URNER BARRY'S
Reporter

SPECIAL ISSUE
ANNUAL OUTLOOK EDITION
Coverage starts on page 22

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SUMMER 2010

THE NEWSMAGAZINE FOR THE FOOD INDUSTRY PROFESSIONAL

Dietary developments of the decade...

What were YOU eating for the last 10 years?

It's hard to believe that ten years has come and gone since ringing in the new millennium. Never at a standstill, food trends during this time took on a distinct persona ranging the spectrum from consumers' concerns with healthy eating all the way to the extremes of pure gastrointestinal indulgence. The folks at The Food Channel® compiled a list of the top ten overall trends of the decade as well as offering up the decade's top flavors. According to Kay Logsdon, Managing Editor of the Food Channel, "Food has become a story like never before, and it's interesting to look back at how its growth has impacted our society."

Top Ten Food Trends of the Decade

- **Sushi**
- **Bacon**
- **Cupcakes**
- **Sliders**
- **Kobe or Angus Beef Gourmet Burgers**
- **"Superfruits"** *such as Acai, Pomegranate and Blueberry*
- **Oils,** *such as olive or truffle*
- **Whole grains**
- **Artisan foods,** *particularly in breads, cheeses and dark chocolates*
- **Coffees, teas**

The Decade's Top Ten Flavors

- **Pomegranate**
- **Wasabi**
- **Cranberry**
- **Ginger**
- **Blueberry**
- **Hibiscus**
- **Bacon**
- **Green Tea**
- **Dark chocolate**
- **Mint**

Urner Barry's 2010 Executive Conference

Urner Barry hosted its 34th annual Executive Conference and Marketing Seminar at The Venetian/The Palazzo in Las Vegas, April 25-27th. This year's event was a huge success as industry participants from all over the world got together for an educational, informative and entertaining gathering.

> **"...this year's agenda was specifically selected with attendees' business needs in mind..."**

Renowned speakers, forums, joint poultry and egg marketing sessions, poolside cocktail parties, lavish dinners, a golf outing, and a spousal luncheon are just some of the events which kept conference goers engaged during the three day conference. Themed, "Take Charge, Build Success" this year's agenda was specifically selected with attendees' business needs in mind—both how to assist in building an already successful plan and become better prepared to achieve new results and build success in the future.

Always a host to a variety of notable personalities, celebrities and political figures, Urner Barry had on hand keynote speaker Harold Ford Jr., who served in the United States Congress for 10 years. Ford was described

Continued on page 71

On the inside...


QUALITY
VALUE
FRESH AUSTRALIAN BEEF
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COOKERS, JERKY MANUFACTURERS, FOOD SERVICE CUTTERS AND DISTRIBUTORS
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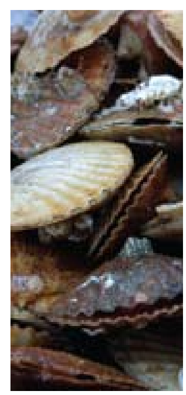
Center of the plate

Main ingredients

SPECIAL SECTION: MARKET OUTLOOK



News bites

A la carte

John Doherty (above) was executive chef of the Waldorf-Astoria for 23 years.

These days, (lower right) he shares his experiences with business executives and is a quality ambassador for the 'Certified Angus Beef®' brand.

Manage with leadership from gate to plate

Contributed by Certified Angus Beef®

Chef John Doherty, at age 27, was the youngest executive chef at New York City's esteemed Waldorf-Astoria. He has also cooked for more presidents and dignitaries than any other chef in the country. The hotel's empire includes nearly 1,500 guest rooms, three restaurants, 24-hour-a-day room service, banquet halls and about 150 culinarians, all who reported to Doherty throughout his 23 years as executive chef. These days, Doherty shares his experiences at professional development seminars, leading business executives to find good help, build teams and create success.

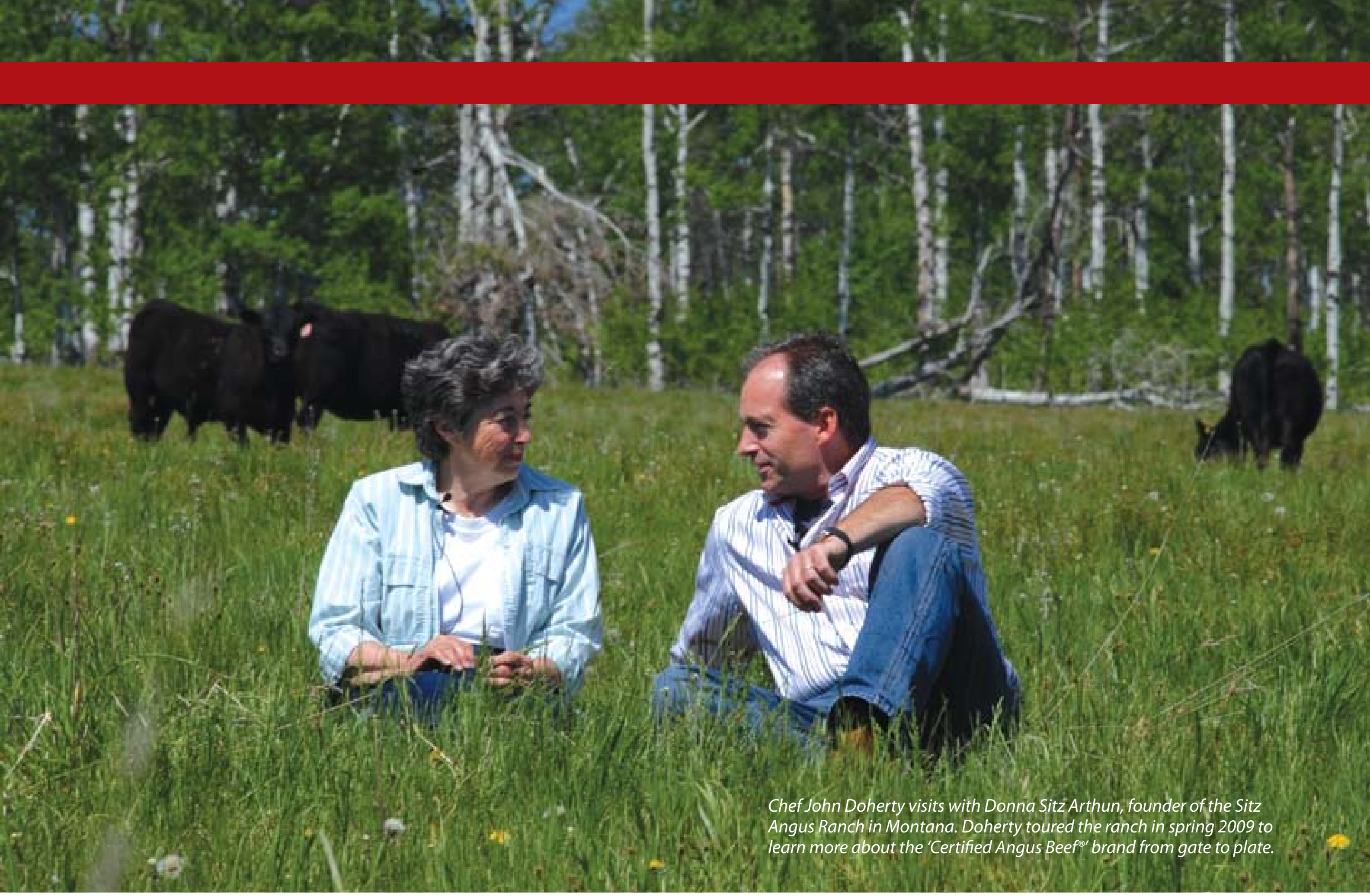
"The No. 1, most important part of leading people is creating a vision," Doherty says. "You have to create a vision for your company, for who you are and for what you want to be recognized."

His vision was of "a kitchen that put out absolutely delicious food every single time, a kitchen that was pristine and all its members were part of an inspired team." It was a mission of change, and it took nearly a quarter century to accomplish.

He did so by building a results-oriented team.

"I can teach people how to cook—I want to know how people make decisions," he says. "I want to hire people that can make a good decision and are not afraid of change."

They also have to fully buy into the organization's vision. Sharing and



Chef John Doherty visits with Donna Sitz Arthun, founder of the Sitz Angus Ranch in Montana. Doherty toured the ranch in spring 2009 to learn more about the 'Certified Angus Beef®' brand from gate to plate.

exemplifying that vision is key, he says.

"I told them my vision and that I wanted them to be a part of it," Doherty says. "I promised them I would help them grow in their careers and make this a happy place to work, but I needed them to participate and play the game."

A key game strategy for Doherty: premium products. While at the Waldorf, Doherty licensed the Bull & Bear Steakhouse for the *Certified Angus Beef®* brand.

"While there are many variables in the foodservice industry, the *Certified Angus Beef®* brand is not one," states Doherty. "*Certified Angus Beef®* brand is a brand that you can count on."

He adds, "This kind of quality does not happen by chance. I've had the pleasure of traveling to one of the brand's ranches in Montana and encountered the company's sheer dedication to its cattlemen. The *Certified Angus Beef®* brand is one of America's great success stories, and I enjoy telling that story to both culinary experts and those who appreciate great-tasting beef." UB

Understanding livestock ratios

100/64

ra·tio (rā'shō, rā'shē-ō') A relationship between two quantities, normally expressed as the quotient of one divided by the other.

Protein markets, such as cattle and hog markets, utilize ratios when comparing the price of a particular processed item to the market value of the animal from which it is fabricated. At first glance, you may be confused as to the formula for livestock ratios and its derivation. Here is a simplistic example. The value of a cut on April 1, 2000 was $100/cwt (or $1.00/lb). One year later (April 1, 2001) the price was again $100/cwt. At first glance one might believe that this cut showed consistent performance from year to year. However, when adding livestock prices into the mix, things are viewed differently. Let's say that the price for live cattle on April 1, 2000 was $64/cwt (the ratio would be 100/64 or 1.56) and the live cattle price on April 1, 2001 was $72/cwt (the ratio would be 100/72 or 1.38). Under this scenario, the price of the cut has not kept pace with advances in livestock prices, which is shown by the lower ratio on April 1, 2001. A cut to livestock ratio can be especially helpful when making comparisons to historical ratios.

> **"Ratios can...be a tool used to forecast market prices."**

Ratios can also be a tool used to forecast market prices. Plug in a projected livestock price or futures contract price, and compare it with the market value of a cut. For example, take December live cattle prices which are projected to be $75/cwt (this number is obtained using futures or gathered from outside sources). We also need the historical December cut to cattle ratio for a particular item which is 1.66. To get a cut price. we take these two pieces of information: cattle ratio of 1.66 times the projected cattle price of $75/cwt resulting in a projected cut price for December of $124.50/cwt.

There are however, limitations when using livestock ratios. As with many methods of forecasting, outside factors can also influence market prices such as an increase or decrease in demand from one year to the next. A word of caution—past performance is not necessarily an indication of future performance. Ratios may be the missing piece of information needed to make an educated decision whether or not to buy. Just do the simple math and you may be surprised at the answer. UB

Yield grade, quality grade: what gives?

By Lacey Altwegg
Certified Angus Beef

Just as grades in school rate how well you hit the knowledge target; cattle earn grades on how well their carcasses fit the consumer demand for beef.

Gary Fike, beef cattle specialist for the Certified Angus Beef® (CAB®) brand, says grades are the best tools we have to predict palatability.

"Beef grades are a function and basis of economics, too," he says. "Without the grading system we have to measure carcasses, the quality of beef would not be consistent."

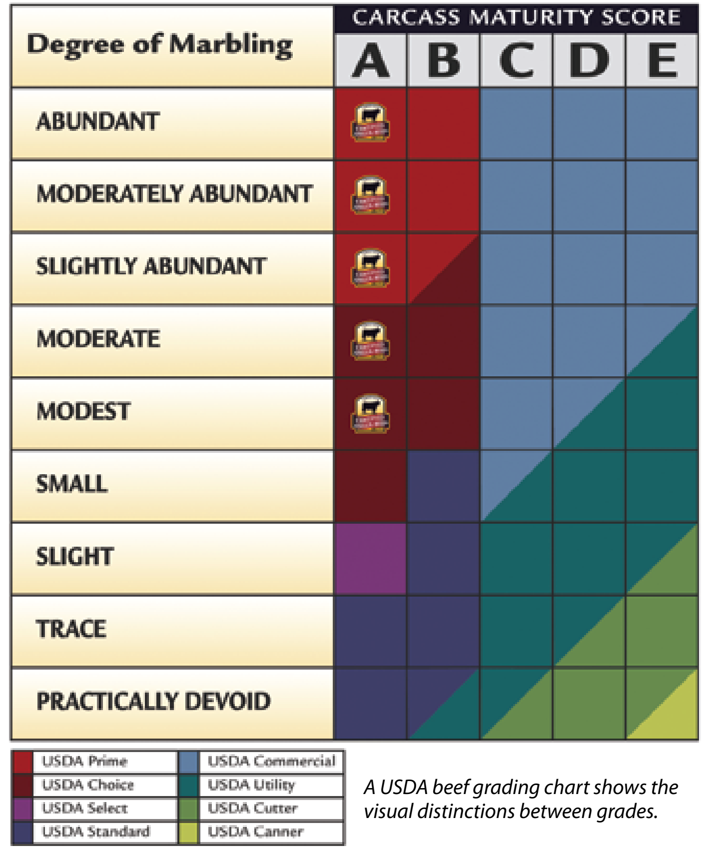
"Without the grading system we have to measure carcasses, the quality of beef would not be consistent."

Dedicated graders for the U.S. Department of Agriculture (USDA) use ink almost like teachers marking their students' papers. In this case, the ink stamp on each carcass relates to their quality and yield grades.

The CAB® report, "Beef Carcass Grading Overview" http://www.cabpartners.com/facts/ed.php, explains that USDA quality grades indicate differences in expected eating quality. Graders make the call, usually with video assistance, based on the marbling and apparent maturity of a carcass.

A USDA beef-grading chart in the CAB® overview shows the visual distinctions between grades. Marbling Scores are broken into nine categories, from Prime to Standard: Abundant, Moderately Abundant, Slightly Abundant, Moderate, Modest, Small, Slight, Traces and Practically Devoid. Theoretically, a tenth category is Devoid.

USDA BEEF GRADING CHART



A USDA beef grading chart shows the visual distinctions between grades.

Each carcass is graded using an A to E scale for the carcass maturity score, too, "A" being most youthful (9 to 30 months). Fike says a carcass with at least Modest marbling that scores an A for both lean and skeletal characteristics can qualify for the CAB® brand, if eight other specifications are met.

Yield grades estimate cutability, the percent of closely trimmed boneless retail cuts form the loin, rib and chuck. Assigned on a scale of 1 to 5, the smaller yield grade indicates higher value.

USDA adopted a formula in 1976 that takes in external fat thickness (FT) and ribeye area (REA) at the 12th rib, hot carcass weight (HCW) and the percentage of kidney, pelvic and heart fat (KPH). It's not the kind of math most people do without a calculator, but it is represented as YG = 2.5 + (2.5 X FT) + 0.0038 X HCW) + (0.2 X %KPH) – (0.32 X REA).

"That's the guiding math anyway," Fike says. "In practice, an experienced grader needs only 10 or 15 seconds to assign yield grade. The equation is used to verify or make close calls." UB

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Fads, foods and flab...

Proteins integral to burning fat

"...certain foods will not only be a delightful culinary experience but also help burn fat and increase muscle tissue..."

DIET FADS HAVE COME AND GONE OVER THE YEARS, changing with the whims of the American consumer and influenced by the latest "scientific" findings. The South Beach Diet and the Atkins Diet readily come to mind, but more obscure attempts at slimming the ol' waistline, like the cabbage soup diet or the Hollywood Diet, also influenced the eating habits and purchasing patterns of the weight conscious consumer.

While new diet options have oscillated in and out of popularity, what hasn't changed is the underlying link between foods high in protein and successful attempts at maintaining or losing weight while at the same time maintaining or gaining muscle mass. By maintaining muscle mass you are burning more fat and calories because muscles are more metabolically demanding. Additionally, fatty foods, especially those containing trans fats have been linked to a variety of coronary diseases.

In women, this has proven to be especially crucial. A new study reported by the American Stroke Association finds a link between the amount of fat that women over 50 consume and their chances of suffering the most common type of stroke. Researchers say that women who eat higher amounts of fat have a 44 percent greater risk of stroke than women who eat less fat. Especially bad are trans fats, the type found in cookies, crackers, stick margarine and fried foods. Doctors recommend using healthier fats, which come from nuts, fish and vegetable oils.

Study after study suggests that eating certain foods will not only be a delightful culinary experience, but also help burn fat and increase muscle tissue and bone mass. *Urner Barry's Reporter* compiled a list of foods most commonly cited as being excellent fat burners.

EGGS: Eggs are high in protein and contain vitamin B12 which helps your body break down and burn fat. Eggs have received a bad rap in the past due to cholesterol concerns. However, recent studies show that dietary cholesterol has little effect on blood cholesterol, placing eggs in a more positive light.

BEANS: Navy, kidney and white beans are high in protein, fiber and iron. Refried or baked beans are high in fat and/or sugars.

FISH: Fish like salmon and tuna are excellent sources of protein and offer the benefits of Omega-3 fatty acids. These fish are beneficial for the immune system as well!

DAIRY: The calcium and protein in low fat or fat free dairy products promotes weight loss and helps to maintain muscle mass. Low fat or skim milk, yogurts and cheeses are great sources of calcium. Not only are these foods that burn fat, but they will help strengthen bones as well.

CITRUS FRUITS: Vitamin C is the secret to burning fat in citrus fruits. This is because vitamin C reduces fat's effectiveness and can dilute the fat so that it exits the body. Citrus fruits which are good sources of vitamin C include grapefruits, oranges, limes and lemons.

VEGETABLES: There are many vegetables high in vitamin C that will also give you the same fat burning benefits. These vegetables include broccoli, cabbage and celery. Veggies also offer high fiber content which is also beneficial in weight loss.

BERRIES: Fiber is considered the magic bullet of weight loss. Berries are an excellent roughage source. Raspberries are the fiber kings with 8 grams per cup. Blackberries come in a close second with 7.4 grams, and blueberries have 3.5 grams.

TURKEY: Of all the common animal proteins, turkey has the fewest calories per ounce of any animal protein. Turkey contains the amino acid leucine, also found in dairy products, which may play a role in preserving muscle mass during weight loss while keeping metabolism running at full speed.

BREAKFAST CEREAL/BREADS: Breakfast cereals can be a great way to fill up and give your body the energy it needs to start the day while at the same time boosting fiber and providing fewer calories from fat than other popular breakfasts. A recent study from the *Journal of the American Dietetic Association* found that women who ate cereal were 30 percent less likely to be overweight than those who ate other breakfast foods. Foods high in fiber aid in eliminating waste from your body which helps minimize food as being stored as fat. Whole grain breads and cereals are an excellent source of fiber.

PEANUTS: Peanuts have proven beneficial to fighting weight gain, keeping a tab on rising blood sugar and curbing hunger. One study from Purdue University found that individuals who added 500 calories of peanuts to their diets for three weeks experienced almost no change in body weight and a 24 percent drop in triglycerides—blood fats associated with heart disease. UB

Reporter FastFact

A study from Canada's McMaster University has found that women consume up to **60% fewer calories** when they eat with men than when they **dine alone or with other women.**

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Marbling from A-Z

By Julie Vrazel
Certified Angus Beef

Tender, juicy, flavorful beef—sounds good right?

Meat eaters know when they eat a delicious steak, but they don't always know how the tasty morsel reaches their plate.

> **"Marbling is like the pat of butter on the baked potato. It really gives the meat flavor and moisture..."**

The main ingredient in beef taste has always been marbling, says Mark McCully, assistant vice president of production for Certified Angus Beef LLC (CAB).

"It is probably the best predictor of eating experiences," he adds. "Marbling is what differentiates beef from all other proteins."

Many pre-harvest factors come into play with marbling, those small white flecks of fat within the meat.

"Marbling is like the pat of butter on the baked potato. It really gives the meat flavor and moisture," explains McCully. And it doesn't just show up without regard to animal genetics and care.

"Research has shown that marbling is determined early on in the calf's life; right before weaning, if they experience any health issues or other challenges, their marbling potential will be reduced," he says.

Good management and nutrition can prevent stressors that set back the marbling rate, although a calf must have the genetic potential to start with.

The *Certified Angus Beef*® brand was created in 1978 with the same marbling specifications it has today. Modest (average Choice) or higher Marbling Score is the dividing line, above which those flecks of fat are evenly interspersed throughout the lean muscle tissue for consistent flavor and juiciness.

The brand's requirement for medium or fine marbling texture helps ensure that even distribution, McCully explains, noting, "One in five of Angus-type cattle will hit the CAB specs."

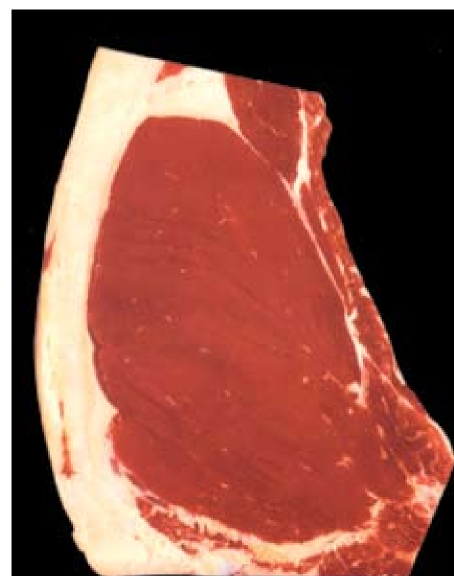
Nine times out of 10, if an Angus-type animal does not qualify for the brand, it is due to insufficient marbling. Fortunately for beef lovers, more high-quality cattle are being produced today.

"We have seen a great improvement to where some producers have 60% to 80% acceptance rates, while 30% looked impressive 10 years ago," McCully says.

High-marbling cattle are a bonus to the industry, because they are typically high-converting and fast-growing cattle. "Our top value determinant is not negatively correlated with production traits," McCully explains. Several studies have shown high-marbling cattle are at least as efficient as lower-quality cattle.

In the grocery store, uneducated consumers may choose "Select" beef just because of its lean appearance. "They've heard bad news about fat, so they select against it and put up with variations in flavor, tenderness and juiciness. Sure, marbling is fat, but not all fat is bad," McCully says. UB

Moderate (Md^0)



Slight (Sl^0)

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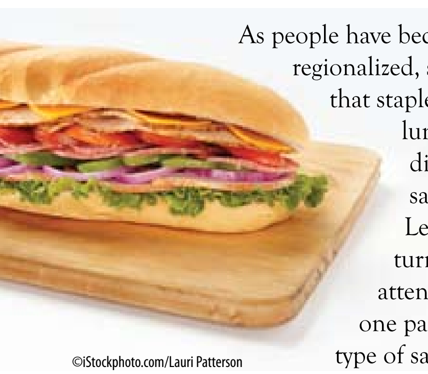
Roll call: define your deli sandwich...

The regionalism of sandwiches

By Greg Deppeler

The United States is often called a melting pot, and with good reason. Save for Native Americans, most citizens can trace their lineage to some other country, and while enclaves of the various peoples can be found virtually all across this great country, they have become (at least partially) "regionalized." For example, Polish people may certainly be somewhat dissimilar in Boston, Charlotte and Sante Fe.


©iStockphoto.com/Lauri Patterson

As people have become regionalized, so too has that staple of the lunchtime diet—the sandwich. Let us turn our attention to one particular type of sandwich known as the submarine. Or is it? Other monikers for this type of sandwich exist on a regional basis, and in some standard Metropolitan statistical areas they may be known as Hero, Hoagie, Grinder, Rocket, Po' Boy, Dagwood, Torpedo, Zepplin, or Italian Sandwich. Establishments that offer this fare range from traditional delis (providing many and varied products to their clientele) to those specializing in only this particular type of sandwich. Each type of establishment, however, generally offers an assortment of the sandwich, ranging in selection from maybe a handful of choices to an assortment of 30 or more. Ingredients may vary by location, but I will endeavor to clear up (or, perhaps, confuse) the issue of offerings.

According to legend, the submarine sandwich has its origins in several locations and in several situations. Perhaps the one which appears to have the most support among purists is that it was first created in Connecticut, adjacent to the submarine base, and was so popular among sailors that it was termed the "submarine." The Dagwood has its origins in the 1930s, in the comic strip called Blondie, and is the creation of that strips' author Chic Young. The hoagie was purportedly created in an area of Philadelphia known as Hog Island, from which its name is derived. The Italian sandwich was first offered in the Italian community of Portland, Maine. The Po'Boy is a New Orleans institution, and so named because of its affordability to the masses.

While these types of sandwiches can have varied ingredients, it seems the most accepted are ones constructed of cold cuts such as ham, salami and provolone, and topped with onions, lettuce, tomatoes, salt, pepper, oil and vinegar.

Viva la difference! Viva la similarities! Viva the submarine (or hoagie, or grinder, or whatever). UB

Redeveloping an icon…

Food market possible replacement for old fish market

Urner Barry photo by Russ McNeil

During the last days of the Fulton Fish Market forklifts move product as the Brooklyn Bridge looms in the background.

New York City Council Speaker Christine Quinn outlined a plan in mid-February on how to create and sustain jobs in the city—with a very interesting development. Quinn is looking to redevelop structures that are no longer in use. She would like to take the old Fulton Fish Market in Lower Manhattan and convert it into a culinary destination.

> **"Imagine a market that reflects the history of one of the oldest neighborhoods in the country…"**

During her State of the City speech, Quinn voiced strong support for a fresh foods-style market. She said she would model it after Pike Place in Seattle—a market where people can shop for and eat regionally produced food.

