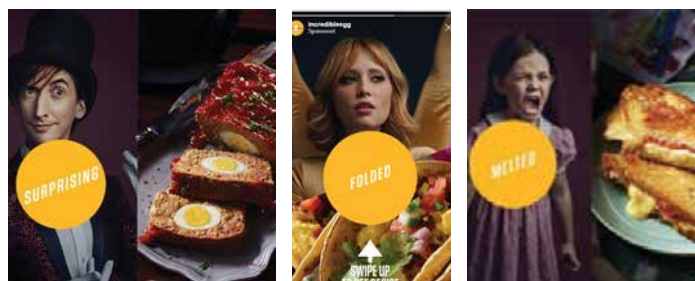
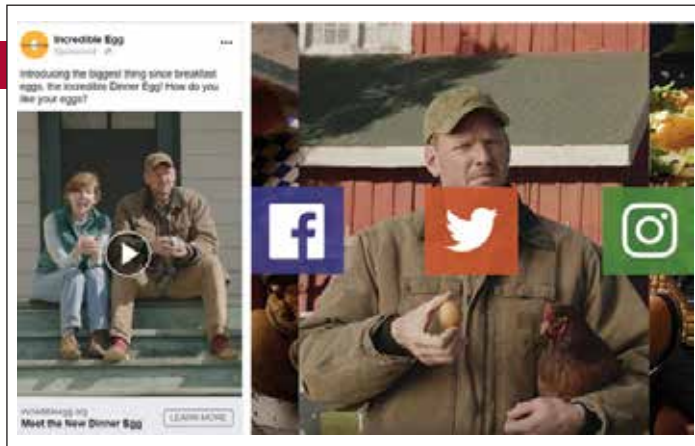
My marketing team started with these insights and a targeted objective: “Let’s hijack dinner, and transform the usual weeknight meals into something incredible!” In response, our wonderful advertising agency partner, Energy BBDO, came back with an eggciting creative concept to bring this idea to life:

To break through conventional thinking, let’s announce the discovery of an entirely new product—The Incredible Dinner Egg!



In a first step toward dismantling people’s perception of eggs as exclusively a breakfast food, we released a “mockumentary” (a playful, tongue-in-cheek twist on the traditional documentary) showcasing Dinner Eggs as the latest food “innovation” taking America by storm, available at DinnerEggs.com.

In this mockumentary, we introduce the farm couple who discovered Dinner Eggs when they found their hens were laying eggs at night. We utilized an actual documentary film producer to develop this spot, and we employed improv actors who could speak to the camera without a formal script to deliver a more authentic feel. The final result is playful, witty and respectful of our industry—you are left smiling and induced to think about eggs differently.



In addition to the mockumentary, my team developed special new Dinner Egg recipes showcasing eggs in popular dinner meals—meatloaf, burgers, pizza, tacos, pasta, etc.—familiar dinner meals we hijacked by making them more incredible with eggs. All this work was done under The Incredible Egg’s very successful “How Do You Like Your Eggs?” campaign, featuring a cast of colorful characters, each of whom has his/her own amusing answer to the question, tied to a recipe.

INITIAL RESULTS

Consumers love the Dinner Eggs campaign. We launched on May 6 with a small media buy and a handful of mockumentary videos and clips. In the first month, media results for the mockumentary teaser were an eggstraordinary 62x benchmark (over 6000%!) with even higher engagement (likes, comments, and shares) than we saw with our successful Disney-Pixar *Incredibles 2* programming last summer.

But while media impressions and engagements are important indicators of consumer interest in marketing content, the real marketing test is whether we’re breaking through in awareness and trial. Of course, changing entrenched behavior takes time, but there are two ways we can measure our success over time: with monthly retail sales data and pre/post campaign consumer surveys.

Continued on page 66

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Eggs, it's what for dinner...

Continued from page 65

It's still early, but I'm excited to share that during the eight-week launch period, Dinner Eggs delivered an incredible performance!

- Retail egg sales—the best way to measure consumer demand—increased 4.5% in equalized dozens versus the same period a year ago.
 - ◆ This increase is outstanding, especially considering that this year's Dinner Eggs launch had a significantly smaller media budget compared to the last year's Disney-Pixar *Incredibles 2* promotion.
- 121% increase in people who reported making eggs for weekday dinner sometimes/often.
- 43% increase in people who reported making eggs for weekend dinner sometimes/often.