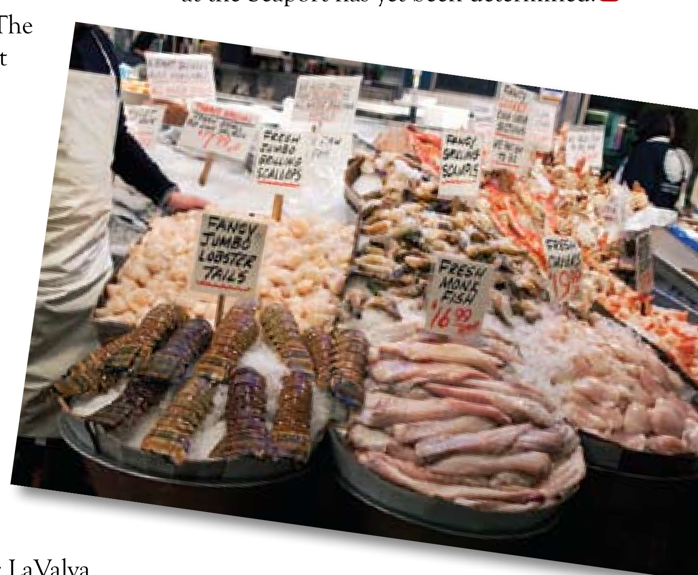
"Imagine a market that reflects the history of one of the oldest neighborhoods in the country, a neighborhood whose food trade helped build New York City into a thriving Port Town," Quinn said.

The idea of transforming the market is not a new one, one smaller market owned by Robert LaValva, operated a once-a-month event last fall which attracted many vendors and shoppers. The City's Economic Development center is already working again with LaValva to expand his market's presence at the seaport beginning this May.

Another market which opened has a long-term lease and is planning to reopen its doors for the summer season beginning Memorial Day. The prospects of Quinn's redevelopment are exciting to businesses such as these as they offer greater prospects for the businesses to grow. Proprietor LaValva knows the development process is not an easy one.

"It's a slow building process, which allows it to gain certain character that relates to the people who shop there," said LaValva.

Quinn's proposal is for a 365-days-a year market, but no timeline or exact location at the Seaport has yet been determined. UB



Pike Place Market in Seattle, Washington State.

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Innovative Beef Symposium is coming to downtown Denver this August

The 2010 Innovative Beef Symposium is for anyone in the food industry that educates, processes, sells and prepares beef, such as beef producers, processors, foodservice operators and executive chefs, retail meat buyers, equipment suppliers and academicians. What attendees will leave with is valuable information on new value-added cuts and how to fabricate, merchandise and menu them.

The Symposium will be held at the Warwick Hotel located on Capitol Hill in Denver, within minutes of the State Capitol building, Coors Field, the Sixteenth Street outdoor mall and a variety of boutique restaurants. Pre-symposium sessions will be offered in the morning on Wednesday, August 25. The three sessions include discussions

on Meat Case Dynamics with NCBA's John Lundeen, a Spokesperson Training Session on Beef by Daren Williams of NCBA, and a Lean Beef Session with Dr. Shalene McNeill of NCBA.

All symposium presentations will be interactive and led by the people who conducted the work so you can hear it firsthand. General sessions on Wednesday include the keynote address on Innovating with Beef by Dr. Gary Smith, the distinguished professor at Colorado State University; Adding Value to the Round by NCBA's Jim Ethridge and Dr. Tony Mata of Mata and Associates; Round Research Overview by Dr. Chris Calkins, University of Nebraska at Lincoln; Round Aging and Nutrition Studies with Dr. Keith Belk from Colorado State University; Beef Alternative Merchandising Cuts with Jim Henger and Steve Leigh, NCBA; and Culinary Applications for the New Cuts with Chef Dave Zino NCBA.

"All symposium presentations will be interactive and led by the people who conducted the work so you can hear it firsthand."

On the evening of the 25th, there will be a new product tasting reception outdoors where you can try new round and beef alternative merchandising cuts in a variety of applications while enjoying a summer evening in Colorado.

The second day of the symposium focuses on the business of marketing the new cuts and offers a question and answer session with the speakers. The state of the industry will be discussed by Cattle-Fax's Mike Miller, John Lundeen will present Industry Trends; Chef Michaele Musel of the NCBA will present Culinary Trends; Jim Henger and Jane Gibson of the NCBA will present Merchandising and Menuing the New Cuts; and Jim Ethridge will wrap up the day with a look at What's Next in Beef Innovation.

Registration is now open. Please note that spaces are limited. Go to www.beefinnovationsgroup.com and look for this box below to click on for more information on the symposium and how to register. UB

America's egg farmers launch 'Good Egg Project'

Contributed by the American Egg Board

To address people's growing interest in where their food comes from, America's egg farmers have launched the Good Egg Project, an initiative that aims to educate Americans on modern egg farming, introduce them to the farmers that care for the eggs and encourage people to eat well and do good everyday. For generations, America's egg farmers have been committed to delivering high-quality eggs, as well as caring for their animals and the land they farm.

Today, just two percent of the U.S. population lives on farms, leaving farmers to produce food for the remaining 98 percent of the country, including food for those who can't afford it. While egg farmers donate millions of eggs per year to food banks and charities across the nation, the need for food among America's food banks continues to grow. In 2007, more than 36 million Americans lived in food insecure households—roughly 11 percent of all households in the United States.

incredible!
American Egg Board

America's egg farmers are asking people to join the fight against hunger by taking the Good Egg Project pledge to "Eat good. Do good everyday." For every pledge taken on GoodEggProject.org, America's egg farmers will donate one egg to Feeding America, the nation's largest hunger relief charity, up to one million eggs.

"One in eight Americans go hungry in this country so our food banks are under enormous stress to provide nutritious meals to feed families in need," said Bill McGowan, COO of Feeding America. "Over the last two years, America's egg farmers have donated more than 20 million eggs, allowing us to provide high-quality protein foods to our food bank network. We hope Americans will join them in the fight against hunger and pledge their support online and throughout their communities."

Meet proud egg farmers at www.GoodEggProject.org.

AMERICA'S EGG FARMERS SUPPORT THE "GOOD EGGS" ON SESAME STREET

As part of the Good Egg Project, America's egg farmers are proud to sponsor Sesame Street and its mission to educate children.

"We're excited to help bring Sesame Street to children," said Joanne Ivy, American Egg Board President and CEO. "The show has been teaching parents and kids about the world around them and the value of community for 40 years. Education is a key component of the Good Egg Project and through this initiative we hope to share with kids and adults the story of an egg's journey from farm to table and encourage them to become 'good eggs' in their communities."

"We are thrilled to have America's egg farmers and their Good Egg Project as underwriters of Sesame Street's 40th season," said Gary E. Knell, President and CEO of Sesame Workshop. "As a nonprofit educational organization, this support will help Sesame Workshop continue to bring laughter and learning to children all around the world and help them reach their highest potential."

Visit www.GoodEggProject.org to meet our proud egg farmers, learn more about where eggs come from and see how to get involved and make a simple pledge to "Eat Good. Do Good Everyday." UB

First Lady looks to attract grocery stores to underserved communities

Treasury Secretary Tim Geithner and Agriculture Secretary Tom Vilsack, along with First Lady Michelle Obama, released details of a $400 million Healthy Food Financing Initiative (HFFI) in mid-February, which will bring food retailers to underserved urban and rural communities in the United States. The initiative is a partnership between the Departments of Treasury, Agriculture, and Health and Human Services.

The HHFI will attempt to expand access to healthful foods, including developing and equipping stores selling healthy food in communities that lack those options. Those communities are frequently called "food deserts" and are found in economically distressed areas. As a result, parents have no options to buy unhealthy food and often resort to convenience stores or gas stations.

The administration's ultimate goal is to eliminate food deserts across America within seven years. During the first year of funding, the administration will begin expanding healthy food options in up to one-fifth of the nation's food deserts while creating thousands of jobs in urban and rural communities.

The USDA is helping community leaders identify food deserts

Official White House Photo by Lawrence Jackson

First Lady Michelle Obama greets a worker as she promotes her Fresh Food Financing Initiative at The Fresh Grocer store in Philadelphia, Pa., Feb. 19, 2010

"Our effort to improve access to healthy and affordable food is a critically important step..."

with its Food Environment Atlas, an online tool that identifies counties where more than 40 percent of the residents are low income and live more than one mile from a grocery store.

Official White House Photo by Lawrence Jackson

A sign welcomes First Lady Michelle Obama at Fairhill Elementary School in Philadelphia, Pa.

"Our effort to improve access to healthy and affordable food is a critically important step toward First Lady Michelle Obama's goal to solve the challenge of childhood obesity within a generation," said Agriculture Secretary Vilsack. "The Healthy Food Financing Initiative will enhance access to healthy and affordable choices in struggling urban and rural communities, create jobs and economic development, and establish market opportunities for farmers and ranchers."

"It's been a tough year for America, but for our middle class and distressed communities it's been a tough decade," said Secretary Geithner. "We're here to make sure that in America, where a child grows up doesn't determine whether they have access to a better—healthier—future. By introducing powerful incentives for private investors to take a chance on projects—like a new, healthier grocery store—we can make that difference for America's children, while creating new jobs and services in their communities."

The initiative was included in the President's 2011 budget, and will make available federal tax credits, below-market rate loans, loan guarantees, and grants to attract capital that could double the total investment. Federal funds will support projects such as grocery store expansion and placing refrigerated units stocked with fresh produce in convenience stores. UB

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Vitamin D: the sunshine vitamin

Vitamin D is a fat-soluble vitamin that is naturally present in dietary sources such as fish, eggs, fortified milk, and cod liver oil. Vitamin D is often added to other food sources and is also available as a dietary supplement. Probably the best known source of Vitamin D is the sun which contributes significantly to its daily production. As little as 10 minutes of exposure per day is thought to be enough to prevent deficiencies.

A recent study released in March and scheduled to be published in the Journal Nutrition and Food Science in June reported that one of its key findings was that eggs were an important source of Vitamin D and could significantly help to boost daily intake of it. Just one egg provides more than 20 percent of the recommended daily allowance.

Dr. Carrie Ruxton, an independent dietitian and lead author of the report said, "eggs are not only low in calories, but are packed with nutrients that are essential to healthy living. They are an ideal food at every stage of life, as well as being easy to cook and enjoyable to eat."

Since vitamin D is a fat-soluble vitamin and is absorbed from the intestine like a fat, it is sometimes used to monitor individuals with diseases that interfere with fat absorption, such as cystic fibrosis and Crohn's disease, and in patients who have

"Probably the best known source of Vitamin D is the sun... As little as 10 minutes of exposure per day is thought to be enough to prevent deficiencies."

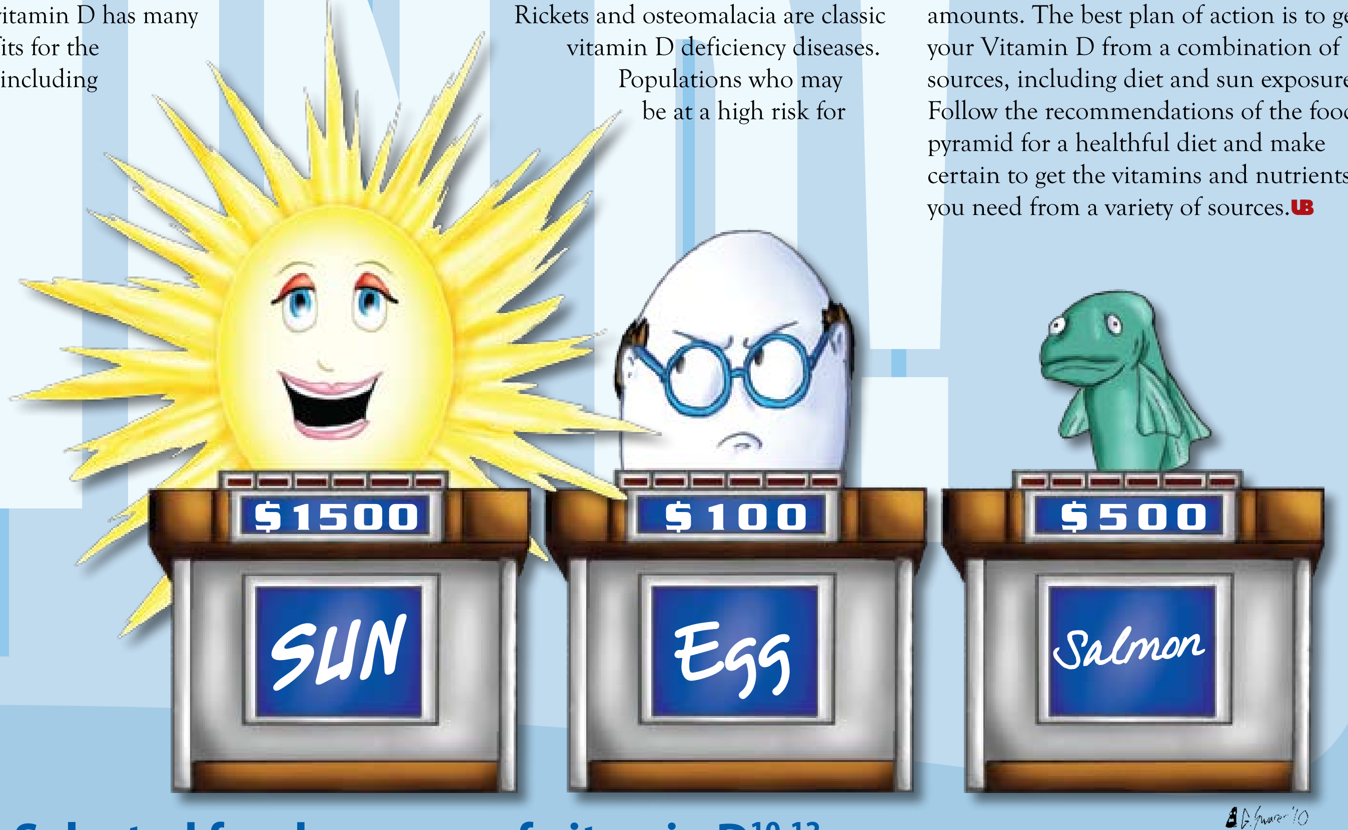
had gastric bypass surgery and may not be able to absorb enough Vitamin D.

The major biologic function of vitamin D is to maintain normal blood levels of calcium and phosphorus. Vitamin D aids in calcium absorption, helping to form and maintain strong bones. Without sufficient vitamin D, bones can become thin, brittle, or misshapen.

Recently, research has suggested that vitamin D has many benefits for the body including providing protection from osteoporosis, hypertension (high blood pressure), cancer, and several autoimmune diseases. Soft tissue calcification which is primarily a function of Vitamin K can also be assisted by this vitamin. There are also some studies that prove that the Vitamin D is able to control the release of parathyroid hormones. With all these benefits, it is very important that such a vitamin be properly absorbed by the body.

Rickets and osteomalacia are classic vitamin D deficiency diseases. Populations who may be at a high risk for vitamin D deficiencies include the elderly, obese individuals, exclusively breastfed infants, and those who have limited sun exposure. Also, individuals who have fat malabsorption syndromes (e.g., cystic fibrosis) or inflammatory bowel disease (e.g., Crohn's disease) are at risk.

So how can you get enough of this overlooked vitamin? Most foods aren't filled to the brim with vitamin D—far from it, but many do provide much more modest amounts. The best plan of action is to get your Vitamin D from a combination of sources, including diet and sun exposure. Follow the recommendations of the food pyramid for a healthful diet and make certain to get the vitamins and nutrients you need from a variety of sources. UB



Selected food sources of vitamin D[10-12]

FOOD	International Units (IU) per serving
Salmon, sockeye, cooked, dry heat, 3 oz	794
Fish, tuna, light, canned in oil, drained solids, 3 oz	229
Sardine, Atlantic, canned in oil, drained solids with bone, 3 oz	164
Milk, whole, 3.25% milkfat, with added vitamin, 1 cup	124
Beef, variety meats and by-products, liver, cooked, pan-fried 3 oz	42
Egg, whole, cooked, hard-boiled 1 large (vitamin D is found in egg yolk)	27
Cheese, ricotta, whole milk 1 cup	25

Source: USDA National Nutrient Database

Marvell Foods: food trading specialists

Tyson, Perdue, Pilgrim's Pride, Marvell Foods...wait...Marvell Foods? Yes, uniquely positioned, but right at home among the leaders of the chicken industry. Marvell Foods has earned a reputation that's as big as the chicken companies they partner with—providing exceptional customer service, courtesy, compassion, and integrity in a package where the spoken word is the bond they share with an ever-expanding array of clients.

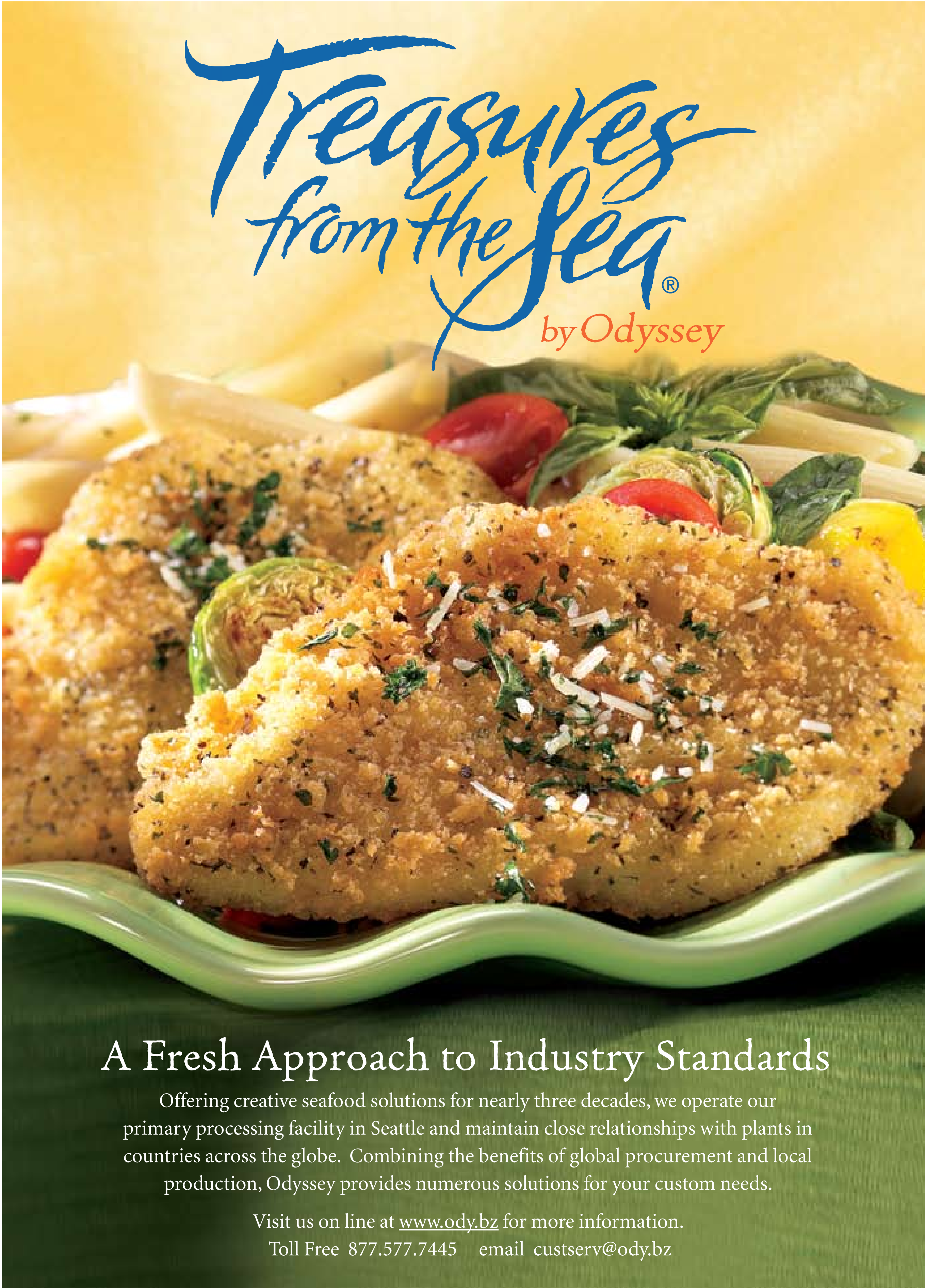
Marvell Foods was founded in 2007 and was born out of a business friendship between partners Marilyn Raybin and Valerie Lovell, whose expertise spans more than four decades. A second generation player in the food industry, the company prides itself on its ability to find and sell the best 1st and 2nd quality surplus products, domestically and internationally, at the best possible price.

The role Marvell Foods plays is as integral and diverse as the foods the company handles. According to President Marilyn Raybin, it's all about solving food manufacturing glitches. She points out that "We are in the business of solving other people's food problems, new opportunities literally crop up every day; you need to understand the food market, be nimble, and be ready to act immediately when something comes your way." Product finds its way to Marvell Foods' staff of professional traders when a manufacturer is in need of a solution to a food production issue. Maybe an operator has an overrun, a mis-cut, a spec-change, a truck accident or some other situation that tarnishes what is otherwise perfectly wholesome product. Marvell's well-connected traders have cultivated and continue to maintain relationships with many of the nation's leading food manufacturers/suppliers, distributors and an array of related vendors. They are able to purchase first and second quality products at the best possible price and then sell it fairly and competitively to meet market demands and conditions.

Like Marvell Foods itself, the company's president is unique among her industry peers. Ms. Raybin is one of the few female executives in the food business. She is also exceptional in earning a national reputation as the "Chicken Queen," a title she deserves after becoming the largest seller of diced chicken in the country. She is well aware however, that to realize the greatest success, one must be involved in other proteins. Chicken, beef, pork, fish, pet food ingredients and a variety of processed items all make up the company's buying and selling platform. But chicken is still king. So much that they provide their own unique "nugget analysis chart" reflecting various considerations when exploring the secondary market purchase of a chicken nugget. In it, the company states somewhat whimsically that "...we still don't know which part of the chicken the nugget comes from..." but "While the mystery remains, the chicken nugget is one of the most successful food services and consumer industry products of all time."

Marvell Foods' experience, connections and expertise may be at the root of their competitive edge. But success is also measured qualitatively. Co-founder, Valerie Lovell, may have phrased it best when speaking to their outstanding reputation stating that "Regardless of your position, as our client in a deal, you can be assured of fair and honest dealing, excellent customer service, support and follow through." So next time you find yourself in a food production related jam, don't worry, give the chicken trading specialists at Marvell Foods a ring and tell them *The Reporter* sent you! UB

Marvell Foods' own unique "nugget analysis chart" is provided to the company's customers as an easy way to reflect on various considerations when exploring the secondary market purchase of a chicken nugget.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Eggs: it's STILL about the economy

By Greg Deppeler

In the Egg Outlook for 2008, we discussed the significant changes within the egg industry during the previous 50 years; in the Egg Outlook for 2009, we examined the economic dynamics affecting the industry at that particular point in time.

Well, for 2010, not much has changed from 2009. The budget of the United States is still in a severe deficit-spending mode. The President of the country is currently embroiled in a massive effort to "re-invent" the nation's health care system, much to the chagrin of political opponents, the health care industry, and much of the casual citizenry alike (and who are all flabbergasted that the ultimately enacted "plan" will not apply to members of Congress or the Executive Branch). Consumers are still allowing their wallets to have a bigger say in what their purchasing choices may be, whether the decision is for durable or non-durable goods. And the egg industry (non-durable) is still affected by both inter- and intra-industry factors alike. Let us now examine the inter- and intra-industry developments that occurred during the past year.

INTER-INDUSTRY:

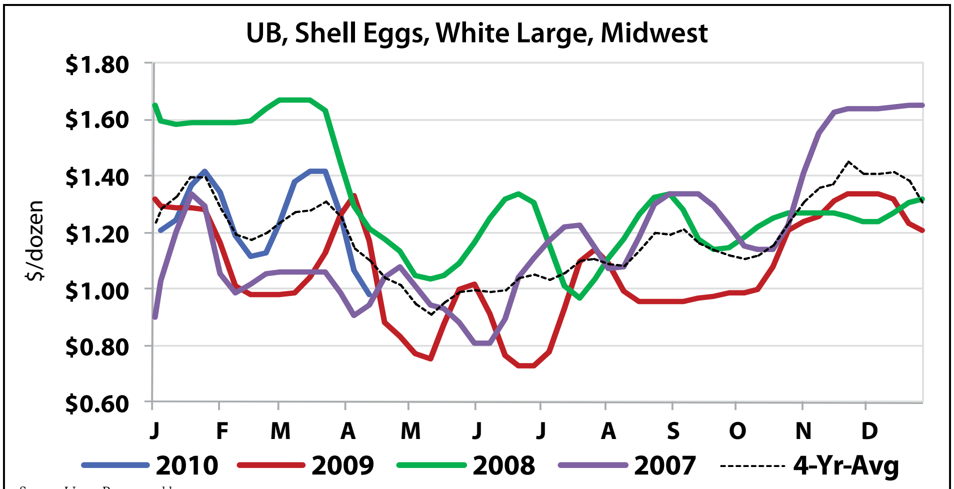
Eggs still remain an excellent source of protein, and other valuable nutrients, at an affordable price. Those within the industry, recognizing this indisputable fact, have taken some creative steps to both impart knowledge to the consumer and to attempt to increase overall demand. In selected marketplaces, radio commercials exhort the idea of "...having breakfast for dinner..." at least once a week. In this scenario, both the qualitative and quantitative benefits of so doing are reinforced. Some examples of the qualitative are statements to the effect that eggs are nutritious, easily prepared, and taste delicious. An example of the quantitative is that a meal for a family of four offers significant economies of scale when compared to other proteins such as chicken, beef, pork and even hot dogs! Retailers as well have become creative with promotions involving eggs. One such enterprising retailer offered to "...buy breakfast..." for anybody purchasing store items valued at $50.00 or more, the breakfast consisting of a dozen eggs, a pound of house bacon, a quart of juice and a loaf of bread, given to the consumer at check-out time. Pretty appealing! Free for nothing!

INTRA-INDUSTRY:

Similar to last year, many different options are available within the egg marketplace. Different formats (regular shell or liquids to pour), various colors (brown, white), a multitude of sizes (small through jumbo), and a veritable plethora of pedigrees (organic, generic, free range and cage free, among others) continue to be available to the consumer, and at varying price points. As noted previously, the consumer is allowing his/her wallet to have a greater say in purchasing decisions and, while eggs will certainly still be purchased, shifts between types of eggs may certainly occur. Additionally, these shifts have a downstream effect on retail/purchasing locations, which will allocate shelf space to "best selling" items, as measured both by volume of movement as well as by contributions to profit margins (or, in the case of a loss leader, contributions to fixed costs such as depreciation and overheads). There is no question that consumer selections, principally because of the prevailing economic climate, have shifted; the real question is will the shifts become permanent or, if not, how long will it take them to revert back to their original postures, and will the return be sudden or one that adopts a "step-function" approach.

EPILOGUE:

Time for me to editorialize, and hop on my soapbox. While there are certainly some harbingers that the economy is beginning to improve, and while the economists interviewed/quoted in the various organs of the media suggest that said improvement is just around the corner, most economists will state that any recession or depression takes a while to emerge from. The current one will certainly be no exception. Unemployment is at staggering rates, and the official number only counts those applying for or receiving benefits, not those whose benefits have run out or who have not applied for them. Spending by both the individual and by businesses in the service sectors of the economy has been reduced. Homes have lost value and, in many cases, have either been foreclosed on or just walked away from, in cases where the mortgage owed is more than the present value of the house. Businesses have been lost. The list goes on and on. It will be interesting in the next year to monitor the recovery process, and to see what, if any, impact it may or may not have on the inter-and intra-industry factors affecting the egg world. UB



Source: Urner Barry, weekly avg.

Lobster: supply and demand look for balance

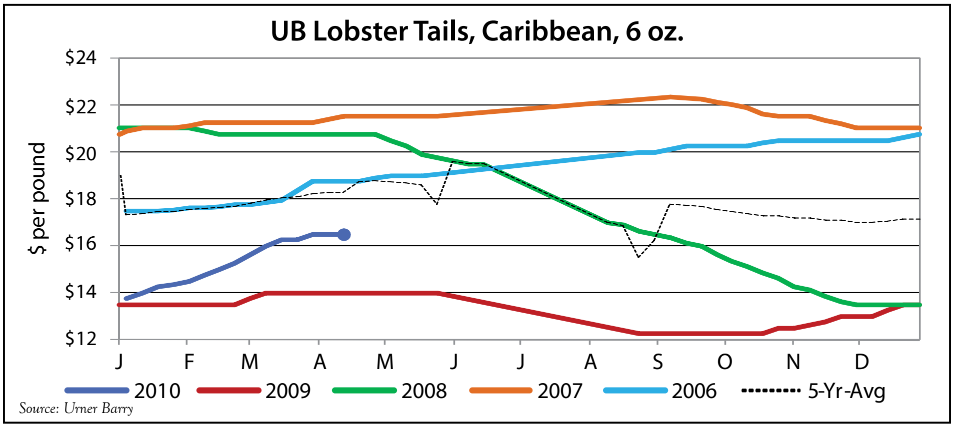
By Paul Brown

Lobster is a high value, very discretionary seafood item sold mostly at foodservice, although at the right price they are also featured at retail. North American lobsters are the familiar specie with the claws harvested in Canada, New England and the Northeast. Brazil and Caribbean lobsters, known as spiny or rock lobsters, do not have claws and are sold mostly as lobster tails in the United States. West Australian lobsters are also called spiny or rock lobster and have no claws. They are also marketed as tails to high-end restaurants.

BRAZIL AND CARIBBEAN WARM WATER LOBSTER TAILS

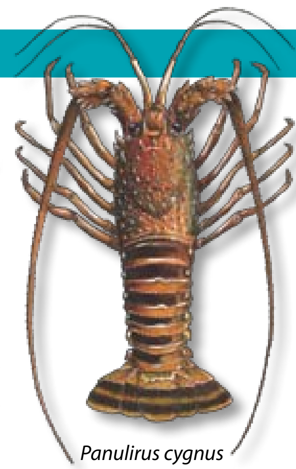
Beginning in 2008 and throughout 2009 the recession had a dramatic effect on the prices of lobster tails. Demand was curtailed and prices were slashed in order to move inventories. However, in 2010 the market appears poised to regain its more traditional levels due to several factors; the economy and resulting demand has improved for lobster tails, new markets have been developed including additional movement at retail versus foodservice, and warm water tails are increasingly used to replace the limited supply of higher-priced cold water lobster tails.

Looking ahead, seasonal production will begin in May or June in Brazil with imports arriving in late June and early July. Fishing in Honduras and Nicaragua will follow beginning in July. The market undertone for the 2010 season is unsettled as it is unclear what the reaction will be on demand to a seasonal volume of lobster tails at possibly higher price levels in the current U.S. economy.



Source: Urner Barry

Panulirus argus

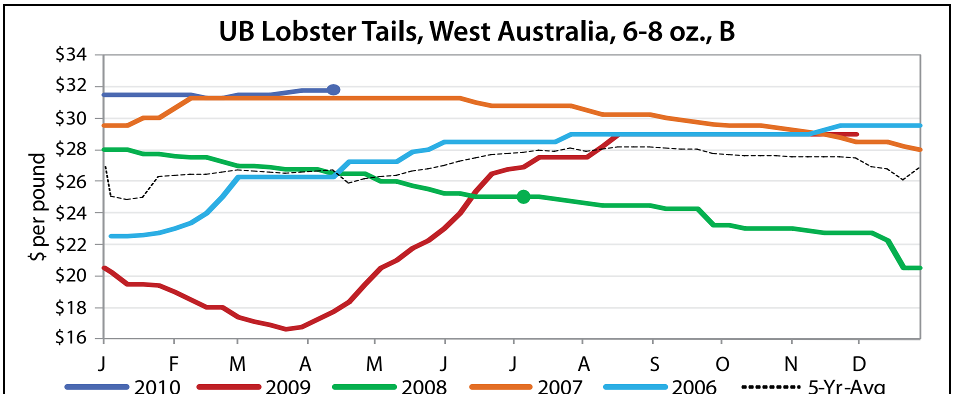


Panulirus cygnus

Homarus americanus

WEST AUSTRALIAN COLD WATER LOBSTER TAILS

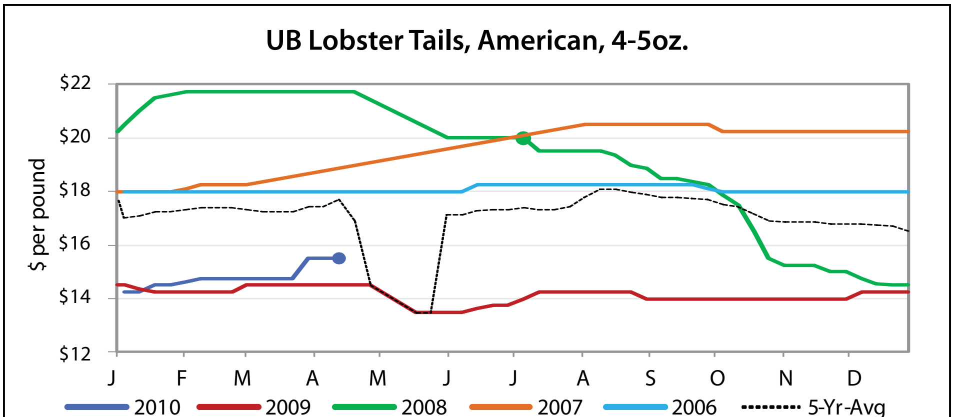
West Australian cold water lobster tails ended 2008 and began 2009 in a free fall due to recessionary pressures and the resulting declining demand. But the announcement of restricted fishing, and a 30% cut in imports in 2009, quickly reversed the market as it spiked well above the 5-year trend. Currently, supplies in the U.S. market of West Australian tails are severely curtailed and rationed with no indication of an improvement in supply. Fishing for lobster is not expected to improve for several seasons with much of the production destined for the more lucrative Asian whole cooked and live business.



Source: Urner Barry

NORTH AMERICAN LOBSTER TAILS

Currently, spot supplies of North American tails are tight. Here again the U.S. economic downturn beginning in 2008 had a weakening effect on pricing compared to several years ago. The Canadian season will open again on May 1st with limited inventories on hand. This will be followed later by opening in Maine and other lobster producing areas into the summer and fall. The market going forward is unsettled with some looking at the weak U.S. dollar on par with the Canadian dollar (loonie) as a significant firming factor this season. UB



Source: Urner Barry

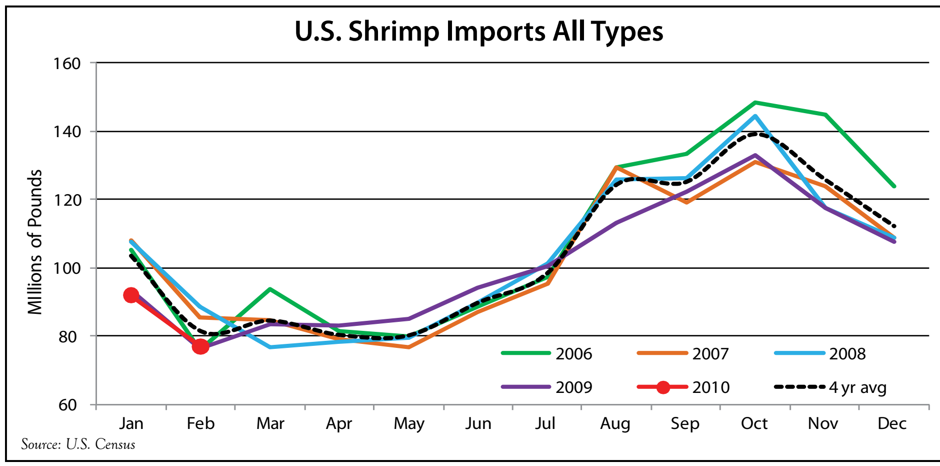
Shrimp: market stronger ahead of new season production

By Paul Brown

Shrimp is generally comprised of three categories. Farm-raised or aquacultured white shrimp encompasses most of the market with U.S. imported production throughout Latin America and Asia. White shrimp comprises most of the world's aquacultured production. These shrimp are generally medium to small-sized. Black tiger shrimp are also farm-raised or aquacultured in Asia and tend to be medium to large-sized shrimp. The final category is wild-caught shrimp, both U.S. domestic and imported shrimp. Wild-caught range in sizes from very small to large-sized shrimp.

The shrimp market in early 2010 has generally been characterized by rising prices, counter to the 5-year average which would indicate a more steady tone. Driving the increase in prices is an only fair but improving demand for limited on-hand inventories, combined with higher overseas pricing. Higher costs overseas have been due, at least in part, to a weak U.S. dollar and limited raw materials resulting from production issues in Indonesia.

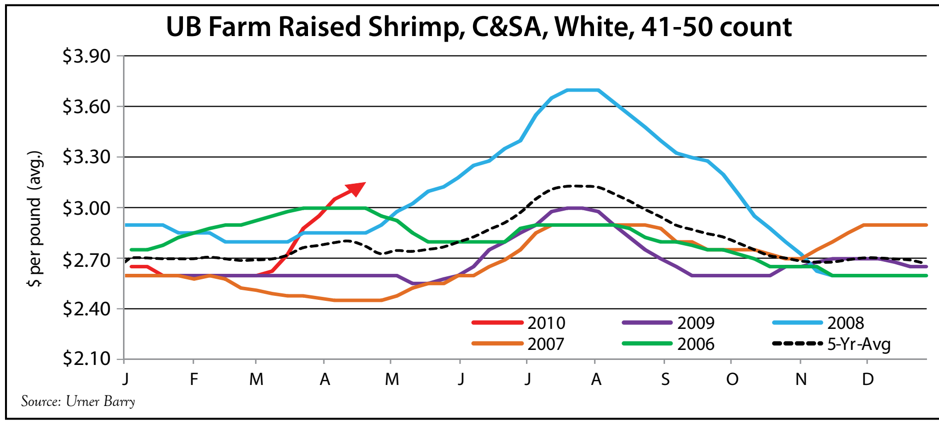
Recently, large count shrimp (21-25

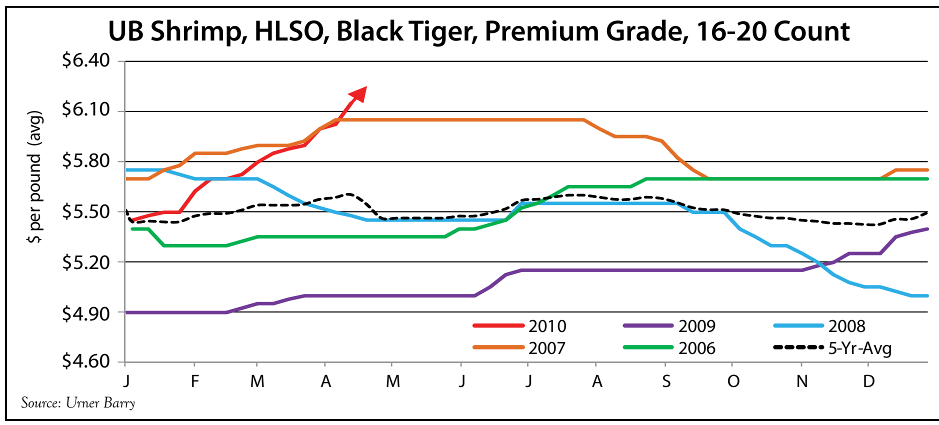


Source: U.S. Census

count and larger), especially black tiger shrimp, have been particularly strong. Many producing areas including Vietnam have moved to the production of white shrimp and away from large black tigers. Supplies of 16-20 count and larger black tiger shrimp have been well short of needs which has led to the rationing of inventories along suppliers' regular sales channels. Limited production of large wild Mexican shrimp and a limited supply of 16-20 count farmed-raised Mexican white shrimp have exacerbated the shortage. Finally, 26-30 count and larger shrimp harvests in Indonesia and resulting imports have been limited due to a virus affecting shrimp production. Increased imports of black tiger shrimp from India have mitigated the shortage somewhat; however, that country will begin to produce more white shrimp in 2010 and beyond. In the short term, supplies of large count shrimp are likely to remain tight followed by a seasonal increase in supply beginning in June. For now the undertone is full steady to firm.

Farm-raised white shrimp sized 21-25 count and smaller began 2010 at mostly steady price levels. More recently that market has turned higher. In both Thailand and Ecuador the import costs for shrimp have been increasing. Thailand, the largest supplier of shrimp to the U.S., has increased prices to the U.S. for shrimp due to the declining U.S. dollar and increased demand for shrimp due to shortages from Indonesia. The cost of shrimp from Ecuador has moved higher as European buying interest has been active. As seasonal shrimp production and imports increase in June and July throughout Asia and Central America, inventories in the U.S. should improve, possibly unsettling the market. Demand will dictate where the market settles after the influx of new season supply.





Scallop market is a well-managed

By James P. Kenny

THE STATE OF THE MARKET

The scallop market has been firm, especially U/10s, and particularly since July 2009. Scallops are one of the best managed fisheries in the U.S., managed through a combination of days at sea and closed areas; meaning permitted vessels are allocated fishing days in both open and closed areas. However, in 2009 the early closure of Closed Area II (George's Bank) due to yellowtail by-catch, severely limited the availability of U/10 scallops. Yellowtail flounder are a non-target species that are caught while fishing for scallops. This, and the other closed areas tend to produce large U/10 scallops given the fact that access is limited and the scallops have additional time to mature.

The closure left roughly 40 percent of the allocation unfished, which translates into roughly 2.45 million pounds of scallops, many of which were U/10's. Those that did not get their trip due to the closure were allocated more days at sea, but the net effect is that the supply of U/10s is tighter this year. This shortage of U/10s translated into sharp premiums in price.

A look at recent pricing trends will reflect the aforementioned shift in production. While 10/20 count scallops closely mimicked the 5-year average, the short supply of U/10s catapulted the market into record territory. Through the first quarter of 2010, the cost of IQF Dry U/10s has ranged between $10.50 and $12.50. Compare this to a 5-year average range of $7.75 to $9.50.

SCALLOPERS GET NEFMC TO REVERSE TAC DECISION

In an unprecedented move, the New England Council reversed its decision on the total allowable catch made last November, and increased the scallop allocation for 2010 by 6 million pounds to 47 million pounds. The council's November action stemmed from a flawed computer model that underestimated actual

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landings for the 2009 season. In order to remedy the situation, the council originally adopted a low f=0.20 mortality target, but later reversed their decision and went with a level of f=0.24

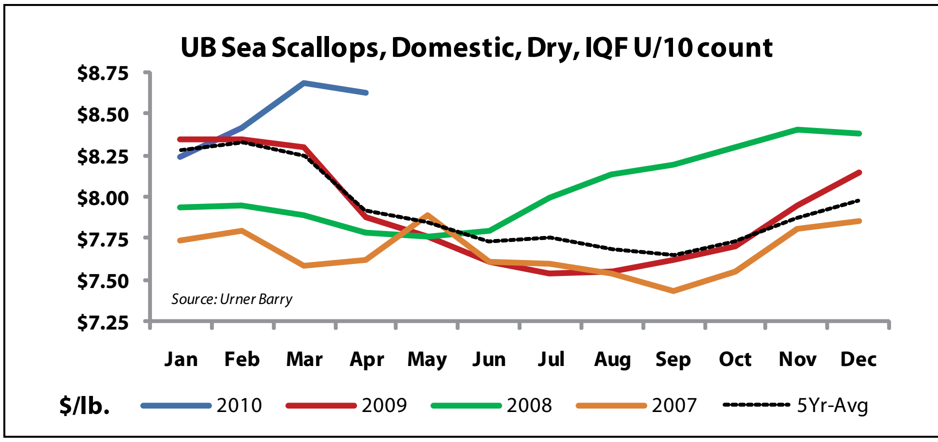
Two principal reasons for the reversal were given. First, the council acknowledged that it had made a mistake when the SSC failed to recommend a preferred alternative to the council; and second, the council had consistently underestimated open access harvests by the scallop fleet.

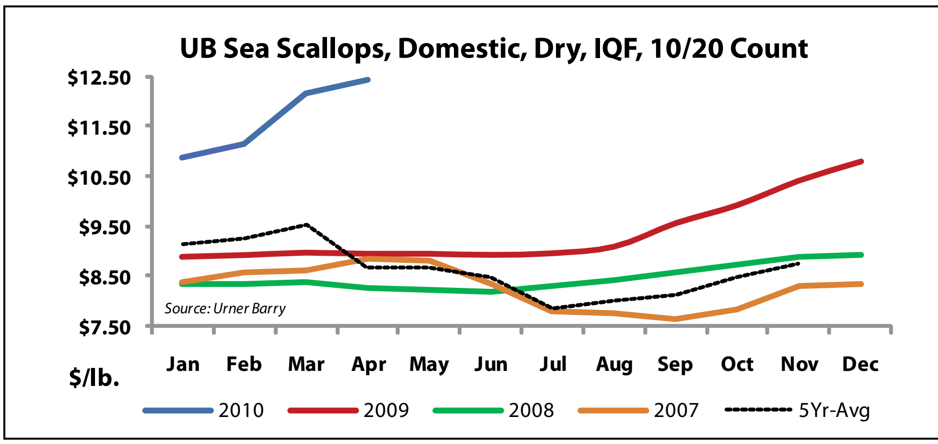
U.S. SCALLOP INDUSTRY SEEKS MSC CERTIFICATION

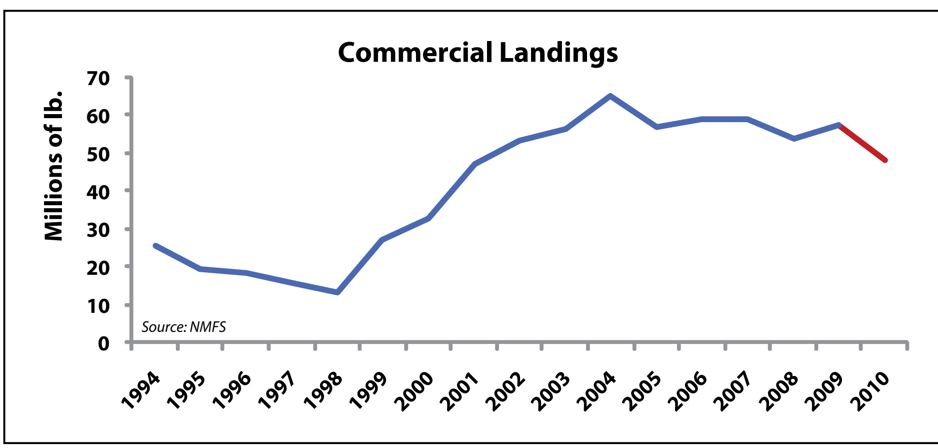
The U.S. scallop industry, which in 2008 was the most valuable fishery in the United States and represented by the American Scallop Association, has elected to have their fishery certified by the Marine Stewardship Council. Scallops are managed through a unique closed area rotational system, and the result of this management has been a spectacular rebuilding of the industry since the 1990s, when catches were very low. According the ASA, MSC certification will be very helpful in maintaining market share in Europe, an area of growth for the U.S. scallop industry.

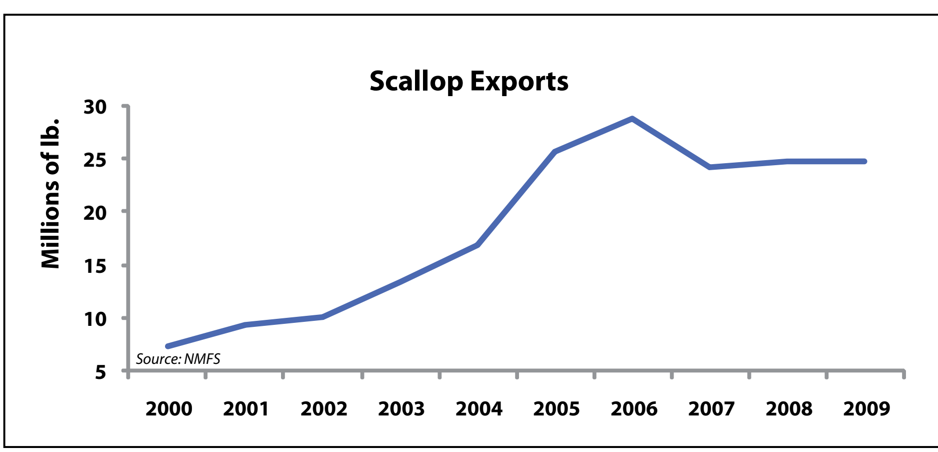
GOOD TIMES AHEAD

2010 is expected to be an exciting year for the industry. Demand is strong both domestically and abroad; the reversal in total allowable catch will avail supply; and lastly, MSC certification will likely ensure lasting market access. UB







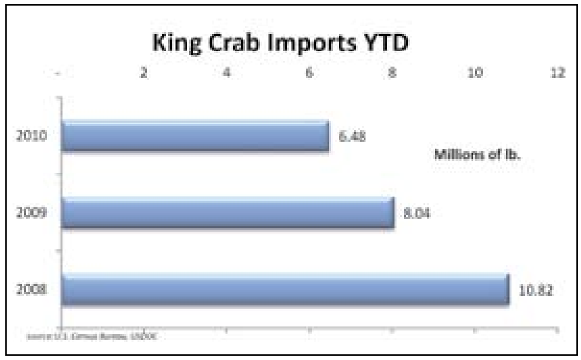


Overall crab supplies are less than last year

KING CRAB

By Janice Brown

The lack of imported crab continues to be a driving force behind continued strong prices in the red king crab market. Pricing for larger to mid-sized crab is currently trending well above the 5-year average and also trending higher than 2008 and 2009 pricing. 2008 experienced the highest prices in over six years for most sizes. As of the beginning of April 2010, the one exception noted is with 12-14 reds, where 2008 pricing for this size is still trending higher than current levels. Smaller sized red crab is presently trending very close to 2008 pricing. 2010, thus far, is seeing increased demand because supply continues to be an issue. January 2010 imports were 13.8% lower than January 2009 amounts.



With 2009 pricing trending below 2008 pricing in the red king crab market, and 2009 imports only 1% lower than 2008 imports, it appears demand decreased in 2009, but looks to be improving in 2010.

The lack of imported product continues to be almost completely reliant on Russia and the country's continued crackdown on illegal crab fishing. John Sackton from Seafoodnews.com wrote an editorial recently discussing the issue. "In 2009, the U.S. imported 14,564 metric tons, or about 32.1 million pounds of king crab from Russia, according to NMFS. Some this crab was from the Barents Sea, where all parties acknowledge the fishery is well controlled. But a significant amount, likely well in excess of Russian quotas, was from the [Russian] Far East," Sackton wrote.

The Russian government is attempting to control the situation and announced closures, added additional paperwork, increased documentation, and initiated other requirements. All this results in crab from the United States' largest importer remaining limited and perhaps costly. The red king market is currently full steady and inventories are being closely held by importers.

Brown/golden king crab market has also been strong and for some market participants it is seen as great alternative to the red king crab. However, like red king crab, inventories are light and replacement product is limited.

The Alaskan king crab market saw the quota decrease from 18.3 million pounds to 16 million pounds. Demand remains very firm for Alaskan product and Japan continues to be an active buyer.

SNOW CRAB

By Janice Brown

The market is currently in an opposite situation from where we saw it last year at this time. The market is starved of product and Urner Barry quotations have been removed due to the lack of availability. Inventories are light and all product is reported to be spoken for. Demand also appears to have gained some speed throughout the year and it looks as though adequate supply throughout the year and pricing were drivers. 2009 pricing was well under 2007 and 2008, prices and levels in 2009 trended well below the 5-year average. The Canadian quota was virtually the same as 2008, however, pricing was lower. 5-8 ounce Newfoundland crab in 2008 averaged $3.90, in 2009, pricing averaged $3.10, a change of $0.80. 8 and 10 ounce and up crab saw a very active demand and

5-8s followed behind the larger crab in demand activity.