These early results definitely exceeded our expectations. Perhaps, though, it should not have been surprising, because that's what should happen when you solve a true consumer need with the perfect consumer solution, made possible by breaking through with a smart creative marketing hook.

Now we're excitedly looking ahead to the fall season, which is the most critical dinner time of year, when families will be returning from summer breaks to their regular dinner routines. This fall, AEB



Photo credit: American Egg Board

will buttress our Dinner Eggs campaign with fall-focused recipes, a higher media spend and some other unexpected ways of hijacking the conversation to drive more awareness and trial of Dinner Eggs. We will continue to measure results with Nielsen sales data, consumer surveys and social listening tools.

We realize it will take more than one year of seeding the Dinner Egg idea before we reap the full benefits of changing how (or when) consumers think about eggs, but we are determined to crack the sales ceiling for eggs by making dinner time more eggciting, and we are determined to continue eggceeding eggceptions.

Moving forward, whenever a harried parent, busy college student or single young adult struggles with "What's for dinner...?" America's egg farmers have the answer: Dinner Eggs, of course!

Visit DinnerEggs.com to learn more. [UB](#)



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Legal marijuana leads to opportunities for foodservice

In the United States, curiosity in cannabis is broadening, and laws are gradually wavering to meet demand. Most recently, Illinois became the 11th state to legalize the adult-use of cannabis after Governor J.B. Pritzker signed a recreational marijuana legislation bill in late June. Illinois has had its medical cannabis program in place since 2013. However, with the passage of the recreational legislation, which is expected to take effect on January 1, 2020, industry analysts believe that the recreational segment will transcend the medical segment. This has created a unique opportunity for foodservice.

According to Nielsen, the increase in legalization of marijuana in the United States presents favorable circumstances for the American food and beverage market, particularly for snacks. America is a nation that enjoys snacking, with Nielsen data showing that sales of both salty and sweet snacks have increased over the past year. Salty snacks have reached sales of \$29.9 billion and sweet snacks have reached \$6.5 billion. However, the question remains as to whether the “munchies” driven by marijuana use could cause sales to increase even further.

Since marijuana use has been clinically proven to increase appetite, foodservice operators will be focusing on targeting this market. Sales evidence from the United States Census divisions where marijuana has been legalized for recreational use supports the “munchies” side-effect that comes along with the drug. Nielsen’s report shows that growth rates for snacks are rising faster in areas where cannabis has been legalized for recreational use in comparison to states that have not done so. The total snacking growth rate in states where marijuana has been legalized has seen a compound annual growth rate of 7.2% over the past four years. Meanwhile, total snacking growth in states that have not legalized recreational cannabis has seen a compound annual growth rate of 6.0% in the past four years.

Americans indulging in snacks along with consuming cannabis legally introduces the

opportunity for foodservice operators and retailers to cross-sell. For example, former NFL player Peyton Manning became a franchisee for Papa John’s, strategically signing a deal to own 21 stores in the Denver, Colorado, area in 2012, just before voters passed Colorado Amendment 64. Referring to the legalization of marijuana in the state, which went into effect in 2014, Manning stated that, “There’s some different laws out here in Colorado, the pizza business is pretty good out here, believe it or not.”

According to a report by Consumerist, when facing the munchies after purchasing marijuana at a legal dispensary, McDonald’s is the most popular destination for consumers. A survey in 25 United States markets found that 43% of consumers who purchased cannabis ate at McDonald’s in the past month. The second restaurant was Taco Bell, with 18%.



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McDonald’s has about 14,000 locations in the U.S., while Taco Bell has approximately 5,600 locations. Meanwhile, Subway has 27,000 locations, more than any other fast food chain, and did not place in the top four most popular restaurants. Consumerist reported that foodservice competitors can close the gap in percentages by learning marijuana consumers’ habits and integrate this into marketing efforts. Since marijuana use is becoming a profitable concept for foodservice operators, only time will tell how the food and beverage industry adapts as the shift towards legal recreational marijuana expands nationally.^{UB}

Article contributed by **Andraia Torsiello**
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History Channel show exhibits craftsmanship and a revival for the “Mom and Pop” butcher shop

Butchery is more than a blood-stained apron and cleaver— just ask Matt Freehill, owner, operator and butcher at Tillamook Meats in Tillamook, Oregon.