New season product is beginning to be harvested, however, many unknowns remain—Fishing in Newfoundland is currently at a standstill as turmoil continues over price and a strong Canadian dollar is not helping situation; the Gulf of Saint Lawrence has their quota reduced by 13,000 tons from last year. Small volume sales have been reported to be between the high \$3.00 and low \$4.00 range, but these offerings are preliminary.

The Alaskan opilio market is trending higher than last season's prices; 5-8 are being quoted between \$3.75 and \$3.90. The Alaskan quota dropped slightly, around 8.7% from last year. Supplies are limited and most of the product is reported to be spoken for.

The overall crab market is dealing with a barely adequate to adequate supply and demand appears to be growing.

CRAB MEAT

By MaryAnn Zicarelli

2009 imports for pasteurized crab meat showed a 24% decline from 2008. Taking a closer look country by country, Indonesia, the leading importer, decreased in 2009 by 21% and China, the second largest importer, by nearly 41% from their YTD totals in 2008. For the close of the year, Indonesia's imports did increase from the same time in 2008 by 38%. This shows some indication that the demand here in the U.S. improved for meat coming from Indonesia. China's decrease in December 2009 compared to December 2008 was more than 60%. Increased buying interest for meat from China that was evident in 2008 seems to have subsided in 2009. Thus far, 2010 imports have exceeded 2009; Indonesia remained the leader.

Demand in the first quarter of 2010 has showed improvement from 2009 with buyers focusing on colossal, jumbo lump and claw more than middle meats.

Fresh meat imports showed a 147% increase from this time last year with the largest contributor being Thailand. January 2010 imports of fresh meat were close to what was imported in January 2008. The overall market for fresh continues to be a small piece of the crab meat imports: most importers have focused their attention on pasteurized meats.

Pasteurized jumbo lump meat prices remained steady in December 2009 while fresh jumbo lump showed a significant increase. Increased market prices of fresh meat were due to the short supply. Fresh lump meat followed suit, with pasteurized showing stability and fresh escalating over the last two months. Pricing for claw meat, fingers, special and super lump closed the year with unwavering price levels.

Price trends in 2009 for fresh jumbo lump meat were similar to 2007 and 2008. Typical price increases that have been seen in the last quarter of the year were seen again this year. Imports, which have customarily been at their highest during this time period, were greater than what was seen in the first 3 quarters, however, the overall volume was still significantly lower than in 2007 and 2008.

The trend seen in January 2010 follows that of the past two years for both fresh and pasteurized meat. Imports are typically at a low for the year in January while pricing is at a seasonal high. UB

Imports of Mahi portions surge in the last four years

By Angel Rubio

According to many in the in the industry, mahi-mahi has become a preferred seafood item for the American consumer in the last few years. It is on most restaurant menus across the country and demand is allegedly increasing. Sourcing, however, has been somewhat of a problem for U.S. importers as fishing seasons have behaved rather erratically in Taiwan and Central and South America during the past years. Some say fish have been running smaller every year causing prices for large center-cut portions and large fillets to rise. So, in order to make a decent assessment, one can look at the pricing monitored by Urner Barry and find clear seasonal behavior.

By simply taking a look at the import figures from C&SA, volume has increased substantially since 2006, though at a decreasing rate; imports in 2007 were 67% higher than 2006; 2008 was 57% above 2007 levels; and 2009 was 29% higher than 2008 *(figure 1)*. But when comparing 2009 with 2006, imports have grown an astonishing 241%. Conversely, imports from Asia have decreased 41% since 2006, *(figure 2)*.

CYCLICAL BEHAVIOR...

But just like many other commodities, 2008 was a year in which prices rose more than expected for the mahi-mahi portions' market. One big reason was the price for fuel, which made fishermen's costs skyrocket and thus raise asking prices; from beach prices, to packer offerings. This reason, combined with fewer boats going out, a late season start, and irregular catches, caused prices to skyrocket.

> **"...mahi-mahi has become a preferred seafood item for the American consumer in the last few years..."**

Let's take a look at 8 oz portions from C&SA. These are in high demand mostly for the foodservice sector and seasonality is clear at the wholesale trading level *(figure 3)*. But just like many

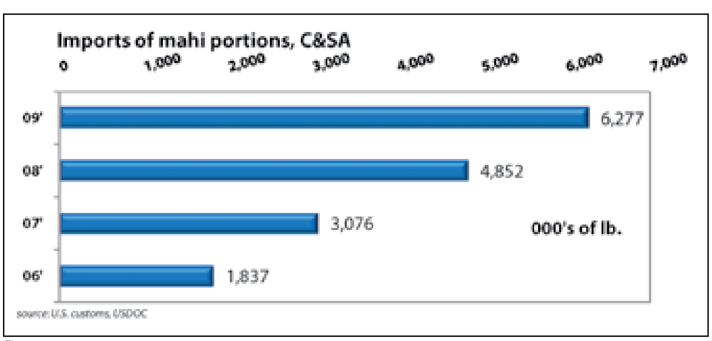
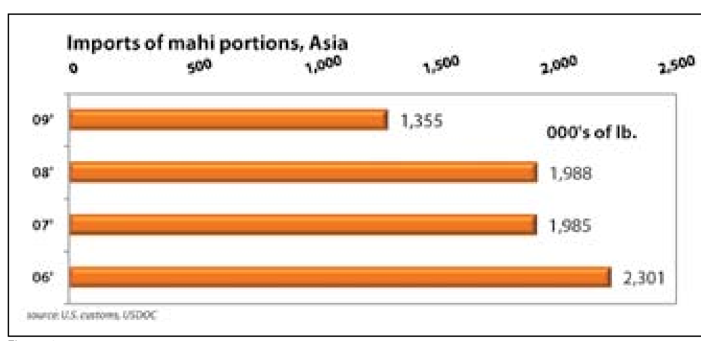


Figure 1



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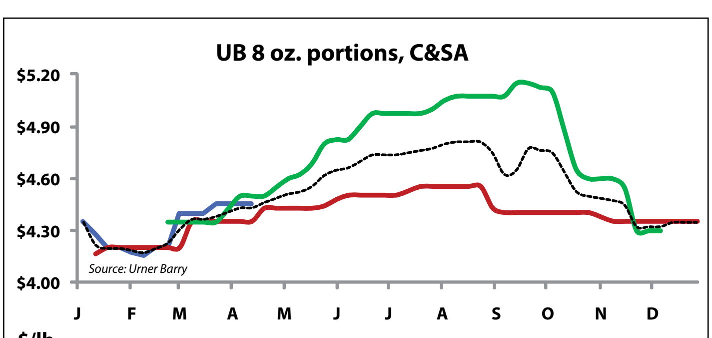


Figure 3

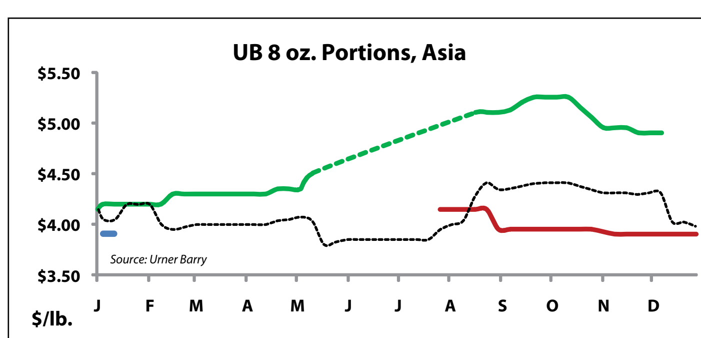


Figure 4

other commodities, 2008 was a year in which prices rose more than expected for the mahi-mahi portions' market; Asian pricing which do not show a clear seasonal behavior, also experienced a dramatic surge (*figure 4*).

MORE ON CYCLICAL…

Seasonal behavior can also be seen in imports. Average monthly imports and price were cross tabulated and found that economic 101 basics of supply and demand make sense (*figure 5*). Note that in the months prior to the increase in imports from C&SA—the season runs approximately from December to March—prices begin to drop as importers take positions to replace older season's product. Thus, as inventories get depleted, prices begin to move higher, especially during summer months.

CONTIGUOUS…

Finally, we can take a look at the contiguous behavior since 2007 and make sense of what has been happening. By looking at figure 6, we can safely assume that demand has expanded in the last few years as pricing has remained oscillating at similar levels year to year amid increasing supply—everything else equal. It is clear that when imports drop, prices begin to surge in the spot market.

NOW…

On a YTD basis, as of February, imports from C&SA of mahi portions are down 5% in 2010 when compared to 2009. This slight decrease in supply resulted in a minor surge in prices during February. As we approach the summer months, imports are likely to decrease as they have done historically and seasonally. As far as pricing goes, many importers have reported that inventories are running lower than last year amid a strong demand. If we remove the possibility of a supply shock, and keep all the other factors constant, prices could follow their "normal" seasonal behavior in 2010. UB

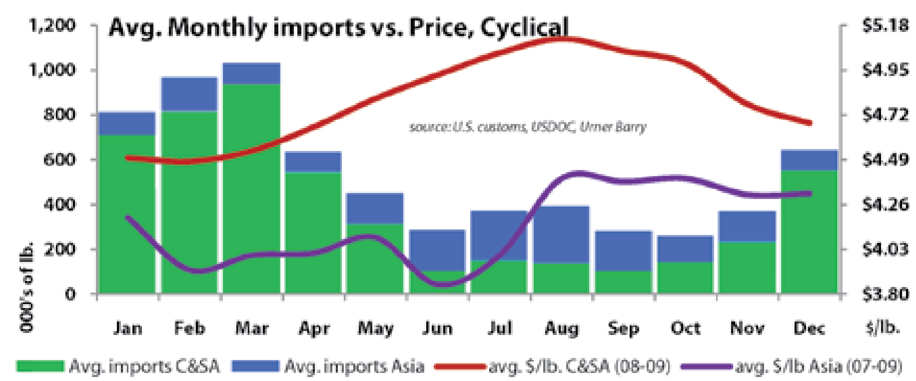
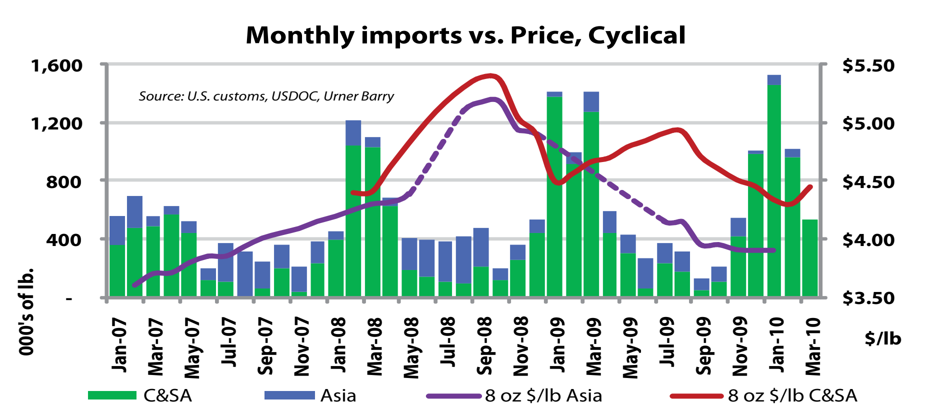


Figure 5 Note: Imports from C&SA, and Asia, were averaged monthly from 2006 to 2009 in order to find a seasonal behavior. Prices were averaged monthly as indicated in the chart.



Note: Dotted line indicates that Urner Barry did not report a price for this particular commodity as supply and offerings were limited.

Figure 6

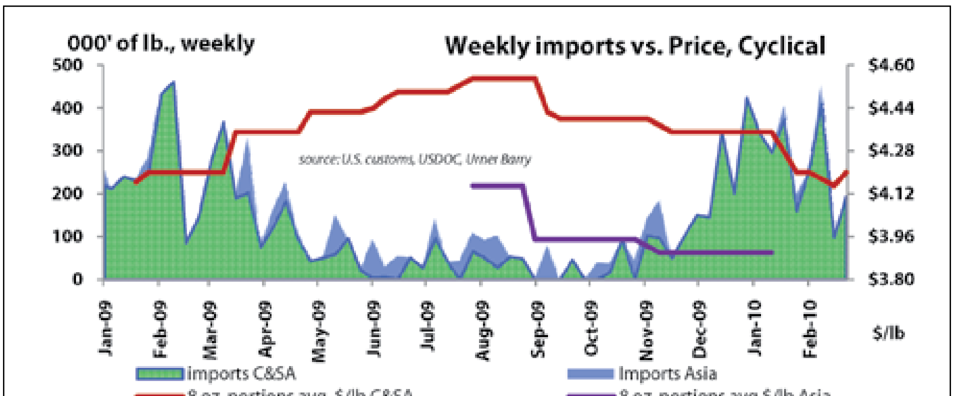


Figure 7

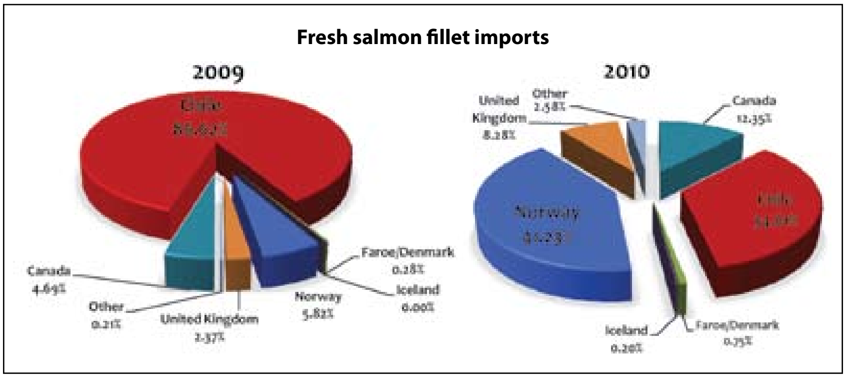
The world of salmon continues to change

By Janice Brown

FARMED SALMON

Much like last year, the farmed salmon market is still changing, and the question as to who the United States' primary supplier is remains a mixture of responses as it continues to differ on a weekly basis.

February 2010's most recent import data shows Norway as the chief supplier. Norwegian exports of fresh fillets are up 176% from the same time period in 2009. Conversely, Chilean exports for fresh fillets are down 68% for the same time period. 2009 ended the year with salmon imports just 0.3% higher, with the largest change experienced in the fresh sector. Fresh imports were down 4.5% with fresh fillets exhibiting a decline of 17.2%. Chile's fresh Atlantic fillets in 2009 dropped 45% from the same time period in 2008. Norway, on the other hand, saw a 724.8% increase in fresh fillets for the 2009 year. Chile still imported 91 million pounds of fillets as opposed to Norway's 41 million pounds, but 2010 is shaping up to look more even between the United States' two primary suppliers of fresh fillets.



Seafoodnews.com ran an article on March 9th, 2010 from The Norway Post which spoke about seafood exports from Norway reaching a new record in February and the export value was 18.5% higher than the same month last year. "The main reason for the increase in seafood exports is an increase in the export of salmon."

The salmon industry in Chile is rebuilding though. Global salmon and seafood supplier, Marine Harvest, who has farms all over the world including Norway and Chile, issued an article talking about more than doubling smolt production in Chile for 2010 in comparison to 2009. 2010 is still reported to be the most difficult year for farmed salmon in Chile, a

Seafoodnews.com article on January 18th, 2010, says the following:

"Still, trade association SalmonChile predicts 2010 will be the worst year for salmon production since ISA broke out in 2007 and devastated the salmon industry in Chile. The expected yield is roughly half the quantity produced in 2008."

The persistent supply turmoil continues to create a situation in which pricing for salmon has increased. Urner Barry's Farmed Salmon index shows an increase of 12.1% from 2008 to 2009, this corresponds with a shortfall of 4.5% in fresh imports. Prices look to remain highly unpredictable in this market and 2010 will most likely follow this same trend. Currently Urner Barry's Farmed Salmon index is averaging $3.98 which is 7.8% higher than the average for 2009 of $3.69.

WILD SALMON

2009 wild salmon season was stronger than the 2008 season; however, 2009 did still fell below projections. Many wild salmon species in Alaska, where almost all of the U.S. consumed wild salmon comes from, fell below projection with the exception of Sockeye salmon which experienced a stellar year.

Alaska Wild Salmon Harvest Projections and Actual Harvests*

	2008 Projections	2008 Actual	2009 Projections	2009 Actual	2010 Projections
King	672	351	427	359	515
Sockeye	47,189	39,023	38,167	43,317	45,762
Coho	4,422	4,398	4,678	4,124	4,358
Pink	61,552	84,051	113,198	96,736	69,098
Chum	18,722	18,233	18,559	18,006	17,970
Total	**132,557**	**146,056**	**175,029**	**162,508**	**137,330**

*In thousands of fish

Source: Alaska Department of Fish and Game

The pink projection is the where the bulk of the difference is in projections from 2009 to 2010. The projection is lower for 2010 because it is considered a "down" year for pinks due to their two-year life cycle. In the table below are the 2010 forecasts and the pink forecast is strong to coincide with the pink salmon life cycle.

The 2009 season was the 12th largest since 1960 and had a dockside value of $370 million; however this is $82 million less than last year.

The decrease in imports and wild salmon landings could accompany a decrease in annual consumption for 2009. Consumption numbers for seafood are not currently available, but if there is less supply around and higher prices, consumption usually decreases. With fresh imports in particular declining for 2009, the downward trend in annual consumption for salmon could continue. UB

Imported Channel Catfish and Pangasius

By Angel Rubio

Imports of channel catfish ended the year well below the volumes registered in 2008; China alone was down 21.1%. Conversely, imports of *Pangasius* frozen fillets ended 2009 43.4% above those recorded in 2008. This is quite a significant volume in a year where controversial trading laws for this specie were initially going to be established by the government.

CHANNEL CATFISH

After registering record volumes in 2008, and even experiencing supplies that were burdensome at times, a decrease in imports of channel catfish was noted in 2009. Overall, total volume ended 14.6% under 2008 figures with imports from China decreasing 21.1%. On the other hand, Thailand, the second largest provider of imported catfish frozen fillets to the U.S., ended the year with 1.4 million pounds representing a tenfold increase over 2008, and 8.09% of the total marketshare.

Lower total imports in 2009 supported pricing throughout the year, with a slight increase in November and December *(See chart 1)*. Current pricing levels are generally steady.

PANGASIUS

The significant volume in 2009 *Pangasius* frozen fillets imports can be attributed to Vietnam, the largest producer and provider of *pangasius* frozen fillets to the U.S., which sent over 60% more fish when compared to the previous year. *(See chart 2)* Other markets, such as Cambodia and Thailand also registered volume gains in 2009.

Ample inventories and a soft demand during the past couple of months have resulted in a weak market. However, some have expressed a slightly improved buying interest as a result from Lenten buying, but the majority of sellers and buyers are still reporting low trading prices, and overall ample supplies.

Pangasius fillet

Basically, the imported catfish market is generally steady due to lower imported volume throughout 2009. Conversely, the *pangasius* market is currently holding a weak undertone due to ample supplies.

REGARDING THE LEGAL STATUS

In December of 2009, industry and consumer groups met with the Office of Management and Budget in a series of meetings to support or oppose the inspection of Asian species of "catfish" by the U.S. Department of Agriculture. The White House review should have been completed early in 2010, but on February 17th the OMB extended its review of the proposed rules by the USDA. The USDA also is expected to conduct a series of public meetings before adopting a final rule later in 2010.

On February 25, 2010, former NFI president Dick Gutting released a Legislative Update on www.foreigntradedata.com that read: "The Secretary of Agriculture told a House Appropriations Subcommittee yesterday that catfish inspection rules 'were complicated', he had 'no intent' to delay proposing rules, his proposals are pending at OMB and are 'appropriate' given the intent of Congress"

It is important to mention that after these laws are established, there will be a transition period for foreign processing plants and farms to adopt their operations to the new regulations.

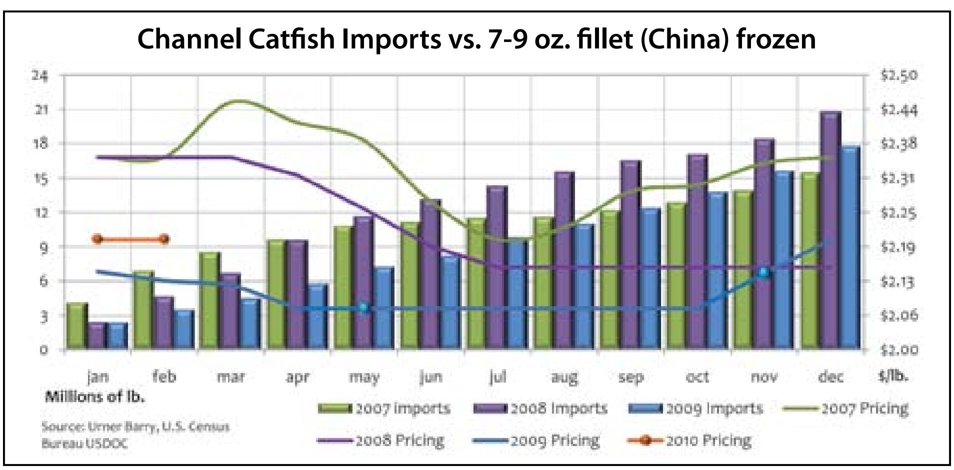
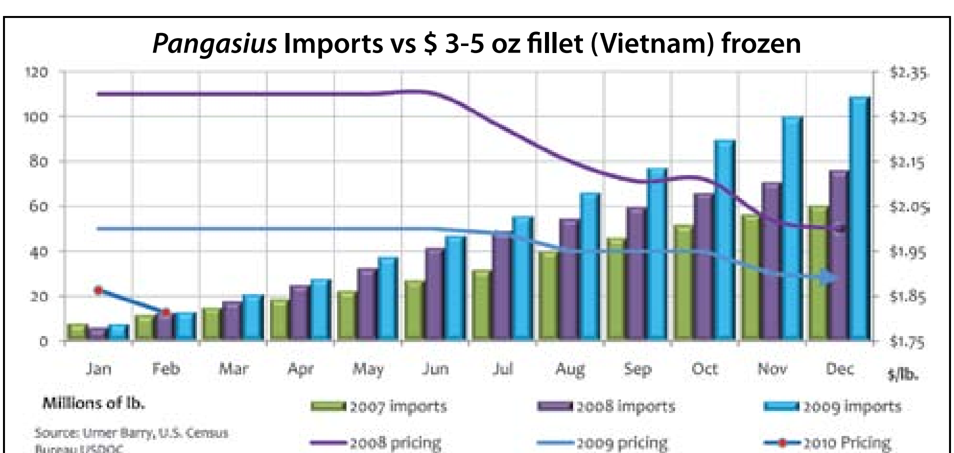


Chart 1



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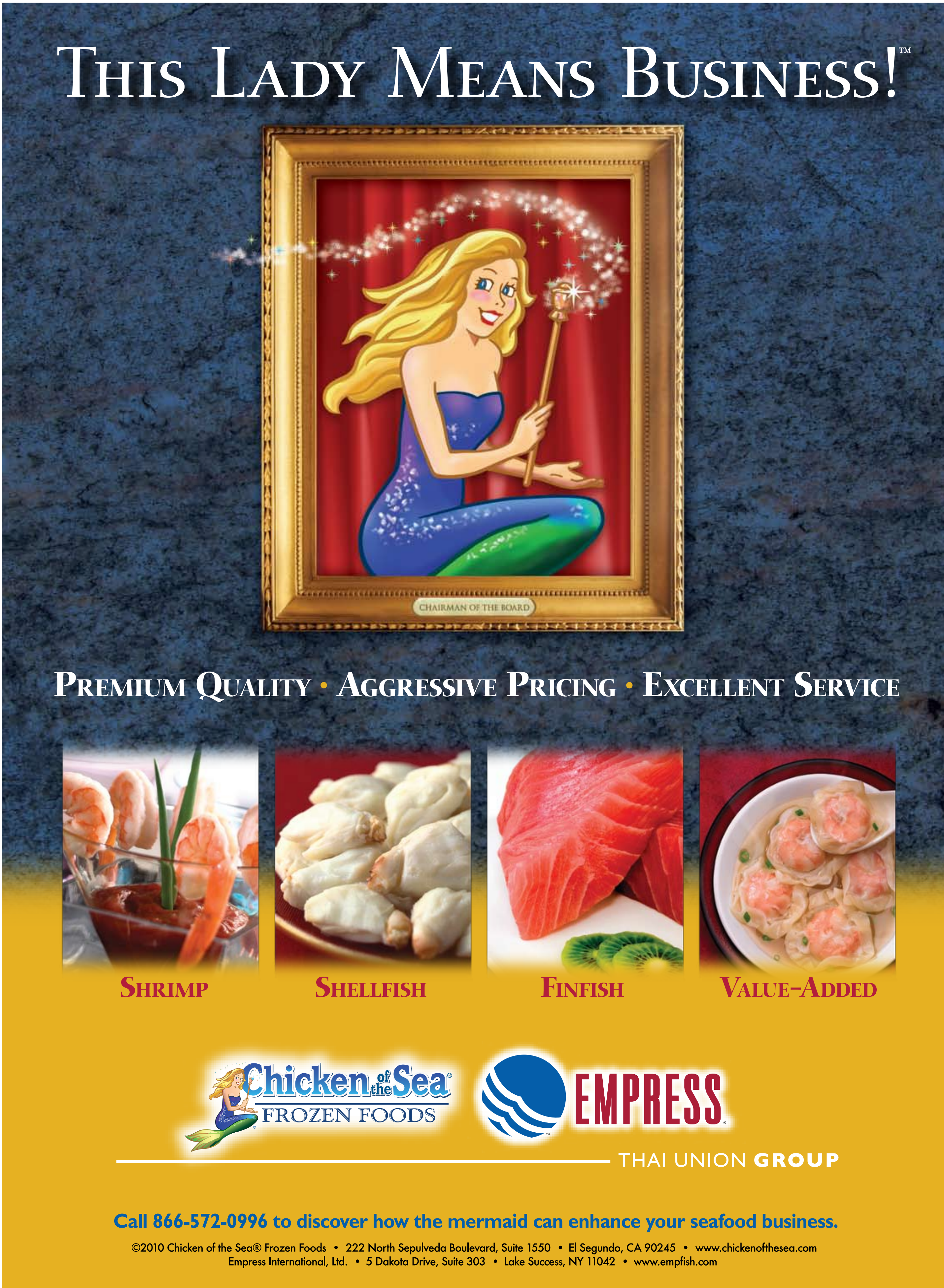
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Déjà vu and the nuances of costs

By Angel Rubio

Supply and demand are the basics for explaining price variations, yet that only reveals the big picture and not the many specific components involved. It is essential to understand the nuances of costs, inputs, and other factors that affect production in order to comprehend how a product arrived at a certain price. Let us use tilapia imports as an example—in 2009 these reached record highs that translated into lower selling prices in the U.S.

> **"...many traders continue to try to beat the market by somehow predicting the future..."**

After reaching a record high in September of 2008, prices for fresh and frozen tilapia fillets fell steadily until February of 2010. During this year and a half time period, frozen fillet pricing levels reached those similar to the ones experienced in 2007—resulting in an overall decline of more than 50 cents on average for fresh fillets. Similarly, prices of raw materials for feed and transportation (soy, corn, oil, etc.), also reached record highs in 2008 and collapsed during the last quarter of that year with some producers claiming that feed costs did not go down to pre-inflation levels. In other words, prices of feed were somewhat sticky. Looking at fishmeal prices, these too have also reached record highs and have almost tripled since 2004 *(figure 1)*. On the other hand, soy meal, an important component in tilapia feed, and crude oil prices have come down to similar levels seen in 2007 *(figure 2)*. The question remains on whether lower soy meal prices actually translate in lower feed costs, and lower feed and transportation costs translate into lower selling prices, everything else equal. Today, it seems like déjà vu on many input costs—producers say their current feed costs have gone up substantially in recent months.

The aftermath of collapsing prices during the third quarter of 2008, tight credit, a financial meltdown, and so on, led to tight margins along the distribution chain. In some cases, companies were forced out of business, while other companies dumped product into the market. Prices continued to fall causing a domino effect, especially for frozen fillets; fresh fillets' pricing freefall was more gradual as only a handful of companies control the total marketshare. For the frozen fillet side, many reported that the worst sales months were experienced between November of 2008 and February of 2009 *(see figure 3)*.

Thereafter for both fresh and frozen fillets, prices throughout 2009 behaved much like

2007—prices dropped constantly until the very first month of 2010. On the frozen side, orders to China surged as importers prepared their inventories for Lent and prepared for Chinese New Year festivities, causing replacement costs to rise, and ultimately, offerings in the U.S. started to increase as well. The market, however, remained steady due to ample inventories in the U.S.

On the fresh side, prices also started to go up in 2010 as volume was being adjusted lower to a falling demand in the previous months. Also, contracts were being negotiated for the Lenten season and prices were evidently higher. During the first week of the Lenten season, however, the fresh market experienced a significant and sudden shortage of product that caused bids for product to surge precipitously. Other producers tried to cover the gap but supplies fell short of full needs for at least four weeks straight, resulting in higher trading levels *(See chart 4)*.

Now that Lent is over, demand has softened slightly. Frozen fillets continue to be steady but hold a mixed undertone. The reason for this lies in higher production costs in China that have caused replacement offerings for U.S. importers to rise as well. Yet, many traders and importers are buying product in the U.S. market as inventories have proven plentiful and more cost-effective than to replace product from China at a higher cost.

It is important to mention why prices in China are going up. Higher feed prices were passed on to farmers, which in turn have been passed to packers with higher prices for raw materials (fish); packers are passing higher raw material costs to U.S. importers. But this isnt the only thing that is going up. Transportation costs are also increasing, and higher labor costs have also been reported.

On the fresh side, there are reports that supply is expected to be short for the next couple of months. The consequences of overharvesting which caused the sudden shortage at the end of February and beginning of March could prove detrimental on the supply side. However, historically, demand usually winds down during the summer months, and could in effect balance supply and demand. As of April, demand continues to be generally steady.

In conclusion, these markets appear to be in a déjà vu situation similar to that of the last quarter of 2007. Price has responded to the basic laws of supply and demand. Making sense of fluctuations in prices, supply and demand of product (fillets) has not been a problem; costs explain offering prices; tending to supply and demand equilibrium explains trading levels; supply shocks explain sudden price volatility—everything else equal—and so on and so forth. Yet, many traders continue to try to beat the market by somehow predicting the future; let it be experience, historical behavior, more information, etc., but right now the market is in a peculiar situation, and although we more or less understand why these markets have behaved in such a way, we can only hope speculation does not lead them into a bubble. UB

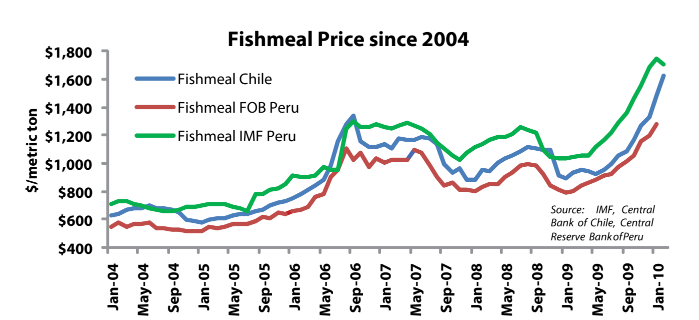
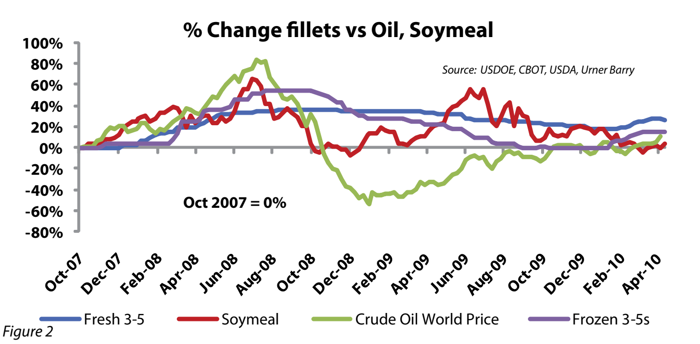


Figure 1



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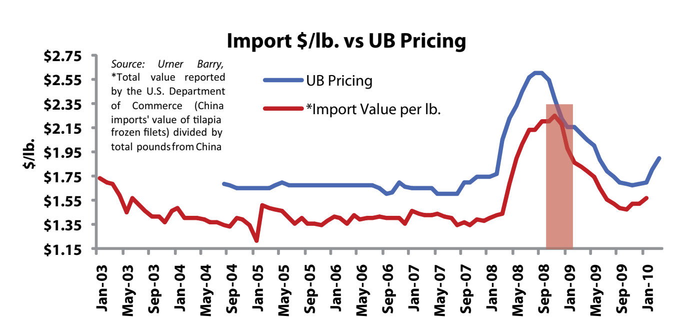

Figure 3

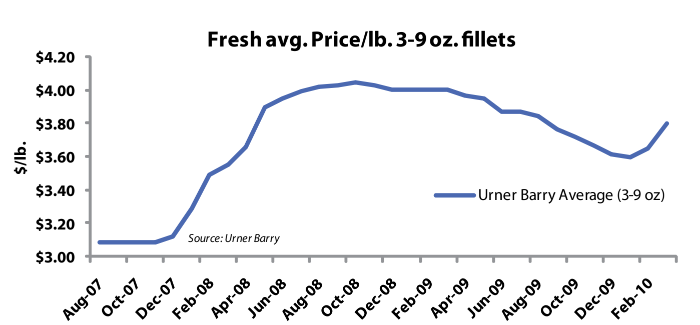

Figure 4

Boxed beef: are we there yet?

By Bruce Longo

As you pack up the family and head out for your summer vacation, what is the first question you may hear coming from the back seat? "ARE WE THERE YET?" So too is the question from the beef world. Beef industry participants are asking a variation of this question...What should we expect as the summer and fall of 2010 approaches? Is there a hint of optimism for a beef market rally?

Let's first take a look at demand for beef. Since the crash of the U.S. economy in October of 2008, the foodservice sector of the beef market has taken the biggest hit. Quite a few higher-end restaurants were forced to shut their doors, and fast food establishments found themselves mired in "burger wars" as several major players in that market offered the "Dollar Double Cheeseburger." Consumers altered their eating habits by paring back their discretionary spending and opted to eat more meals at home. In turn, they spent more money at their local supermarket or wholesale club store, and minimized restaurant visits. Glancing at data in a macro view for Total Loads of Boxed Beef as reported by the USDA, one can see that beef demand took a downturn after October 2008, and still remains suppressed. *(See graph of USDA Total Loads of Boxed Beef)*

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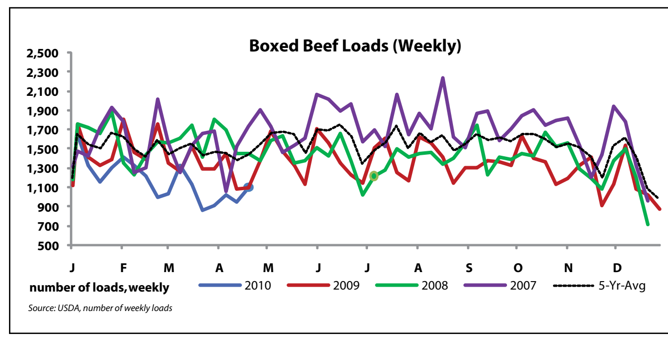

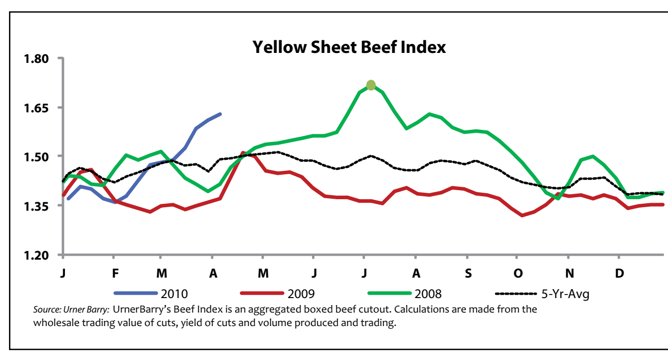

The economic downturn has continued to play a large role in the front-end supply equation of the beef market. Cattle producers reduced the size of their herds in 2009 lending to tighter availability of market-ready cattle. Supply of slaughter-ready cattle is anticipated to build as 2010 progresses. Steer carcass weights during the winter of 2010 dipped nearly 23 pounds on average when compared to the year prior, with increases expected along seasonal trends. Tighter supply of cattle has forced beef processors to pay more money for market-ready cattle.

When looking at pricing history, higher price middle meats such as the rib eye, strip loin, short loin, and PSMO (peeled tenderloin) have underperformed. Consumers have diverted some of their focus from steak items over to less expensive beef items that include end cuts such as the inside round and chuck roll. The move to lower priced beef items has reduced the value of the carcass for beef processors. The Yellow Sheet Beef Index (an aggregated boxed beef cutout derived from wholesale trading value of cuts, yield of cuts, volume produced and trading, that depicts wholesale selling values across branded, choice, select and ungraded product) displays a vivid picture of what occurred with beef markets after October 2008. *(see graph)*

Financial and beef markets have rebounded, and continue to show improvement. Are we there yet? It appears we may have a more time and miles to go.

Premium prices postured for prolonged existence?

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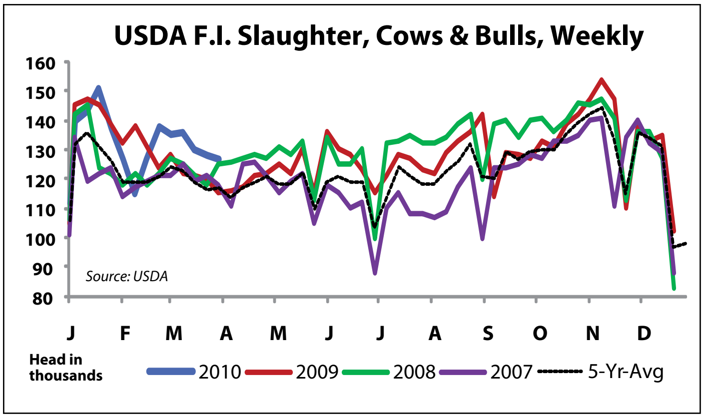
By Bill Smith

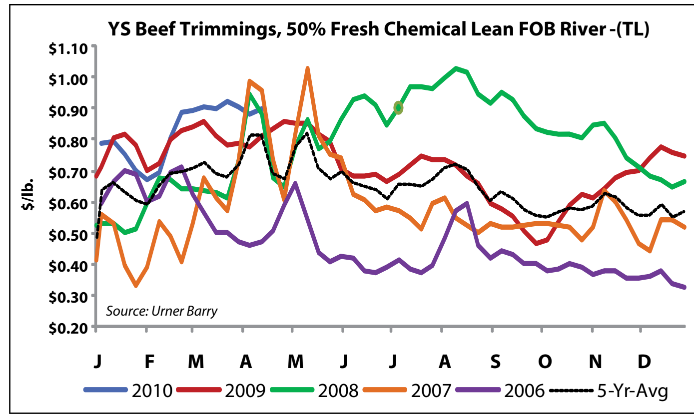
As fast food companies appeared very aggressive with their menu offerings, especially burger deals late in 2009 and early 2010, higher prices on both domestic and imported boneless beef were experienced.

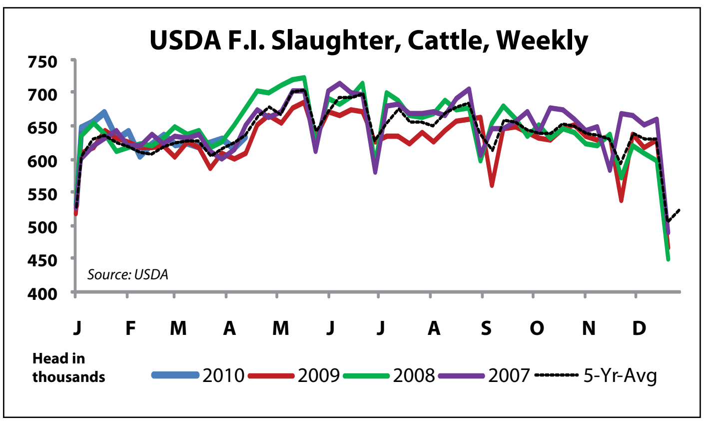
Domestic 90s opened the first quarter of 2010 at a premium when compared to past seasonal performances and held onto their momentum as the average price at the end of Q1 2010 was $1.5835/lbs, up 14.7% compared to same period in 2009 and up 10.23% when contrasted to the five-year average. Cow and bull slaughter levels also remained well above 2009 and the five-year average. Looking forward, most participants are expecting the 90s market to follow the five-year average, holding a premium to prior years' trading levels.

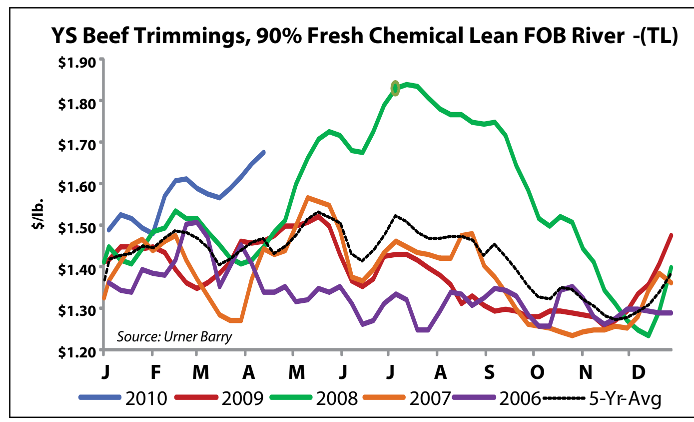
Fresh 50s opened 2010 with prices trending above average with a large increase due in part to tight supplies and a brisk demand. Q1 ended with the average price at $0.91/lbs; 10.52% higher than Q1 2009 and 31.17% compared to the five-year average. Participants continue to keep a close eye on the fed cattle market; some buyers appear to be taking a cautious approach as prices typically peak in the spring.

As we start to make our way through Q2 2010, there are several issues lingering within domestic boneless beef markets; the U.S. economy, currency fluctuations, domestic cow availability, features, high priced and limited availability of imports. Uncertainty going forward is a given as any change in the previously mentioned issues could have a significant influence on the market. UB


USDA F.I. Slaughter, Cows & Bulls, Weekly
160
150
140
130
120
110
100
90
80
Source: USDA
J F M A M J J A S O N D
Head in thousands
2010 2009 2008 2007 5-Yr-Avg


YS Beef Trimmings, 50% Fresh Chemical Lean FOB River -(TL)
$1.10
$1.00
$0.90
$0.80
$0.70
$0.60
$0.50
$0.40
$0.30
$0.20
$/lb.
Source: Urner Barry
J F M A M J J A S O N D
2010 2009 2008 2007 2006 5-Yr-Avg


USDA F.I. Slaughter, Cattle, Weekly
750
700
650
600
550
500
450
400
Source: USDA
J F M A M J J A S O N D
Head in thousands
2010 2009 2008 2007 5-Yr-Avg

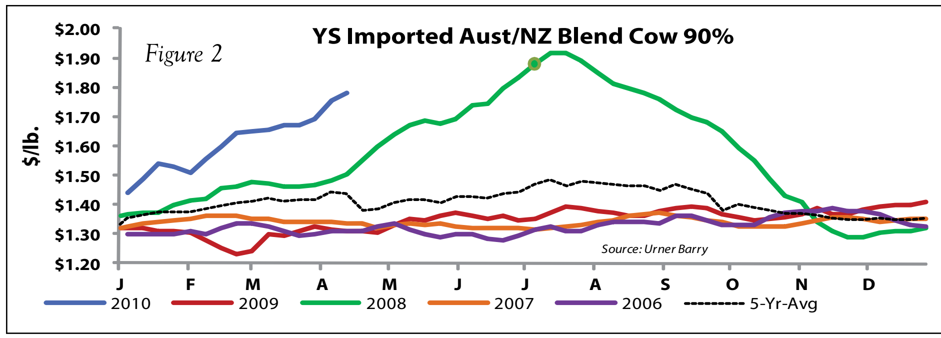

YS Beef Trimmings, 90% Fresh Chemical Lean FOB River -(TL)
$1.90
$1.80
$1.70
$1.60
$1.50
$1.40
$1.30
$1.20
$/lb.
Source: Urner Barry
J F M A M J J A S O N D
2010 2009 2008 2007 2006 5-Yr-Avg

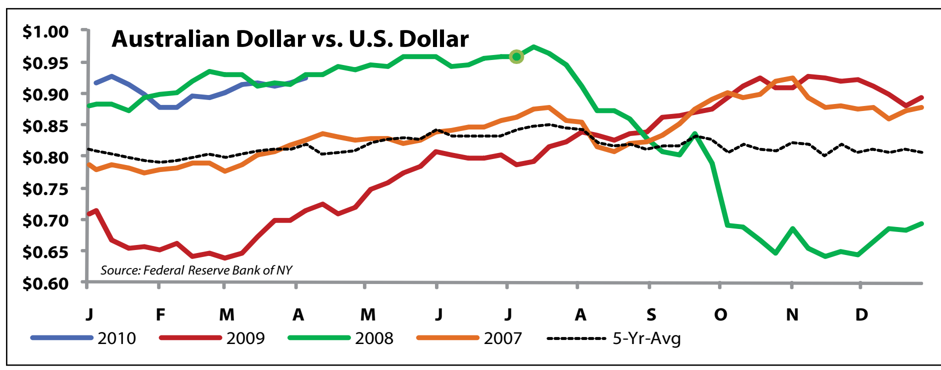
Imported beef market fortified by fast-food features and other forces

By Joe Muldowney

Imported beef is a popular raw material used in fast-food hamburger patties and further processed meat items such as meatballs and hot dogs. Imported beef can work best for processors who are located along the eastern and western coasts of the United States as the delivered price of this product can be priced lower when compared to what it costs to ship domestic lean boneless beef from the interior of the U.S. Most of the boneless beef imported from Australia and New Zealand is frozen. Because the product can be held for longer periods as compared to fresh product, prices are not normally as volatile as compared to what the fresh domestic boneless beef markets experience. However, because it takes several weeks to ship product from the origin to its destination, and the imported beef market can change from hour to hour and day to day, owners of imported beef might also take on more price risk than owners of similar quantities of domestic boneless beef, which is normally processed within days of being purchased.

Imported beef values for 2009 moderated following a volatile 2008. As indicated in the horizontal lines in *figure 1*, the average trading level in 2009 for BC 90%, a benchmark item in the imported beef complex, was $134 which was down $22/cwt from 2009 average. At $141/cwt, 2009 highs in the market were also off from $52/cwt from the lofty, albeit short-lived, highs seen in 2008.



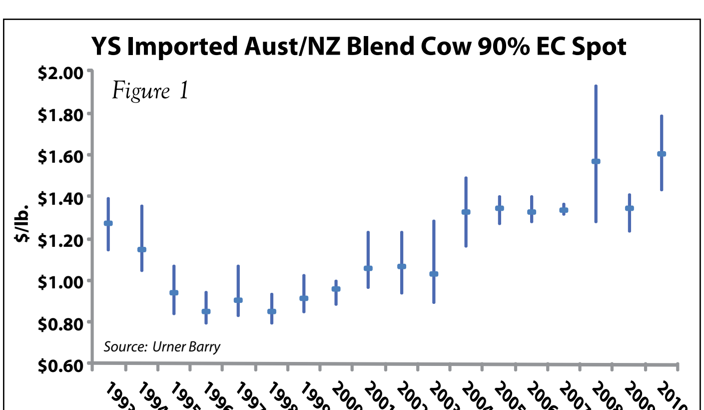


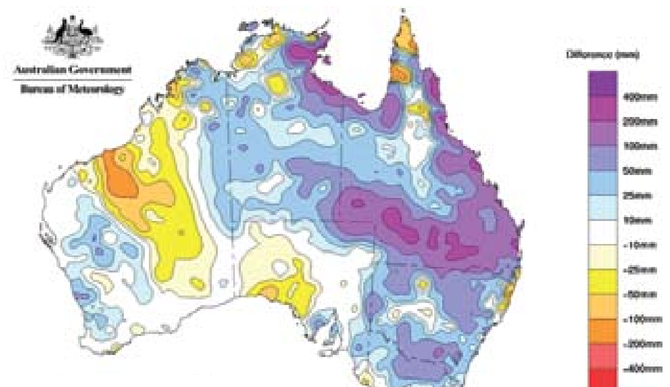
As you can see in *figure 2*, the first half of 2010 has been extremely strong and trading at a pace that exceeds that of 2008. This is largely a result of a delayed start to both the New Zealand and Australian beef production seasons which coincided with aggressive hamburger featuring at fast food outlets. During the first half of 2010 several processors were running six and seven-day production schedules during a time when they would normally be running only four or five-day production schedules.

So why were the Australian and New Zealand production seasons delayed? The answer, quite simply, is rain. In some areas, rainy weather resulted in lush pasture conditions and farmers were not pressured to sell their animals. Livestock traders also report that packers were competing with other farmers who were trying to re-build the herds that were depleted during years of drought in Australia. In some areas, rain resulted in flooding and farmers were unable to gather and get their animals to market.

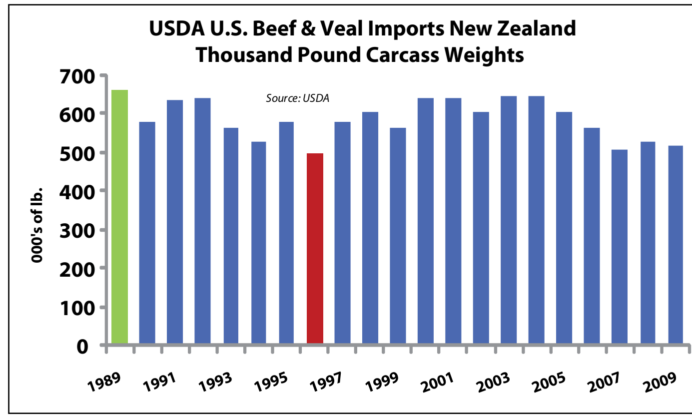
Fluctuations in currency also affected trading patterns for imported beef. For much of 2009, the Australian dollar was working to recover from the crash that it, and most other commodities and stocks experienced in the summer of 2008. Since then, the Australian dollar has steadily increased, and at the time of this writing, is fairly even with where it traded in 2008.

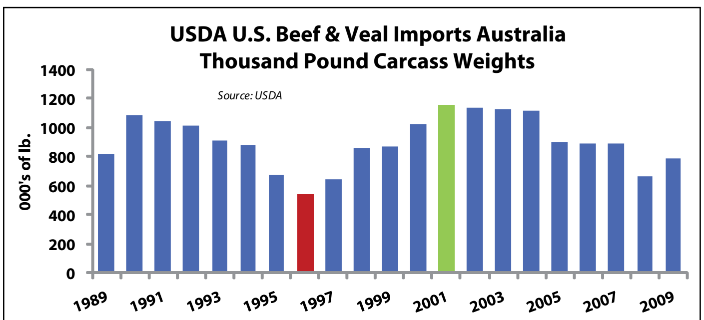
The quantity of product being imported from Australia has rebounded in 2009 compared to 2008. New Zealand imports have been fairly consistent over the past few years. Uruguay, a country that at one time was a larger exporter of beef than New Zealand has retreated from the U.S. markets and is no longer the source of supply that it once was. UB

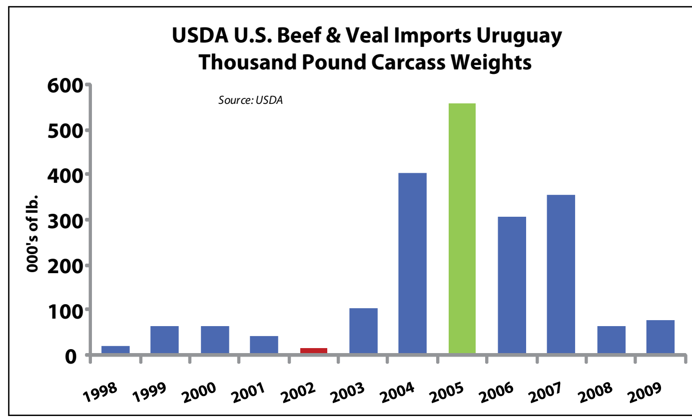




Interannual Rainfall Difference
March 2010 - March 2008
Product of National Climate Centre







Pork: struggling to perform...