Freehill has spent 46 years of his life mastering his occupation, and he recently appeared on the History Channel's competition series, “The Butcher,” to show off his chops.

“The Butcher” provides an in-depth look at the art of butchery. Similar to History Channel's popular competition series “Forged in Fire,” each week some of the most talented butchers in the world wield their knives for a chance to earn the “Butcher Champion” title and a \$10,000 prize.

Freehill took home one of the \$10,000 prizes, and Tillamook Meats has seen more success after the episode aired in early summer.

“The show was phenomenal,” Freehill said. “It's done a lot for business, for our Facebook page, and our phones are ringing. We are having a lot of fun with it.”

Each week, three elite butchers compete in multiple challenges to test their skills. Episodes feature traditional meats like pork and beef, before a final test throws a wrench into the competition. In one episode contestants needed to slice and dice an ostrich. Or in Freehill's case, a giant python.

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“The Butcher” displays the true craftsmanship of a butcher. With precise cuts that come down to mere inches, it’s clear that butchery is much more than a sharp knife.

In modern times, neighborhood butcher shops don’t hold the same importance as they once did, but “The Butcher” shows why they may become a more popular option for consumers.

“The resurgence of the meat shop is determined by the quality of a meat shop,” Freehill said. “Quality and service are the two most important things in our business.”

With precision and care, owners of meat shops provide the most quality cuts of beef available. They offer a personal touch as well, giving customers a friendly neighborhood face to see when they are picking up products.

But with massive supermarkets in play, the relationship between consumers and butchers isn’t what it used to be—and not just from a face-to-face standpoint. According to Freehill, supermarket butchers

no longer make decisions about meat. Supermarket butchers don’t have a say about what comes through their back door. They can’t decide what, when or how to cut a product.

“That’s all determined in some office hundreds or thousands of miles away.”

Millennials are a generation that values clarity. They want to know where their products come from and having a relationship with the person who prepares their food is important. Local butchers are the source millennials desire.

“[Millennials] are more conscious with what they are putting into their body and what they are feeding their children,” Freehill said.

The USDA projects the United States to consume more red meat and poultry than ever before in 2019. The high-water mark for meat consumption was in 2004, when Americans ate an average of 220.2 pounds of red meat and poultry. That number is expected to grow by the end of the year to hit 220.8 pounds.



The jump looks miniscule but the consumption numbers are expected to grow even larger according to the USDA’s long-term projections that track consumption through 2027.

With the help of shows like “The Butcher,” consumers prioritizing where their foods come from, and an increase in meat consumption, local butcher shops are in a good position in an ever-changing landscape.

“I believe if they continue the show it will do a lot for the business and the industry,” Freehill said. [UB](#)