By: James P. Kenny and Andrew Knox

Foreign trade has continued to be the dominant story in pork, but in 2009 it was for a decline in shipments rather than an increase. It would have been hard to fathom a year better than 2008, but when the final totals were tabulated, the U.S. shipped quantities that were even below diminished expectations.

Estimates of U.S. pork exports for 2009 totaled 4.151 billion pounds, compared to 4.668 billion pounds in 2008. That represents a 13.62 percent decrease year-over-year, and marked the first year-over-year decline in the history of U.S. pork exports. Significant shifts were noted among the top destinations for U.S. pork in 2009. Sharp declines were seen in shipments to China, Hong Kong, Russia and Korea, while the appetite for U.S. pork in both Japan and Mexico remained voracious. Shipments to Japan were off slightly, but it still remained the top destination for U.S. pork. Shipments to Mexico increased 33.34 percent in 2009 to 8.99 million pounds.

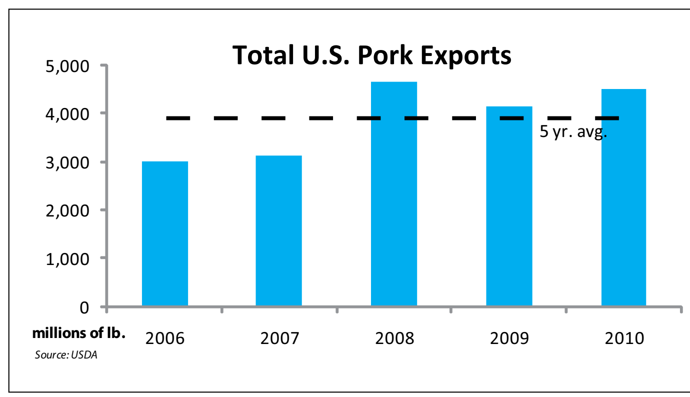
U.S. pork imports in 2009 were largely unchanged when compared to 2008. 2009 imports totaled 834 million pounds, compared to 831 million in 2008. Shipments from Canada increased 5.2%, accounting for about 81 percent of U.S. pork imports, Mexico for about 2 percent, Denmark for 10 percent, Poland for about 3 percent, and the Netherlands and Italy each for 1 percent.

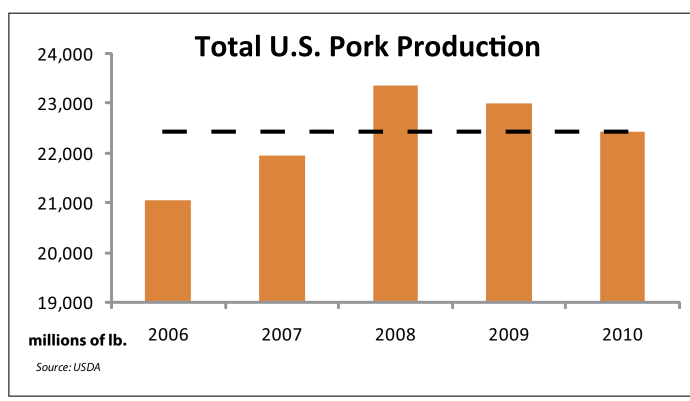
Imports of live swine, 99.9 percent of which were of Canadian origin, continued to decline in 2009 by more than 32 percent. This was likely the result of a combination of factors, including the appreciation of the Canadian Dollar, ongoing herd contraction in Canada, an increase in slaughter capacity in Canada, and the reluctance of the U.S. pig-finisher to source animals from Canada given COOL regulation.

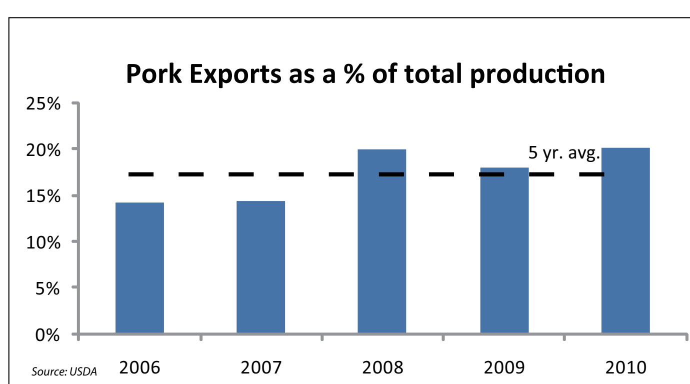
As the industry began to reduce its breeding herd and market hog inventory in response to surplus supplies and slumping profits, commercial pork production began to decline. Production totaled 2.3 billion pounds in 2009, roughly 1.5 percent below the previous year.

Despite a decline in commercial pork production, which would normally lend towards tighter supplies and higher prices, the reduction in the volume of pork sent abroad was too great to be offset by production cutbacks, and the result was a positive change in U.S. net supplies. Net pork supplies were estimated to be up roughly 1 percent.

A struggling domestic economy in 2009 translated into weaker demand for pork in the U.S. as many price sensitive consumers opted for cheaper meal alternatives, adding additional pressure to an already oversupplied market. Compounding the problem further, the industry was shaken up in the end of April by a global outbreak of the H1N1 flu, originally given the misleading name, "swine flu." This new strain is believed to be a mix of swine, bird and human viruses, and although it is respiratory in nature and has nothing to do with eating food, the pork industry felt the brunt of the public misunderstanding about the virus. Retail pork sales were off dramatically in many parts of the U.S. and other parts of the world as consumers reacted out of fear by avoiding pork products. While the industry no longer appears to be feeling the negative effects of the virus's initial blow, the seasonal rallies that normally occur after April failed to fully materialize in 2009. When you combine larger net pork supplies, a weak economy, and the effects of a global scare on pork, it's no surprise that most pork







building momentum

products struggled to perform in 2009.

Average fresh pork product values in 2009 were some of the lowest this decade. The pork cutout, which is a composite of pork cuts, trimmings, and variety meats, was off nearly 14 percent on-average year-over-year. The pork cutout ranged between $52.74/cwt and $70.95/cwt, and averaged $59.39/cwt during the course of the year. This compares to a range of $55.47/cwt to $90.79/cwt, and an average of $68.83/cwt in 2008.

The average price paid for live hogs in 2009 was off quite a bit from 2008 as well. Trade in the Iowa-Southern Minnesota area ranged between $33.99/cwt and $48.57/cwt and averaged $41.48/cwt. This compares to a range of $34.55/cwt to $66.58/cwt and an average of $47.91/cwt a year earlier.

The almost identical fall in hog values and wholesale pork prices didn't bode well for the packing sector. On average, they operated just above break-even for 2009. According to the Dow Jones US Pork Packer Margin Index, packers operated in the red for the first six months of the year, and profitably during the second half. The average loss January through June totaled $4.83 per head, compared with a $5.75 profit July through December.

While 2009 proved to be a challenging year for the pork industry, the advances that were made in the second half of the year have continued to build momentum as the market gains further ground in 2010.

Pork exports, which have been a key factor in the performance of the U.S. pork industry, are expected to rebound in 2010. Estimates from the USDA's Livestock, Dairy, & Poultry Outlook are forecasting a 6.5 percent increase in total pork exports for the first quarter of 2010, and an 8.4 increase for the entire year, based largely on the anticipation of continued strong demand in Mexico for U.S. pork products.

The cutbacks in production that began in 2009 are expected to continue as forecasts for 2010 pork production are even lower than the previous year, and production numbers for January and February have already proved to be down 7.2 percent. According to the USDA's Quarterly Hogs and Pigs Report, 5.76 million head of breeding hogs were on hand March 1. This represents a loss of 3.9 percent from last year, and is the smallest breeding herd in recent history. The U.S. market hog inventory was lower as well, 2.7 percent fewer than it was in 2009. Along with the planned cutbacks to U.S. inventories, further estimates point to the fact that the strong productivity growth that the industry has experienced the last few years may be waning. The December 2009 through February 2010 farrowings, or sows giving birth, were 3.7 percent lower than last year, while the growth rate of pigs per litter dropped below 2 percent during this period for the first time in over 2 years. A definitive cause for this decline in productivity growth has yet to be fully realized.

> **"A struggling domestic economy in 2009 translated into weaker demand for pork in the U.S..."**

The amount of pork available for domestic consumption, also referred to as 'disappearance', is expected to be less than a year ago due to the anticipation of higher exports and lower production. Stocks of pork in cold storage are already 18 percent lower year-over-year for January and February, and if expectations of a continued decrease in the availability of pork on the market hold true, wholesale pork prices are poised to move higher in 2010.

The performance of both wholesale pork prices and live hogs in the first quarter of the year is already giving validation to the belief that 2010 will be a stronger year for the pork industry. First quarter pork cutout values averaged $72.11/cwt, a substantial gain of about 23 percent over 2009, while the average price of live hogs in the Iowa-Southern Minnesota area went from $43.07/cwt in Q1 2009 to $50.18/cwt in Q1 2010, an increase of 16.5 percent.

The changes to the pork industry that have been set in motion thus far for 2010 appear to be a recipe for a much-needed year of profits for U.S. pork producers who have struggled through several difficult years. Since September of 2007, when corn prices soared to record levels, producers have failed to cover costs and have lost money in the majority of the months that they operated. Now, just as producers' financial reserves have become nearly tapped out, the pork industry appears to have righted itself and set a course for profitability. USDA forecasts for lower costs of the feed ingredients corn and soybean meal should support producers, and if the trend toward higher live hog prices continues as well, most hog producers will experience growing profit margins and likely more than break even in 2010. UB

Luxurious lamb: premiums push prices

By Haidee Elliott

Traditionally considered a luxury item, lamb is not typically seen on the nightly dinner table of the average American family. Seasonally popular at Passover, Easter, and other holiday occasions, it is often thought of as an indulgence. Frequently viewed on the menus of "white table cloth" restaurants, patrons will include lamb in their fine dining experiences. With the growing demand in the ethnic markets and the decline in production, speculation is that the availability of the domestic carcass has become somewhat limited, resulting in an overall firmer value of the lamb complex.

Looking at a chart on lamb & mutton production, although following the seasonal trend, the first few months into 2010 illustrates a decline in volume over 2009. January 2010 levels were 12.2 million pounds as compared to 12.8 million in January 2009—a decrease of 4.69 %. February 2009 produced 12.2 million pounds of lamb & mutton compared to only 11.9 million pounds produced during February 2010.

January and February 2010 saw the USDA Estimated Slaughter numbers to be at lower levels than for the same period in 2009. However, March 2010 saw an increase of almost 40,000 head above the same period last year. This can be largely attributed to the early Passover and Easter Holiday observance.

"Sources are anticipating both buyers and sellers alike will be paying higher money for their product."

The shortage of livestock has impacted the lamb carcass price. The end of the Q1 2010, 45/55 weight range depicted an increase of almost 7% over March 2009. The average pricing for the 55/65 weight range was almost $2.40/lb vs approximately $2.22/lb for the same period in 2009. 65/75 is showing roughly a 9% increase over 2009 and the 75/85 at $ 2.25/lb is almost 11% above the March 2009 average price of $2.03/lb—a recorded high since November 26, 2003.

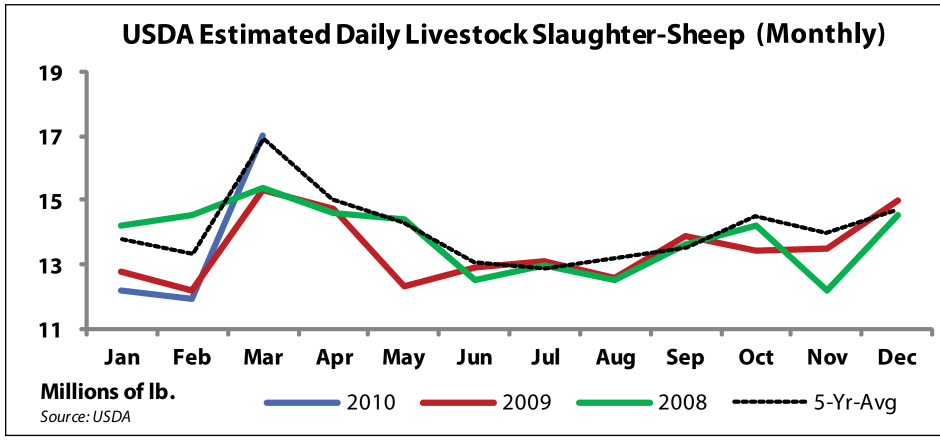
Industry experts speculate that they will be short on product until the end of June into July. According to their figures, the lamb crops are down approximately 1-2% from 2009. Currently, we are in a transition period. The old crops are coming to an end; the new crops are not ready yet. The "Springers" will not be prepared until June/July and are expected to weigh in at approximately 125-135 pounds. However, the heavy weight selections of 150-160 pounds, which are typically used for the hotels, restaurants and institutions, will not be ready for some time later in the season.

The boxed cuts have also held firm with their price ranges. March 2010 price for racks averaged $5.70/lb as compared to the same period in 2009 where pricing was $5.19/lb. The most significant increase has been legs which have improved by more than 29% over last year's levels. The average pricing in March 2009 was recorded at $2.90/lb; for the same time this year, legs were averaging $3.76/lb—not surprising as these were in high demand during the Passover and Easter holiday period.

Imported lamb products have impacted the domestic lamb market in an immense way. More and more wholesalers and distributors, who have traditionally only handled domestic lamb, are now turning to Australian and New Zealand product as an alternative. A few market participants have reported that the prices and portion sizes are becoming more competitive. The downside to this is that availability has also become an issue. Later processing of lambs combined with lack of frozen production in storage resulted in a 5% decline in exports of New Zealand lamb for the first quarter. The high Australian dollar and tight lamb supplies appear to be the main contributing factors in the decline of Australian exports this quarter.

According to Meat & Livestock Australia, the shortage of supply of lambs resulted from producers selling their lighter weights early at the end of last year due to strong prices. Premiums along with rain during the Christmas period encouraged more producers to hold onto lambs to finish or store lambs to finish--driving up completion for lambs and prices further. Typically, there is a lull in trade of heavy/trade lambs for this time of year. This is particularly apparent this year due to the high prices, a good season in the southern regions, and a turn in season in the north with the December and January rainfall.

When asked his opinion of the Australian lamb imports over the next quarter, Stephen Edwards, the North American Business Development Management Manager for MLA responded, "For the full year we expect lamb slaughter to increase marginally on last year and we expect this to be achieved largely in the second half of the year. Restocking of flocks due to good rains across prime lamb producing areas and good pasture regrowth along with the continually high Australian dollar and high livestock prices, supplies will be tight until perhaps July 2010 especially on frozen lamb products predominantly destined for the foodservice market."



Going forward into 2010, participants are indicating that both the lamb carcass and boxed cut value will be above those of the recorded five-year seasonal averages. Sources are anticipating both buyers and sellers alike will be paying higher money for their product. In an already tough economy, consumers could look to lower-priced proteins for both the family table and dining out. With the shortage of both domestic and imported supplies, and the current weakness of the U.S. dollar, the lamb industry will be facing many challenges in the upcoming months.

Chicken: making head-weigh

By Michael O'Shaughnessy and James Serpico

The chicken industry over the past year has been characterized by a variety of factors that when all is said and done have brought it from the record low conditions of 2008 to a position of general stability. We witnessed the rise of wings which reached all-time highs and experienced the ups and downs of a variety of other items but for the most part prices were fairly placid. This is no surprise as the market was greatly supply driven. Inventories were in check for the most part but with such little demand at all levels, significant price changes, either increasing or decreasing, were few and far between. Playing a large role in this equation were the significant efforts made to cut back production and the more haphazard weather related setbacks caused by this winter's relentless snowstorms. Less than

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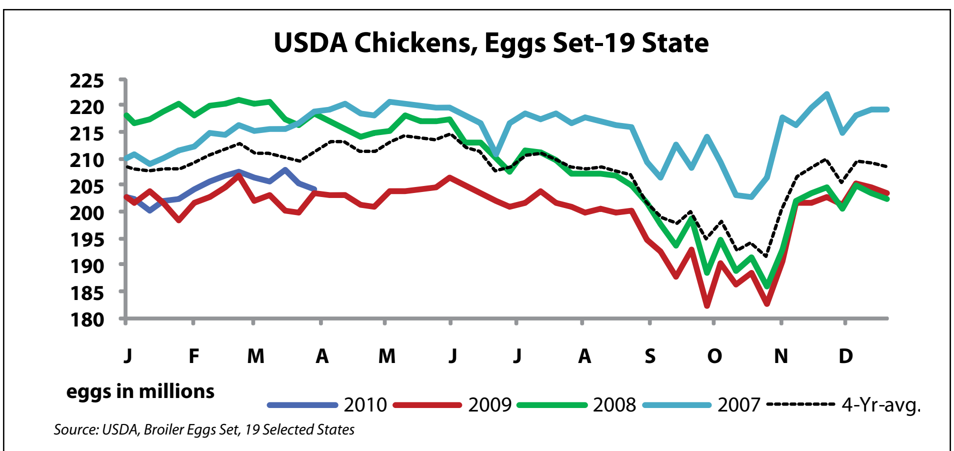
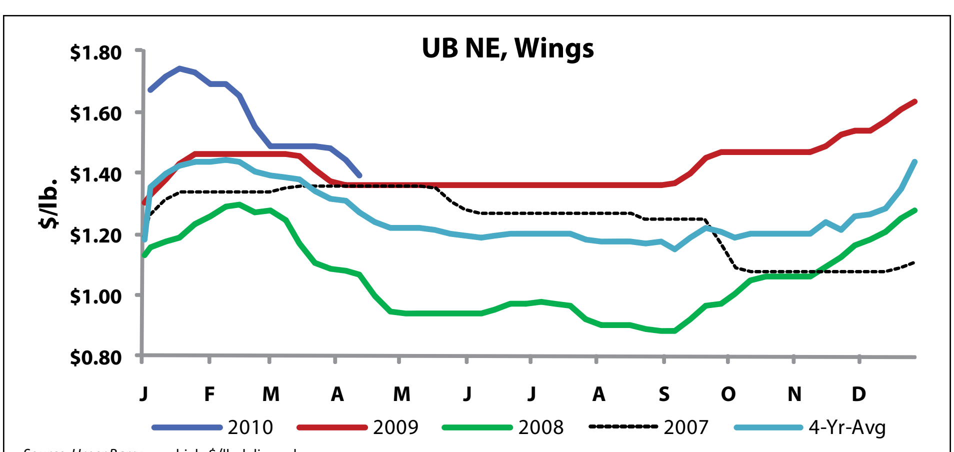
expected performance in the hatchability and livability of the birds was a direct result.

With such dull market conditions over the last twelve months it has been a difficult task to find any sort of highlight in that span. Difficult until we mention wings. Urner Barry's quotation for wings saw an advance of $0.37/lb. from April last year to January of 2010 when it reached its' record high of $1.74/lb. Not surprisingly, this figure could not sustain such a high standing and retreated a bit through the first quarter and settled at $1.43/lb. in April. Unlike most other items which were alleviated of any strain by their lack of availability, wings prospered due to a combination of extremely short supply and surprisingly strong exigency. While food service needs evaded the majority of the complex, the call for wings flourished as consumers set their sights on these cheaper restaurant alternatives.





Not to go unmentioned is Russia's decision to shut down all poultry imports from the United States which was set in motion on January 19, 2010. Russian officials explained that a chlorine wash routinely used in U.S. processing plants violates its food safety standards. This event put a scare into the minds of many producers that, by losing the largest importer of leg quarters, dark meat prices would plummet. As the first quarter progressed, the majority of these items remained fairly level. What many found was a saving grace of alternative avenues to ship product to. Countries in the Far East, the Middle East, and Africa, for example, became safety valves for a variety of players. As of April, no official decision was made but the latest discussions have been described as constructive.

Looking ahead, the continued effort to control production levels will be paramount to the success of the chicken industry. In the weeks ending the first quarter of 2010, the egg set and chick placement numbers did increase slightly but they were still well below the elevated levels recorded in mid-2008. There has been word that the latest recession is in a recession of its own but consumers continue to pinch every penny nevertheless. This gives little hope to the idea that food service will rebound in any significant manner proving the extension of industry cutbacks all the more important.

Focusing on some positives going forward, the prices of competing proteins such as beef and pork have rebounded as of late which will certainly assist in drawing attention to chicken, at the retail level in particular. Also, the latest decline in the price of corn will help to lower production costs and should help with the industry's progression.

Turkey: a tale of tallying tonnage

By Russ Whitman

Last year at this time the turkey market was in a tumultuous position, coming off a course that was unpredictable in the preceding 18 months. Economic conditions, over-production and high storage figures had severely hampered the ability to market turkey products at prices that justified the expenditures. So far this year, and for the foreseeable future, at least two of those market-hindering factors have been eliminated from the picture.

As had been anticipated based on big reductions in poult placements during early 2009, the year closed with slaughter figures down 10% from year prior levels. This decline was for both the number of head slaughtered as well as for the total 2009 live weight. This marked a change in the weather from the decline in head count but the advance in bird weights kept early 2009 figures more moderate.

So if much lower slaughter levels whet the appetite, then excellent holiday movement of whole birds and the resulting reduction in overall ending storage stocks was the icing on the cake. This set the stage for processors to market everything from MST to toms and hens with confidence rather than from the underdog position that characterized the sellers' positions in early 2009.

Unlike 2009, a sense of predictability emerged in 2010. As the year unfolded expectations of market behaviors based on limited inventories and low slaughter came to fruition. Supply side economics dominated the picture and the upshot of higher asking prices was sales at premium levels. Sensing that market values were not going to be looking over their collective shoulder, buyers hedged against potential price strengthening by making purchases of parts, raw materials and whole birds in a more active and aggressive manner than the more casual approach of last year. Export demand has been consistent but lacking the ability to export product to Russia produced heavier reliance on the turkey industry's number one export destination—Mexico.

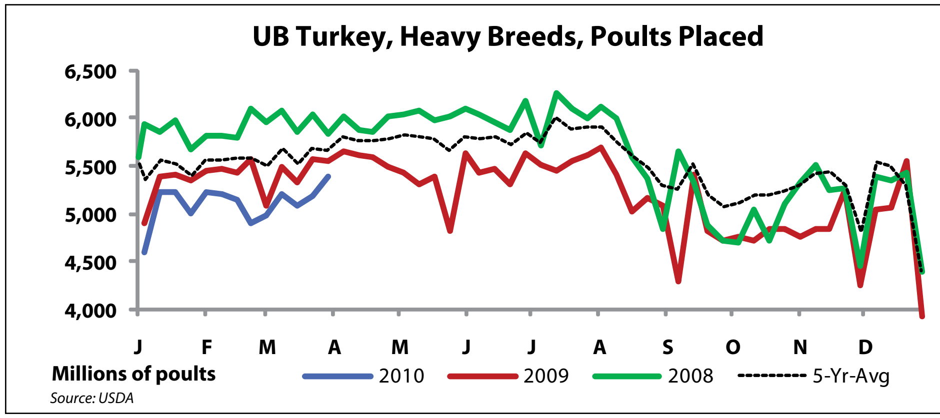
From a commodity value perspective, the 2010 market year has been, and is expected to be, a strong year for the turkey industry. Whole bird quotations hit their quarterly low in early January at $.77/lb., $.04 above 2009. Purchases in early 2009 were laced with caution but forecasts of reduced slaughter well through midyear and much lower inventories spurred buyers into action if not earlier, then with more certainty. Availability was characterized as being adequate at best with most whole body processors expecting to have the same or fewer birds available to market. By Easter, forward negotiations were targeting values in the range of $.90-$.95/lb. for early fourth quarter delivery dates.

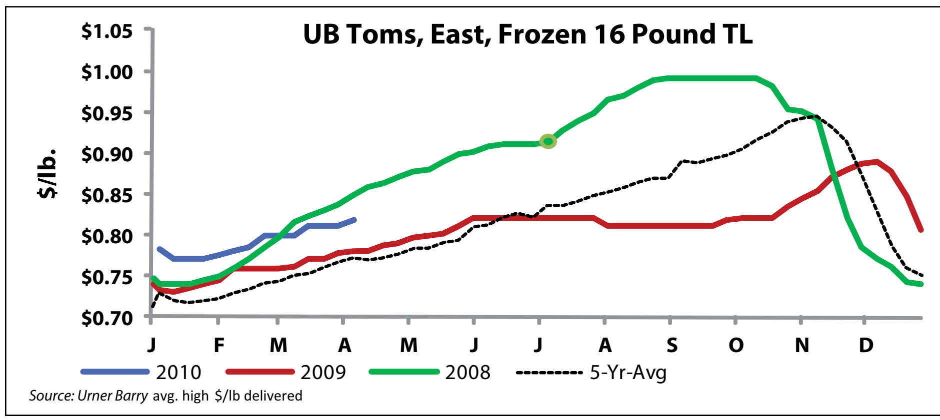
Like with whole birds, the breast meat market has thus far proven to be a breath of fresh air for the turkey producers. Once again, generated out of concern of tight supplies, low inventories, and expectations of more limited availability out front, finished goods suppliers have been prompted into the market earlier and more aggressively than in 2009. Consumer spending habits resemble those of last year and favor purchases of lower cost turkey products. The difference being that last year there were significant inventories. By the end of the first quarter, buyers had absorbed anything resembling bargain priced raw materials and now vied for production at price points that were about $.50/lb. higher than 52 weeks earlier. By this time, tenders, breast trim, scapula and wing meat were only being made available on a first come, first serve basis. Record high prices for items including thigh meat, drums, necks and two joint wings have been in place all year. Input costs are still noteworthy and reducing some of the return potential suggested by market values.

With that said, there are encouraging signs on the horizon. Most notable are the cutbacks in poult placements which YTD 2010 are down over 5%, an impressive number when one considers that current placements reflect a full 14% cutback from the same time in 2008. According to the most recent available data, YTD RTC slaughter is down about 7%, representing a decline of about 20% from 2008. If the hatch report figures stay on the same course, this trend should be well in place through at least late August.

The influence of the cold storage figures on future market conditions is likely to add fuel to an already established fire. As a general observation, the fact that holdings through late February were running 20%-30% behind 2009, depending on the category, is impressive. Assuming that slaughter remains five to six percent below last year for the first half of 2010, (based on current poult placement figures) and demand remains even with last year's economically challenged level, freezer stocks should not advance greater than is seasonably expected and support advancing prices in keeping with calendar date influences. This should mean that turkey industry marketing efforts will benefit from supply side economics for the foreseeable future and buyers will not enjoy the same purchasing power they did last year.

As in the past, the turkey industry will be facing many challenges in the coming months. This year however, unless an unforeseeable factor or factors start negatively impacting trade conditions, the prognosis is a good one. Marketing efforts will no doubt be enhanced by highly manageable slaughter levels and cold storage stocks which are not playing a spoiler role. Although little can be done to boost the pressures associated with the economy and consumer spending, the industry has made great strides in controlling production and the results are just now beginning to show. Turkey industry insiders are hopeful that the encouraging signals and strong market prices being observed so far, will ultimately symbolize a return to profitability and some peace of mind for an industry longing for just that. UB





Making the rounds with UB's *Reporter*

NATIONAL TURKEY FEDERATION'S ANNUAL CONVENTION

The month of February brought with it some of the most severe winter weather recorded in recent history in numerous areas of the country. Travel was quite the challenge. Despite some necessary scheduling changes and unseasonably cool weather, *Urner Barry's Reporter* made it safely to San Antonio in early February where the National Turkey Federation (NTF) was holding their annual convention. Themed *Spurring Change: New Strategies for a New Economy*, NTF's 2010 Annual Convention was designed to help members learn new strategies to deal with an economic environment unlike any in recent memory.

Bill Prestage, Prestage Farms, accepted the Lifetime Achievement Award during NTF's Annual Convention. The Prestage family (pictured from left to right): Ron and Cindy Prestage, Bill and Marsha Prestage, John and Janet Prestage, and Joy and Scott Prestage.

A focal point of the convention was when Bill Prestage, founder of Prestage Farms, Clinton, N.C., was presented with the NTF Lifetime Achievement Award. *The Reporter* was in the audience when Mr. Prestage was honored for his long-term, unselfish dedication to creative innovation in turkey production.

In addition to the presentation of the Lifetime Achievement Award, the Board of Directors elected Yubert Envia to serve as the Federation's 2010 Chairman. Envia is vice president of turkey and prepared foods for Foster Farms in Livingston, Calif.

In accepting his chairmanship Envia said "I guess I could say that I am somewhat optimistic about our future profitability but I don't think we should be relying on production as an indicator and instead should be looking more at capturing a larger share of the consumer's interest by offering them the widest possible variety of turkey products in the marketplace."

The Reporter will be in attendance at next year's annual convention being held in Tuscon, Arizona.

NATIONAL MEAT ASSOCIATION

On February 10-13 *Urner Barry's Reporter* made its way over to the National Meat Association's Annual Conference at the Renaissance Esmeralda Resort and Spa in Indian Wells, near Palm Springs California. Members of the National Meat Association include meat packers, processors and many others that serve these industries. The *Reporter* was distributed to the hotel rooms of all the attendees and made a special appearance at the Supplier Spotlight Social.

As always, NMA's 64th Annual Convention was packed with educational roundtable seminars. These seminars were conducted among experts who provided insight on current issues facing members. Topics included: Laboratories, Food Safety Reform, Competition and Regulatory Issues, Cap and Trade, Technologies of Transparency and Traceability, Operation Zero, International Trade, and Image of the Industry. Throughout the event there were also smaller, more intensive forums on the topics of Workplace Issues, Beef, Food Safety and Marketing, as well as a Legislative and Regulatory Update.

ANNUAL MEAT CONFERENCE 2010

On March 7-9th at the Rosen Shingle Creek Hotel in Orlando, Florida, *Urner Barry's Reporter* was happy to attend the latest 2010 Annual Meat Conference. This year's event was jam packed with business savvy presentations, industry friendly meet-and-greets, and even a belt-loosening, product tasting reception. Discussions throughout the three-day span included, but were not limited to, how to navigate your business through the current state of the economy, create effective sales and marketing strategies, explore the latest trends and learn innovative ways to tailor your product, and manage your communications during a potential recall or other crisis. The product tasting reception was a *Reporter* favorite and featured 42 exhibitors which presented a feast showcasing some of the newest and most innovative meat and poultry products in the retail marketplace.

BOSTON SEAFOOD SHOW 2010 AN UPBEAT SCENE

'Urner Barry's Reporter' was on hand with the Urner Barry Staff at the International Boston Seafood Show. From left to right: "Ray Porter," MaryAnn Zicarelli, Paul Brown, Jr., Angel Rubio, Jim Kenny, and Janice Brown.

The International Boston Seafood Show which opened March 14, 2010, could not be plagued by the torrential rains in Boston and power outages at New York airports. In fact, the mood was quite optimistic right from the beginning.

During the first day, and judging by the reaction of most seafood sellers, there was no question that 2010 was shaping up to be a better year than 2009. There was a growing interest in seafood again, both at foodservice and retail. In an environment when many customers are reviewing sourcing needs, the show has again become a hotbed of activity, meetings, and kicking tires.

The last day of a three-day trade show is typically the lightest, with less traffic and interest than in the previous two days, but as the show wound down, most seafood sellers appeared to have had a good show.

The huge rainstorms that pounded Boston and New York definitely cut attendance, as plane schedules were disrupted, yet it was not enough of a factor to change the tone of the show.

Another positive sign at the show was that many were reporting that Lenten promotions went very well, in many cases exceeding expectations, and leading to reorders. With all of this activity, many people at the show were feeling a wind at their back for the first time in three years.

Marine Stewardship Council head Rupert Howes said that this was one of the best shows that the organization had had in many years. He was referring to the increase in demand for certifications by a range of U.S. fisheries.

The Seafood show was slightly smaller on floor space, but had more visitors this year.

39TH ANNUAL MIDWEST POULTRY FEDERATION CONVENTION

Urner Barry's Reporter attended the 39th annual Midwest Poultry Federation (MPF) Convention this past March at the RiverCentre in St. Paul, MN. As the largest regional poultry convention in the U.S., the MPF Convention is a great forum to meet with suppliers, growers and industry peers.

The luck o' the Irish was with the 'Reporter' this March at the Midwest Poultry Federation (MPF) Convention as it happened to coincide with St. Paul's annual St. Patrick's Day Parade. The 'Reporter' was happily shared among some parade revelers.

The convention kicked off on March 16 with a Pre-Show Nutrition Symposium and Welcome Reception. According to MPF 2010 President Pete Rothfork, "The Welcome Reception is one of our most popular events, and is a great opportunity to do some networking before the busy rush of the convention begins."

Over the next two days attendees took advantage of a wide array of education sessions, interactive product demonstrations by exhibitors, symposiums and workshops for poultry producers, processors, breeders and affiliated industries.

While *The Reporter* was in town St. Paul was host to its annual St. Patrick's Day Parade. This event attracts thousands of tourists and locals alike to the streets of downtown St. Paul where everyone is Irish for a day! *The Reporter* is looking forward to next year's convention being held at the RiverCentre March 16 and 17, 2011.

NORTH AMERICAN MEAT PROCESSORS ASSOCIATION (NAMP)

The North American Meat Processors Association (NAMP) held its annual Management Conference at the Drake Hotel in Chicago, March 19-21st. This year's keynote speaker was international business leader and best-selling author, Sharon L. Lechter. During the two-day conference, educational sessions were in place for all sectors of the industry including owners and management, operations, sales and marketing, finance, and quality assurance. Topics of discussion included food safety, operating in a challenging economy, and foodservice trends to name a few.

Prior to this event, NAMP hosted a mini-conference on E. coli O157:H7 and other pathogens. Attendees were then educated on how to build an integrated food system. During the session, they were taught how to create an ideal plant environment for food safety, how to create an approved supplier program, raw material testing, and how to identify problem suppliers. They were also given information on completing hazard analysis and identifying CCP's and corrective actions.

An awards luncheon was also held at which time NAMP president, Gary Malenke, of

Wrapping up the NAMP conference was a launch party for the 'Meat Buyer's Guide.'™, where everyone had a chance to celebrate the long-anticipated release of the 6th edition of the book. Pictured from left to right are Robert Hatoff, Allen Brothers; Jon Rocke, RMH Foods; Bryan Saterbo, Colorado Boxed Beef Company; Michael Forrest, Teys Brothers Poultry Ltd; and Michael Strauss, Colorado Boxed Beef Company.

Sioux-Preme Pork Products honored Dr. James Dickson of Iowa State University by presenting him with the Harry L. Rudnick Educator of the Year Award. Michael Strauss received the Gavel Award as the past president of NAMP, and current chairman, Dave Crost, from Meat & Poultry received the Program Planning Chair Award.

Highlights from the conference included a cutting demonstration forum using NAMP's new *Meat Buyer's Guide*™, the Showcase Reception where regular members offered out samples of their food items while associate members displayed their products & services, and then of course the launch party for the *Meat Buyer's Guide*.™ Wrapping up the conference, this was a pleasurable occasion for everyone and a chance to celebrate the long anticipated release of the sixth edition of the book.

In all, this conference was the perfect time and place to network with those in the industry, become more educated and of course get introduced to the all new NAMP *Meat Buyer's Guide*.™ UB

Taking on issues facing the pork industry...

60 Seconds with...

GARY MALENKE

President of Sioux-Preme Packing Co.

Gary Malenke is President of Sioux-Preme Packing Co., and also holds the distinction of being President of the North American Meat Processors (NAMP) Association. Malenke began his career in the animal feed business, which led him to IBP and then Sioux-Preme Pork. During his 22 years at Sioux-Preme, he has held positions in procurement, operations and sales before becoming president in 2002. *Urner Barry's Reporter* recently caught up with Malenke for a quick question and answer session on some important issues facing the industry, and happenings at Sioux-Preme.

URNER BARRY'S REPORTER: *What are the most pressing issues facing the pork industry today?*

SiouxPreme
PACKING COMPANY

GARY MALENKE: A couple things come to mind with the first being image. The pork industry is full of professional business people that are proud of the way they operate their companies. Unfortunately there are people (or groups of people) that believe our industry is full of "bad actors". Can the pork industry improve? Absolutely, and we will continue to do so. We need to persist in our efforts to elevate the positive impact pork production has on our communities and how we are feeding the world. Secondly, is economics; with feed cost being the primary driver of production cost we face uncertainty in our ability to be a long term competitive protein source.

UB: *The U.S. pork industry has become hugely reliant on foreign trade, with exports comprising as much as 20 percent of production in recent years. Do you see this as your greatest opportunity or greatest fear?*

GM: Without a doubt it's an opportunity. We have a history of being one of the lowest cost pork production nations in the world and we need to continue work from this point of strength. We all know there are risks in exporting from exchange rates to politics. Food safety many times gets highlighted as the reason for a foreign country to stop buying from the U.S. Let's not forget we are producing some of the safest food in the world.

UB: *Sioux-Preme Packing Co. is one of the few mid-sized pork processors which has survived, and even thrived in recent years; to what do you attribute your success?*

GM: One of the largest differences today versus 20 years ago is customers. Today they want choices such as animals raised without antibiotics, family farms, organic and breed specific programs. We have focused on filling these niches and see these markets as customer-driven alternatives to commodity pork production.

UB: *You opted to take the lead and install a CO2 stunning system; what advantages has this brought to your operation?*

GM: 15 years ago if you would have told the industry there will be a focus on "animal welfare" most would say you're nuts. Today, everyone is a believer and knows and we have made great improvements in our practices. One big step for us was the CO2 stunning system. Not only has it enhanced animal welfare but improvements in meat color, blood spotting and water holding capability are evident.

UB: *What's next for Sioux-Preme?*

GM: Continue to search for ways to play off the strengths of our manufacturing flexibility yet "right size" operations. Customers will continue to change and we need to be ahead of the curve in fulfilling future niche opportunities.

UB: *Lastly, you took the reins at NAMP this year; what are your chief goals for the association?*

GM: Every member company of NAMP is a customer. My focus has been to continue building from the strong foundation of past leaders though education, networking and serving the interest of the membership. Growing both membership and the relevance of NAMP as a resource for improving your business is of highest importance. Engaging in NAMP has been a rewarding experience both professionally and personally for me and I would strongly recommend it. UB

Polish proclivity toward protein proves plentiful

©iStockphoto.com/Dušan Zidar

Goulash was originally a Hungarian dish, but there are countless regional varieties across central and eastern Europe. Polish goulash, pictured here, is one variation. It can be made with a variety of meats - beef, lamb, or venison.

By Greg Deppeler

Poland is situated in the northeastern portion of Europe, east of Germany, northeast of the Czech Republic, south of the Baltic Sea, and west of the former Soviet provinces of Belarus and Ukraine. In geographic area, it is approximately the size of the state of New Mexico.

Polish cuisine has been “borrowed” from other countries; as it formed many political alliances over the centuries. From Hungary came stew, or goulash; from Italy, salad; from France, pastry; and from the Ukraine, beet soup or borscht.

Poland’s rich agricultural area yields a variety of grains (barley, wheat, and rye), all of which can be made into noodles, breads, and dumplings. Boiled potatoes are the ever-present side dish, and accompany the center-of-the-plate proteins of poultry, fish, and meat. Pork is the most popular meat consumed, and is commonly served as a breaded and fried cutlet. Both pickled and smoked fish are also popular, and herring is the most widely used species here.

Historically, Polish food traditions and practices have been strongly influenced by Roman Catholicism, the dominant religion of the country. Dinner on Christmas Eve consists of twelve courses, one for each of the Apostles of Jesus, and sometimes a thirteenth course for Jesus himself. Meat is usually eschewed for religious menus, and the main Christmas dish is either pike or carp.

Poles typically eat four meals daily: breakfast, a light second breakfast, dinner, and a light supper. A very popular Polish fast food is “flaki”, a boiled fare made from the stomach of a cow and accompanied by onions or carrots.

Other popular Polish dishes include, but are not limited to, veal meatballs, barley and mushroom soup, kielbasa and cabbage, cheesecake, noodles with poppy seeds, and dried fruit.

A well-liked Polish dish, and one that is considered to be part of traditional cuisine, is Goulash. It is similar to the popular Hungarian entree and usually eaten with buckwheat kasha. UB

POLISH GOULASH

INGREDIENTS:

1 ½ pounds boneless chuck steak, trimmed of fat and cut into 1-inch cubes

One medium green pepper, chopped

One medium onion, also chopped

One medium to large-sized tomato, peeled, seeded and quartered

One tablespoon of shortening

½ cup ketchup

¼ to ½ cup of water

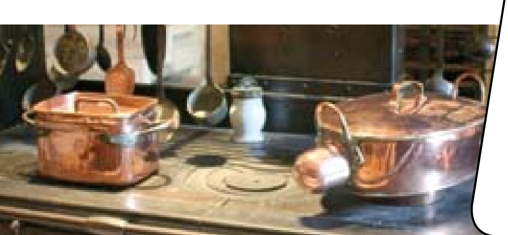
Salt and pepper to taste

DIRECTIONS:

Brown the green pepper and onion together in shortening. Add the tomato and chuck steak, and mix well.

Next, add ketchup and ¼ cup of water and blend together. Add remaining water. Bring mixture to a boil and allow to simmer for about 20 minutes.

Serve over rice or egg noodles. Makes about six servings.

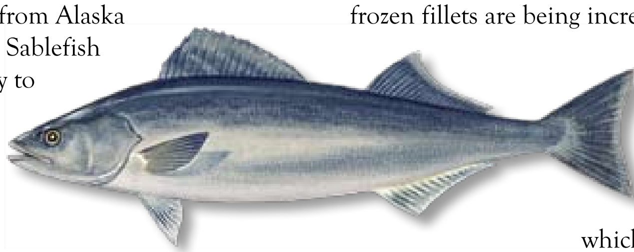


A.k.a. black cod...

Species 101: Sablefish

Sablefish fillet.

Sablefish, *Anoplopoma fimbria*, is the only officially approved name for this species in interstate trade, but it is widely known as black cod, especially along the west coast. Harvested fish average about eight pounds, and range between two and twelve pounds, though they can grow up to 50 pounds. They are caught the entire length of the Pacific coast, from Alaska to California. Sablefish have dark grey to black skin with a very distinctive furry texture.



Sablefish are caught in trawls, on longlines and in pots. Potted and line-caught fish are traditionally considered better because they are bled and because they are handled more carefully. Product is also available frozen at sea, which is also very good quality. Sablefish are generally available as headless, dressed fish or as skinless fillets. As with most oily fish, they do not have a particularly long shelflife, and so, must be handled with speed and care.

Much of the sablefish sold in the United States is smoked, though both fresh and frozen fillets are being increasingly utilized domestically. Still, the market is heavily influenced by Japan, which buys headless dressed fish. Japan buys most of the world catch, of which the U.S. is the largest producer.

Most of the fish exported to Japan is in frozen, dressed form. Japanese buyers, who sell the fish for sashimi, prefer fish over five pounds dressed weight and are very selective about quality. Smokers in the United States also prefer such larger fish. As a result, there is often a surplus of cheap, smaller fish which can be filleted and offered at very reasonable prices. Sablefish may be offered IQF, individually wrapped, or frozen in small glazed blocks, laid head to tail. Fillets are generally pinbone-in, skin-on.

Sablefish is a well managed resource, and according to the National Marine Fisheries Service FishWatch, Sablefish population levels are moderate, and no overfishing is occurring. UB

©iStockphoto.com/Antonio D'Albore

south korea:
a nation poised for continued growth

South Korea is located on the southern half of the Korean peninsula bordering the Sea of Japan and the Yellow Sea. After the dividing of the Korean peninsula in 1953, South Korea achieved rapid economic growth with per capita income rising to roughly 14 times the level of North Korea. Today South Korea is a fully-functioning modern democracy.

Since the 1960s South Korea has achieved an incredible record of growth and global integration to become a high-tech industrialized economy. Four decades ago GDP per capita was comparable with levels in some of the poorer countries of Africa and Asia. In 2004, South Korea joined the trillion dollar club of world economies and is currently among the world's 20 largest economies. South Korea achieved all of this success through a system of close government and business ties. The government promoted imports of raw materials and technology at the expense of consumer goods and encouraged savings and investment over consumption.

Prior to 2003, South Korea was the third largest market for U.S. beef exporters with an estimated value of $815 million. In that year, South Korea closed its doors to U.S. beef imports after the discovery of a U.S. case of mad cow disease. Since then, U.S. beef exports to South Korea have been a continuous stumbling block in trade relations. The country embarked on an on-again, off-again relationship with U.S. beef; the market had been opened and then closed on several occasions for findings of bone fragments or other breaches of the trade agreement. In 2008, when President Lee Myung-bak assumed office, it was widely expected that he would relax the ban on U.S. beef as part of the ratification process for the South Korea-United States Free Trade Agreement concluded by his predecessor, Roh Moo-hyun. While Lee did agree to fully reopen borders to U.S. beef, the act was highly protested by the people of South Korea. Nonetheless, U.S. beef imports resumed on July 1, 2008. Today the United States continues exporting beef to South Korea. UB

South Korea / U.S. comparison

AREA	99,720 sq km	9,826,675 sq km
COASTLINE	2,413 km	19,924 km
POPULATION	48,508,972	307,212,123
LIFE EXPECTANCY	78.72 years	78.11 years
GDP	$1.356 trillion (2009 est.)	$14.25 trillion
GDP (per capita)	$28,000 (2009 est.)	$46,400
AGRICULTURE AS A %GDP	3%	1.2%
AGRICULTURAL PRODUCTS	rice, root crops, barley, vegetables, cattle, pigs	fruit, wheat, corn, grains, poultry, beef, vegetables
LABOR FORCE	24.37 million	154.1 million
UNEMPLOYMENT RATE	4.1%	9.3%
OIL PRODUCTION / CONSUMPTION	30,440 / 2.175 million (bbl/day)	8.5 / 19.5 (million bbl/day)

Good food is music to the ears in Austin

By Jim Buffum

A deck full of picnic tables and beach-club umbrellas front the outdoor dining at Perla's Seafood & Oyster Bar.

Nestled among the rolling hills and lakes of Central Texas is Austin. Sometimes referred to as the most liberal city in conservatively-based Texas, Austin is the seat of state government, an educational Mecca with several area universities and boasts an entertainment complex that includes the best of live music, the arts and all the fun of the great outdoors.

This coming June, in conjunction with the 25th USA Poultry and Egg Export Council's annual meeting, *Urner Barry's Reporter* will be visiting this great city. As loyal readers know, the *Reporter* always has an appetite for eclectic, unique but, most importantly, tasty food and beverages. Well, along with its unwavering reputation as the live music capital of the world, Austin is the proud home to more than 100 places to eat, drink and be fabulous that have opened in the area in the last year alone. Although hours could be spent on a discourse about the culinary experiences in Austin available to visitors, a few strong contenders have emerged.

• The French brasserie **Justine's** wins for Loudest Buzz.

• The **East Side Show Room** gets the Post-Apocalyptic Concept Prize.

• **David Garrido's** eponymous taqueria takes home the Say My Name Award.

• The Downtown Is Our Town Again Trophy goes to **Annies Café & Bar**.

But the honor of being Newcomer of the Year belongs to **Perla's Seafood & Oyster Bar**, the South Austin restaurant from chefs Larry McGuire and Tommy Moorman Jr.

With a deck full of picnic tables and beach-club umbrellas fronting South Congress Avenue, Perla's opened last April with two factors in its favor: beautiful weather and the hyperventilating foodies who had heard that the guys behind Lamberts Downtown Barbecue (another great place) were planning a seafood place in the former home of Mars restaurant, which closed in December.

From a kitchen team that includes Parkside alumnus Ben McBride and Jeffrey's veteran Josh Sacco, Perla's turns out solid dishes like grilled octopus, creamy lobster grits, perfectly fried oysters and razor clams and a whole grilled red snapper with spicy red chimichurri. McGuire calls it 'fine dining-caliber food for the masses.'

The bar keeps pace with a nimble wine list and fresh cocktails like Alpine lemonade made with Aviation gin, pine liqueur, crushed raspberries and lemon juice. And in this past April's issue of *Esquire*, Perla's made the magazine's list of the best new restaurants in America.

In a sea of worthy competitors, Perla's is the Newcomer of the Year in Austin because everything works together. The blue-and-yellow color palette of the decor and the loopy lettering of the logo evoke an easy surf nostalgia without conjuring images of Jimmy Buffett. The food is by turns campfire simple (grilled Brussels sprouts, pan-roasted grouper) and high-end finessed (seared scallop with jicama and lime), but it keeps its face turned to the salty ocean spray. In short, Perla's succeeds at being new because it feels like it's not new at all.

For Chef Moorman, the formula has been straightforward: 'It's a great location. I think people are digging what we're trying to do: fresh, simple, honest seafood.'

A big part of that is oysters. Lots of them. As an oyster shucker, Moorman says he's second only to oyster manager Jennifer Tucker. Yes, Perla's moves enough oysters that the briny bivalves need their own manager! 'You have to keep on top of inventory and ordering,' Moorman said. 'All that stuff gets flown in from probably five different sources.'

On a recent weeknight, the menu included 13 types of fresh oysters. Kumamotos from California, Olde Salts from Virginia, Malpeques from Canada, oysters from the Texas Gulf Coast, sold by the half-dozen for $10 to $15 with 'crackers and good condiments.'

McGuire said he's interested in making Perla's as strong as Lamberts, which opened to fanfare of its own in 2006.

Meanwhile, the Hot New Thing momentum has swung to Justine's and the East Side Show Room. McGuire is all right with that.

'Now we're just trying to settle into being a great restaurant with solid food and consistent service,' he said.

So this June, when considering where to get your gastronomical fix, give Perla's or any of the many other fine restaurants in and around Austin a shot. You will enjoy the experience! UB

Urner Barry as a gauge for the market

There are those who believe that markets are inherently efficient, and then there are those who believe they are seldom so. Theories exist which prove that these two beliefs are correct, yet both stem from the reasoning that access to information is essential in order to make rational decisions. For example, asymmetry of information arises when one party possesses more or better data, statistics or knowledge than the other. This situation creates problems like moral hazard and adverse selection, and therefore leads to inefficient market outcomes. According to the late Milton Friedman, American economist and recipient of the 1976 Nobel Memorial Prize for economic science, there is no better indicator in a free market economy than price, and Urner Barry has been reporting commodity market price information for more than 150 years.