Article contributed by **Ryan Doyle**
rdoyle@urnerbarry.com

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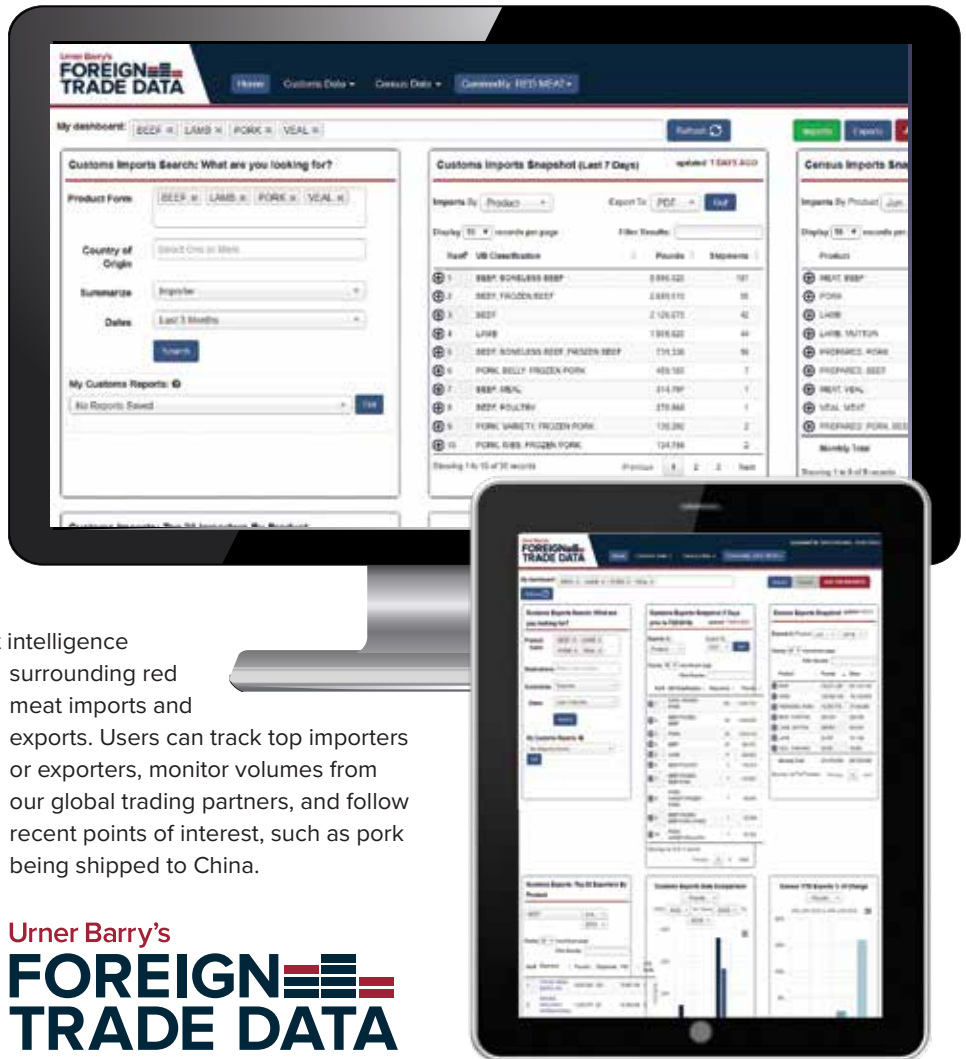
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Urner Barry's Foreign Trade Data service receives big update

Urner Barry, the leading provider of protein market news and information in the food industry, is pleased to announce the launch of a new and improved Foreign Trade Data service, complete with newly added Customs and Census data for pork, beef, lamb and veal.

Foreign Trade Data has long provided detailed information on each and every frozen, waterborne shipment of seafood entering the United States, with records being updated regularly with the most recent data available. Now, U.S. Customs export data has also been added for seafood. Subscribers can now track Customs exports of crab and other species.

And for the first time ever, Foreign Trade Data subscribers will have access to the latest intelligence



surrounding red meat imports and exports. Users can track top importers or exporters, monitor volumes from our global trading partners, and follow recent points of interest, such as pork being shipped to China.

Urner Barry's
**FOREIGN
TRADE DATA**



Eggs can't get any fresher!

For generations, our family farms have been providing high quality, farm fresh eggs to kitchen tables throughout the West. Our dedication to premium-quality eggs, and an unmatched level of service, make us your source for the best conventional and specialty eggs.



For Information, Call
800-377-3447 or visit
Nucalfoods.com

Foreign Trade Data has been trusted by the seafood industry to track the import trade situation for many years. The red meat industry is becoming an increasingly global one, and the need for accurate trade data is more important than ever. With these added capabilities, FTD customers across red meat and seafood have access to pertinent information when and where they need it most.

In addition to added resources, Foreign Trade Data will be sporting a new and improved look, with a more intuitive design and refreshed functionality.

Subscribers can login to
www.foreigntradedata.com
to view the updated site.

Not a subscriber yet?

Call 800-932-0617 to speak to an account manager or email sales@urnerbarry.com to learn more about how you can incorporate the benefits of this service into your business strategy.

Sound familiar? History on the repeat

They say that history repeats itself. And who can argue that? At one time or another, all of us have had the opportunity to learn from the mistakes of the past. And if not mistakes, the lessons that history has taught us.

The perishable commodity industry is an interesting one—especially the segment of it specific to live animal production and related segments. It sometimes seems that no matter how basic the inputs to the equation are, participants sometimes fail to recognize the most elementary principles that are in play. They fall short of learning from the past or sometimes even the tutelage of the day. Whether poultry, red meat, seafood or eggs, production that is in excess of demand's ability to absorb it is ultimately going to negatively impact market values. Econ 101, right?