Urner Barry's information, we can assume, has led to more efficient outcomes in this worldwide market economy; reaching international producers who sell their product to U.S. importers and allowing them to make better and more informed decisions. Let us use shrimp as an example. Almost 85% of all the shrimp consumed in the U.S. is imported. This market is reported and quotations are established by Urner Barry. For these reasons let us look at the time series price of 41-count shrimp from Latin America against the imported price per pound from Ecuador (import value reported by the USDOC divided by volume). Notice a tight correlation exists. *(See chart 1).*

Many exporters in Ecuador currently monitor UB quotations in order to negotiate pricing levels with their U.S. importer counterparts. It is clear to see that the percent change in price for Urner Barry's quotations and the import price per pound, follow very similar patterns *(See chart 2).*

Additionally, recent reports indicate that UB prices for 41-count shrimp have increased; as higher replacement costs have forced U.S. importers to raise offering levels. Some producers in Ecuador have indicated that the rise in feed expenditures, which accounts for approximately 60% of their costs, has obligated many to make adjustments. Cutting production, changing production cycles and even passing the higher costs onto their buyers are a few of the routes producers have pursued to help offset advancing feed outlays. This, however, can be viewed as merely empirical, as fishmeal, the essential component of feed, has reached record high pricing levels. *(See chart 3)*

The experiential data, and the observed correlation coefficient between the two variables, simply suggest that the initial hypothesis—Urner Barry's price quotations provide information to both buyers and sellers resulting in more efficient economic outcomes—is valid and can further be researched through quantitative and qualitative methods to explain the relationship between each other. As of now, we can only assume that because information exists, and the relationship between these variables is very close, that using Urner Barry as a price reference results in more efficient outcomes. UB

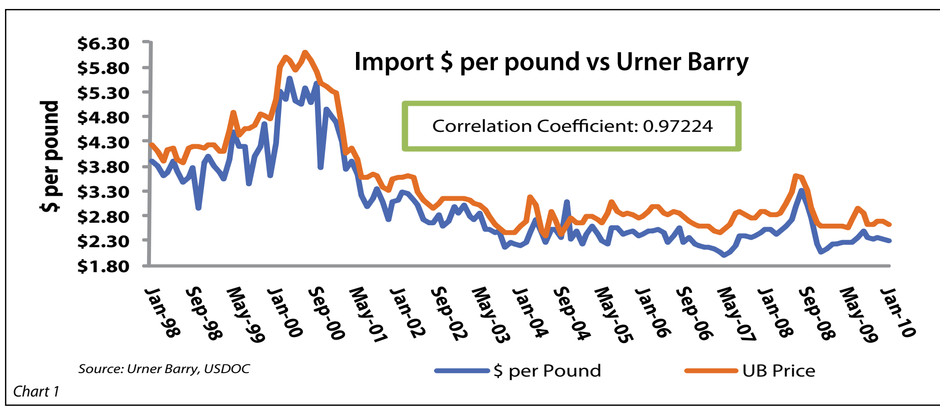


Chart 1

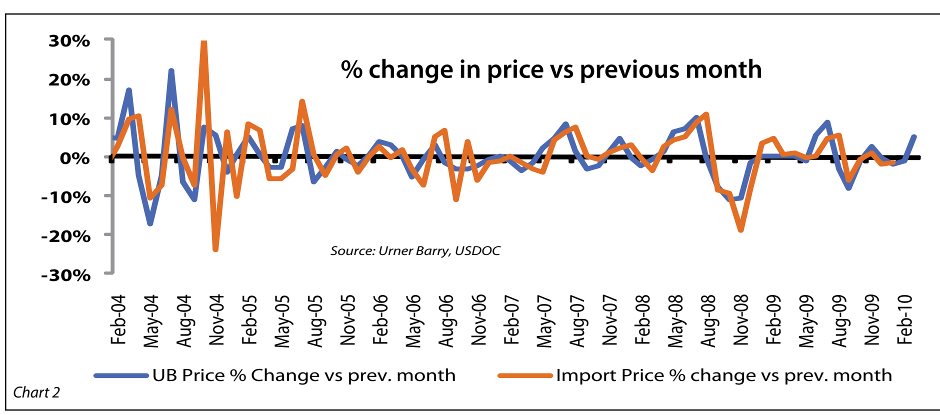


Chart 2

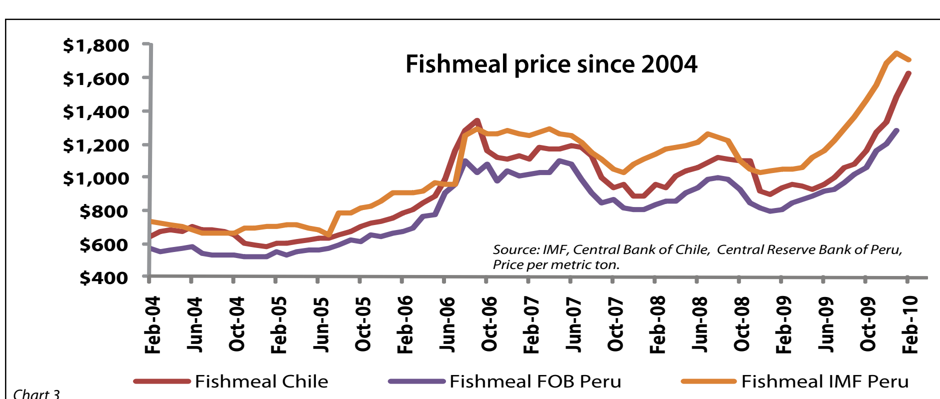


Chart 3

National Turkey Federation 'upgrades'

Contributed by
the National Turkey Federation

On April 14 in New York City, National Turkey Federation (NTF) gave the American diet an "upgrade" when the Federation unveiled its new online tool—the *Meal Upgrade Calculator*. Developed in collaboration with Shape Up America!, the healthy weight campaign spearheaded by former U.S. Surgeon General C. Everett Koop, the calculator shows consumers how to "upgrade" favorite family meals by changing the type of meat and poultry, the sides, and even the condiments so families can reap the benefits of consuming less fat and calories.

At a high profile media briefing attended by a variety of reporters and editors representing the consumer, foodservice and trade press, NTF demonstrated how using the *Meal Upgrade Calculator* can shed additional calories, fat and saturated fat. Barbara Moore, Ph.D., Shape Up America! president and CEO, provided an update on childhood obesity and shared the results of new research conducted by the organization to document how much an individual can save over a year in reduced calories, fat, saturated fat and cholesterol by making one simple change in the diet once a week. That one simple change is substituting turkey as the meat protein because turkey is nutrient-rich, low in fat and calories and is considered an excellent protein source.

TURKEY the perfect protein®
eatturkey.com

Hilary Thesmar, Ph.D., RD, NTF's senior director of scientific and regulatory affairs, reiterated turkey's role in the diet as one of the 14 "superfoods." Thesmar also told the audience that "upgrading" means not sacrificing taste and convenience or adding to the family food budget.

In designing the new research study, Shape Up America! identified 22 dishes that are easy to prepare, economical, and therefore, frequently served in American households. The researchers used USDA's nutrition database to compare the amount of calories, total fat and saturated fat in the original meat recipe and then in the turkey-based version.

Shape Up America! found a savings of 6,408 calories a year, or almost two pounds in excess weight, if Americans substituted lean turkey for another protein one time a week at alternating meal occasions. Since many families consume similar menu items weekly, researchers also examined the annual health savings if Americans served a lower-fat turkey version of the

the American diet for better health

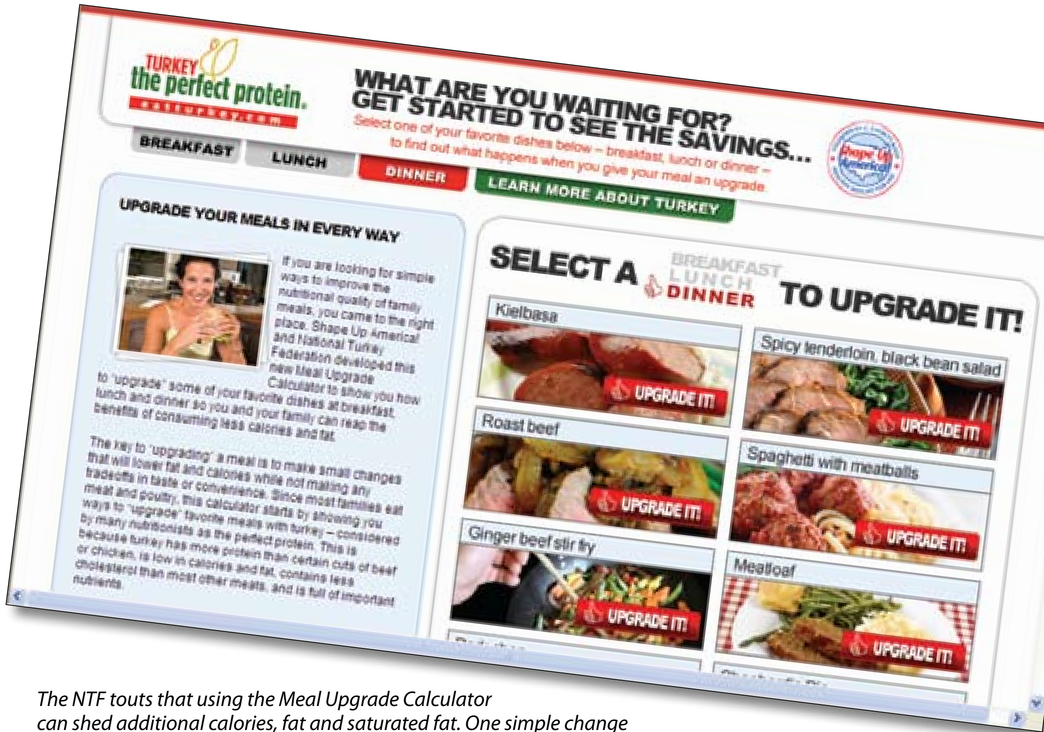
same meat-based food items once a week. The research team chose turkey lasagna. By substituting lean ground turkey for ground beef and making other modifications to the recipe (light pasta sauce, lower-fat cheeses), the researchers found a savings per meal occasions of 239 calories and an annual savings of 12,428 calories or 3.6 pounds a year.

Going one step further, Shape Up America! calculated the average calorie savings when lean turkey is substituted on a daily basis. Using the savings from the 22 meals studied, the research team estimated that Americans can save an average of 108 calories a day by changing the source of the meat protein.

"Not only is this research relevant considering all the initiatives currently surrounding childhood obesity, but also because Americans eat meat and poultry an average of 4.2 times per week," said Sherrie Rosenblatt, NTF's vice president of marketing and communications. "The *Meal Upgrade Calculator* now gives consumers the power to 'upgrade' not only their meals, but also their health."

The *Meal Upgrade Calculator* is an important way to show Americans that switching to turkey is a positive and simple step consumers can take to lower the fat and calories in their diet while not making a tradeoff in taste and convenience. The calculator also goes beyond turkey and shows consumers how they can save additional calories and fat by changing the side dishes and even the condiments on some of their favorite meals. For example, the *Meal Upgrade Calculator* takes a basic beef hot dog and instantly compares it with a turkey hot dog to show a savings of 70 calories (505 calories to 435 calories, respectively). The calculator then presents the ability for users to upgrade their condiments and side dishes. With all those upgrades, the turkey hot dog example saves a total of 127 calories.

The *Meal Upgrade Calculator* and Shape Up America! research can be accessed on NTF's Web site, *EatTurkey.com*. UB



The NTF touts that using the Meal Upgrade Calculator can shed additional calories, fat and saturated fat. One simple change of substituting turkey as the meat protein is an upgrade that will not sacrifice taste.

Best Aquaculture Practices certification

Contributed by
Global Aquaculture Alliance

The Best Aquaculture Practices (BAP) certification program developed by the Global Aquaculture Alliance is answering the demands of the global seafood marketplace by continuing to expand its coverage to new species and facilities.

As reported in a March meeting of the Standards Oversight Committee that oversees the ongoing development of the BAP standards, market demand for "two-star" products from BAP-certified farms and processing plants is driving an increase in farm certification, particularly at tilapia facilities. Additional operators are joining the program in anticipation of BAP standards for salmon farms.

During the meeting, the new feed mill standards became the first BAP standards approved in 2010. In addition to social and environmental responsibility, the standards encompass food safety and traceability. Audit questions address potential chemical and other safety hazards, and require plants to comply with regulations regarding feed ingredients. Feed mills must also provide information on the levels of these products used in feeds.

The feed mill standards face only minor final changes before their release for implementation. The changes proposed by the Standards Oversight Committee (SOC) included a requirement that all fishmeal and fish oil sources must be certified to International Fishmeal and Fish Oil Organisation or Marine Stewardship Council sustainability standards within three years.

BAP standards for Pangasius farms are also nearing completion. After a 60-day period of public comment, the Pangasius Farm Technical Committee is reviewing recommendations that ranged from more specific guidelines on the prevention of salinization to requirements for proper sludge disposal, controls for flood events and the use of pathogen-free hatchery fry. After integrating any changes, the revised committee draft will pass to the SOC for further review and approval.

In addition to social and environmental responsibility, the new BAP feed mill standards address potential chemical and other safety hazards.

Progress continues on the Best Aquaculture Practices standards for salmon farms. Jon Bryan of the Tasmanian Conservation Trust recently joined the Salmon Farm Technical Committee chaired by Dr. John Forster. The committee is tuning its draft standards and should have a version available for public comment later this year.

Reflecting the core concept of continuous improvement in the BAP program, the SOC continues to consider earlier standards. Review of the BAP standards for tilapia farms, for example, saw a request to begin collecting data on fuel and energy use. The SOC also recommended the establishment of a minimum mean annual survival rate as an indicator of fish welfare and strengthened guidelines for predator control.

The Standards Oversight Committee is also examining the Integrated Operating

expands to meet market demands

Module (IOM) concept for small shrimp farms. In IOMs, a collection of farms with similar production methods and total annual production of 4,000 metric tons or less can be combined as a group for certification. All undergo full inspections and participate in traceability, but administrative efficiencies reduce certification costs.

At the March SOC meeting, various ideas on how to strengthen social accountability across the BAP standards were considered. The ideas included bans on forced or bonded labor and specific anti-discrimination verbiage. Interviews with workers during inspections could be conducted off site in a neutral environment to encourage more freedom in responses. Collaboration between BAP and Fair Trade certification—which channels price premiums back to producers for social projects and community benefits—may also be considered.

In the BAP program's ongoing effort to harmonize with other certification systems, BAP has shifted to the use of ISO-65-accredited certification bodies. This, in turn, saw a corresponding change in the formatting of the BAP standards documents. BAP's original audits included critical and scored questions, while the new processing plant audit has eliminated the scored questions in favor of the yes/no responses typical of GFSI-compliant standards.

To make the BAP audits more consistent across facility types, current scored questions may become critical or made into recommendations in the guidelines. Another option is to keep the scoring system, but identify persistent problem areas and then modify the standards accordingly. UB

BAP-certified feed mills must provide information on the levels of feed ingredients from marine sources used in feeds.

The spring deli

In an increasingly competitive environment that is vying for a shrinking portion of the consumer dollar, traditional lunchmeat suppliers have to be ever more aggressive in their attempts at keeping existing consumers loyal and in luring new ones to the deli counter. Retailers and foodservice houses alike have become accustomed to receiving representatives from the major delicatessen-oriented purveyors touting their brand, service, and quality. During this time of year, seasonal innovations play an important role in attracting the consuming public who, after a long winter, are literally hungry for a different taste sensation.

In the present economic climate, taste and quality, while still of crucial importance, have given ground to value perceived through price. In the raw protein segment, it's become common practice for the consumer to "trade down;" substituting higher end cuts of red meats and poultry for more affordable, less glamorous selections. In an effort to stem the tide, stalwart deli line suppliers are taking advantage of the winter blues by touting new spring flavors with distinctive personalities and packaging to enhance the growing popularity and simple economic requirement of brown bagging one's lunch.

Sara Lee is one such company. Through colorful ads placed in leading food magazines and point of purchase promotions, advertisements for their Hillshire Farms label tell consumers to "Elevate your spring sandwich." Veggies like cucumbers, radishes and avocados are suggested condiments to put what's "in season in your sandwich." Taste combinations like turkey and apple are offered as great ways to freshen up the lunchbox of school age children. Helpful suggestions hinting at going green, such as using the empty meat tubs for snacks, also have an air of spring to them.

Another example is Searcy, Arkansas-based Land O'Frost. Their reputation has been built on successfully adapting to change and evolving to best meet the needs of the American consumer. Land O'Frost recently launched its Bistro Favorites™ collection to keep up with the growing trend and popularity of small boutique restaurants (think Panera Bread) that specialize in simple, classic lunch fare. With spring in the air, this product collection has an emphasis on flavor with distinction. The company has also added Ez Peel® and reseal packaging to provide the simple, healthy, and convenient meals required by American families in the spring and all year round. Additionally, in keeping with their reputation for adjusting to consumer trends, Land O'Frost has initiated marketing efforts focused on the social media space. Earlier this year, the company launched www.landomoms.com, an online resource where parenting ideas can be shared, Land O'Frost coupons downloaded and advice from some of the nation's best-known mom bloggers obtained.

These examples are just a few of the marketing efforts being made by leading purveyors in the delicatessen and cold cuts segments of the food industry. Whether convenient, environmentally-efficient, re-sealable packaging, new recipe ideas or fresh taste sensations, the spring deli counter is a place that's hard to beat for the discerning cold cut connoisseur. UB

New cuts add value...

The Reporter's guide to... Chuck Roll

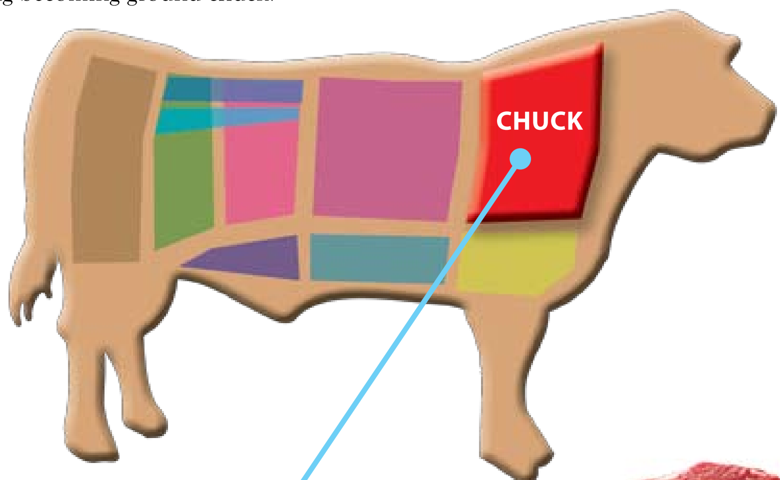
The fabrication of the chuck primal section of the carcass has changed over the years. Traditional methods had the beef processor cutting only a basic roast, a few chuck steaks and rib items, cubes for stew meat, and the remaining becoming ground chuck.

The untrimmed chuck roll weight averages around 30 pounds. The chuck roll is made up of both the chuck eye and the chuck underblade.

TRADITIONAL CUTTING YIELDS

(weights are approximate)

Chuck Pot Roast	5.58 lbs
Chuck Eye steaks	2.33 lbs
Chuck Ribs	4.85 lbs
Chuck Stew Meat	2.91 lbs
Ground Chuck	13.91 lbs



Recent innovations and methods of cutting funded by The Beef Checkoff have made the chuck roll a more valuable primal section of the carcass. Beef processors can now fabricate more cuts from the chuck roll. UB

Meat photos courtesy of Cattlemen's Beef Board and National Cattlemen's Beef Association

Three new "value cuts" are now available from the chuck eye roll:

Delmonico Steak

A steak cut located right next to the ribeye (great value for foodservice).

Boneless Country-Style Ribs

Perfectly portioned, tender and meaty boneless ribs.

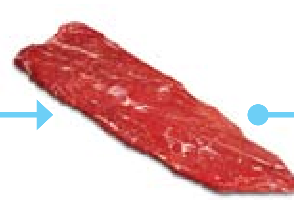
America's Beef Roast

Big beefy flavor and great eye appeal.

The under blade portion of the chuck roll has presented 2 new "value cuts":

Sierra Cut

Similar to a flank steak.



Denver Cut

A generously marbled steak; great on the grill.

Butterball excels in poultry health with the help of Goldsboro Milling Company

Dr. Becky Tilley and Donna Taylor, Laboratory Technician, (left to right) perform a necropsy evaluation at the Goldsboro Milling Co. Pathology Laboratory.

By Becky Tilley, DVM Goldsboro Milling Pathology Lab, Goldsboro, NC.

HISTORY

Butterball, LLC, the nation's largest turkey producer, prides itself in maintaining the highest of industry standards and placing the utmost emphasis on poultry health and well-being. As a leader in food safety, Butterball relies heavily on Goldsboro Milling Co., part owner of Butterball and a family-owned and managed business since 1916, to implement best management practices that ensure safe work conditions and healthy production of birds around the clock.

Recognizing that stringent compliance to safety standards often leads to premier bird health within poultry facilities, Butterball and Goldsboro Milling hold a range of industry recognitions that exemplify their dedication to superior workplace health and safety. Five of Butterball's seven plants hold awards from the Federal Occupational Safety and Health Administration's Voluntary Protection Program (OSHA VPP), including the industry's highest safety ratings. The American Meat Institute and leading industry publications, *The National Provisioner* and *Refrigerated & Frozen Foods* magazines, have also acknowledged the company's exemplary performance in safety.

"...stringent compliance to safety standards often leads to premier bird health within poultry facilities..."

NATIONAL POULTRY IMPROVEMENT PLAN

The driving force behind Butterball and Goldsboro Milling's dedication to health and food safety standards are larger national initiatives, including the USDA-monitored National Poultry Improvement Plan (NPIP). The disease control program was developed in 1935 to specifically reduce or eradicate pullorum and fowl typhoid diseases, which caused heavy losses in chickens, turkeys and other poultry. The NPIP has created a scarcity of these diseases in commercial poultry and has helped classify many states as "U.S. Pullorum-Typhoid Clean." Other diseases monitored and controlled by the NPIP program include Mycoplasma gallisepticum, Mycoplasma synoviae, Mycoplasma meleagridis and avian influenza.

THE BUTTERBALL AND GOLDSBORO MILLING SYSTEM

To assist in disease control, Goldsboro Milling relies on a brood-and-move system, in which single-age birds are transferred from a brooding farm to a finishing farm. This all-in, all-out system allows for total depopulation, cleaning and disinfection of farms between flocks. The process, though capital and transport intensive, is optimal for disease control and has proved highly effective in the 15 years that Goldsboro Milling has utilized it. The brood-and-move system has been especially effective in controlling intestinal diseases, such as Turkey Coronavirus, and respiratory diseases.

QUICK RESULTS FROM ON-SITE LABS

When it comes to poultry health, what ultimately sets Goldsboro Milling, and thus Butterball, apart from other turkey producers is its on-site pathology laboratory that enables close daily monitoring of bird health. Delays in transportation and testing at outside labs can be detrimental in terms of disease proliferation. Goldsboro Milling's quick lab results allow for early detection, treatment, and prevention of disease, resulting in overall better bird health.

To guarantee top-notch health, the lab screening process is both proactive and extensive. Breeder toms are tested weekly and breeder hens are tested at least every three weeks for diseases of major concern. Through necropsy, bacterial cultures, blood testing, polymerase chain reaction (PCR) testing, and direct microscopic examinations, the lab carefully monitors for disease. Disease organisms monitored for include salmonella, avian influenza, Mycoplasma gallisepticum, Mycoplasma synoviae, Mycoplasma meleagridis, Newcastle disease and other bacterial, viral, and parasitic diseases. Additional testing is conducted or repeated at state and national laboratories.

To properly monitor and identify bacteria, samples are cultured on nutrient gels that facilitate bacterial growth. The bacteria can then be identified using further testing. Purified bacterial cultures are used to determine bacterial sensitivity to antibiotics approved for use in poultry.

UNPARALLELED FOOD SAFETY

The Goldsboro Milling Pathology Laboratory is just one facility that represents Butterball's leading distinction in food safety. The attention to and development of cutting-edge bird health practices, such as those mentioned above, not only advance public trust in poultry products and the market in general, but also forge a distinguished reputation within the poultry industry. UB

Advertiser index...

Executive Conference

Continued from page 1

by President Bill Clinton as "the walking living embodiment of where America ought to go in the 21st century." Ford is the Chairman of the Democratic Leadership Council, a news analyst for NBC and MSNBC, and a visiting Professor at the NYU Robert F. Wagner Graduate School of Public Service.

The speaker lineup included Naroff Economic Advisors' President, Joel Naroff, The Nielsen Ivy of the American Egg Board, and USAPEEC's Jim Sumner, among many others.

Poultry person of the year Keith Burger (center) of Turkey Valley Farms receives his award from Urner Barry's Russ Whitman (left) and Michael O'Shaughnessy (right).

Egg Person of the Year Joe Hudson, President of Burnbrae Farms, (right) is honored by Urner Barry's Rick Brown (left) and Randy Pesciotta (center).

Since 1986, a highlight of the conference has been Urner Barry's prestigious Person of the Year Award presented to representatives from within both the poultry and egg industries. This is an honor bestowed upon individuals who have exhibited tireless efforts toward improving the efficiencies of food production, marketing and distribution as well as overall universal respect they have earned from their colleagues. This year's Dinner and Awards Ceremony was held on Monday evening with the night's honors granted to two very special individuals. The poultry person of the year was awarded to Keith Burger of Turkey Valley Farms. Keith had early beginnings in the turkey industry—being indoctrinated right out of high school. With his wife Mary by his side—it was Russ Whitman, Urner Barry's Vice President of the Poultry Division, who had the great pleasure of presenting Keith with this year's award. In giving tribute Whitman stated that ..."very few individuals have the depth of knowledge and experience that our 2010 honoree has."

Meanwhile, this year's Egg Person of the Year Award was presented to Joe Hudson, President of Burnbrae Farms—an instrumental, hardworking and dedicated representative of the industry. A long-time industry affiliate, Joe has been witness to many of the progressions and confrontations of the sector. In the words of Urner Barry's Senior Vice President, and Egg Market Reporter, Rick Brown upon presenting the award, "Leader, innovator, entrepreneur, father, grandfather and strong supporter of the community and the grocery and food service industries, Joe Hudson is a man to be respected and honored."

Education, networking, fine dining and a little fun—a combination that can't be beat. The Executive Conference is an annual event enjoyed by many. UB

URNER BARRY'S Reporter
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