Whether today in 2019 or in the following *Producer's Price-Current* excerpts from 1887 and 1902, weak or declining commodity markets are (almost always) a product of too much production in the face of insufficient demand. But no matter how many times history is repeated, those involved still can't see the forest through the trees.

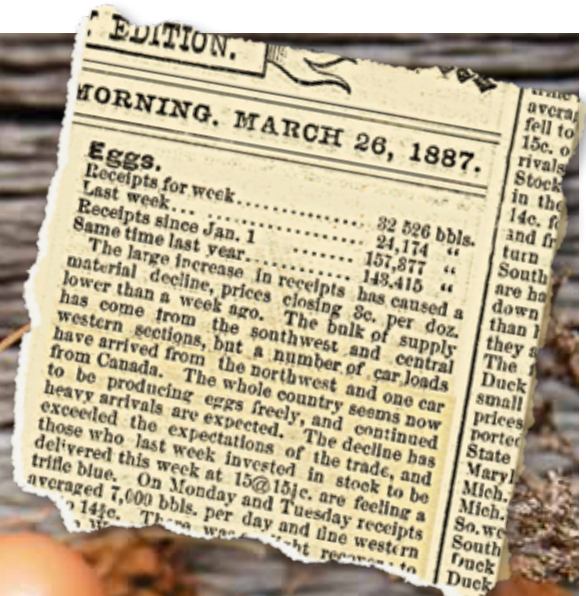
HEAVY EGG ARRIVALS EXCEED EXPECTATIONS

Commodity trading, negotiating and bartering are rooted in supply and demand. A substantial increase or decrease in supply will act as a catalyst for a reaction on the demand front. In 1887 excess egg supplies were at the root of quickly deteriorating market conditions. The impact of increased supply on market values didn't sit well with speculators looking to turn a profit. On March 26 the *Producers' Price-Current* printed that, "The large increase in receipts has caused a material decline, prices closing 3c. per dozen lower than a week ago." The editors went on to say that, "The whole country seems now to be producing eggs freely and continued heavy arrivals are expected. The decline has exceeded the expectations of the trade, and those who last week invested in stock to be delivered this week are feeling a trifle blue."

SOME THINGS NEVER CHANGE

Basic market fundamental and participant behaviors haven't changed since the beginnings of the currency exchange system for commodities. On October 18, 1902 *The Producer's Price-Current* reported the egg market was "...in a sensitive position." It was explained "...when prices are down up to correspond...to the rates paid, there is a tendency to accumulate stock; but when this leads to a natural weakness and reduction of prices speculative holding is encouraged to such an extent that the market is forced back." The editors continued, "We think...that...prices can only be permanently maintained if our supply of fresh eggs is reduced...and of this there seem to be no very convincing indications."^{UB}

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Urner Barry's Reporter

Urner Barry • P.O. Box 389, Toms River, NJ 08754-0389
Volume 14, Number 4 • Fall 2019

Urner Barry's Reporter (ISSN 1944771X) is published quarterly by
Urner Barry Publications, P.O. Box 389, Toms River, NJ 08754-0389.
Periodicals Postage Paid at Toms River, NJ 08753 and additional offices.



The advertisement features a central logo for "prairie natural" in a red shield with a blue banner below it that reads "PREMIUM MEATS". The logo depicts a pastoral scene with cows and goats. To the left is a roasted lamb with herbs, and to the right is a large beef roast. Below the logo is a product box for "prairie natural" showing a similar pastoral scene. In the bottom right corner, there is a circular seal with "Prairie Natural Meats" and a logo for "SAB" (South American Beef Inc.) featuring a cow's head. Below the SAB logo, it says "SOUTH AMERICAN BEEF INC." and "20 years in business". At the bottom, there is a list of product lines and origins, and contact information.

prairie natural
PREMIUM MEATS

Prairie Natural Meats

SAB
SOUTH AMERICAN BEEF INC.
20 years in business

Product lines: Beef - Lamb - Veal - Goat - Mutton - Seafood - Rabbit
Origin: United States - Australia - New Zealand - Uruguay - Argentina - Brazil - Nicaragua - China - Vietnam

Des Moines, IA 50322 | Ph: 1-866-71-MEATS | 515-243-6350 | avidal-soler@sabeef.com | www.sabeef.com
H A B L A M O S E S P A Ñ O L