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Costs rise as U.S. shipping industry competes with global demand

From coast to coast the U.S. shipping industry faced a myriad of problems from work stoppages and possible work stoppages to rate increases; and the meat and seafood industry is bracing for an increasingly complex and costly industry to navigate in 2013.

On November 27, 2012, Los Angeles and Long Beach California clerical workers with the 800-member International Longshore and Warehouse Union (ILWU) Local 63 went on strike, accusing shipping line employers of outsourcing jobs.

The strike was backed by 10,000 regional members of the ILWU, who honored the picket line resulting in 10 of the 14 cargo container terminals shutting down.

After an eight-day strike that cost an estimated \$760 million per day in shipments, workers negotiated a new contract through 2016 that would boost the clerical workers' pay by \$1/hour immediately and another \$1/hour in 2013, with additional raises in years three and four of the contract. Additionally, the employees received a \$4,000 lump sum of

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A model for sound management

Atlantic sea scallops conserving an essential fishery



The Atlantic sea scallop fishery is a model for sound management. In the early 1990s, the U.S. fishery in the northeastern part of the country was not sustainable as the population was near record lows and fishing was at a record high. Today, overfishing is not occurring. Scallops are managed by the New England Fishery Management Council in cooperation with

the Mid-Atlantic Fishery Management Council under the Atlantic Sea Scallop Fisheries management plan. They use a combined approach of effort limitation and rotating harvest areas, which maximizes scallop yields while protecting beds of young scallops.

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Crab and oysters enjoyed prolific increases in sales and catches in 2012.



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The AEB commemorates comprehensive campaign.



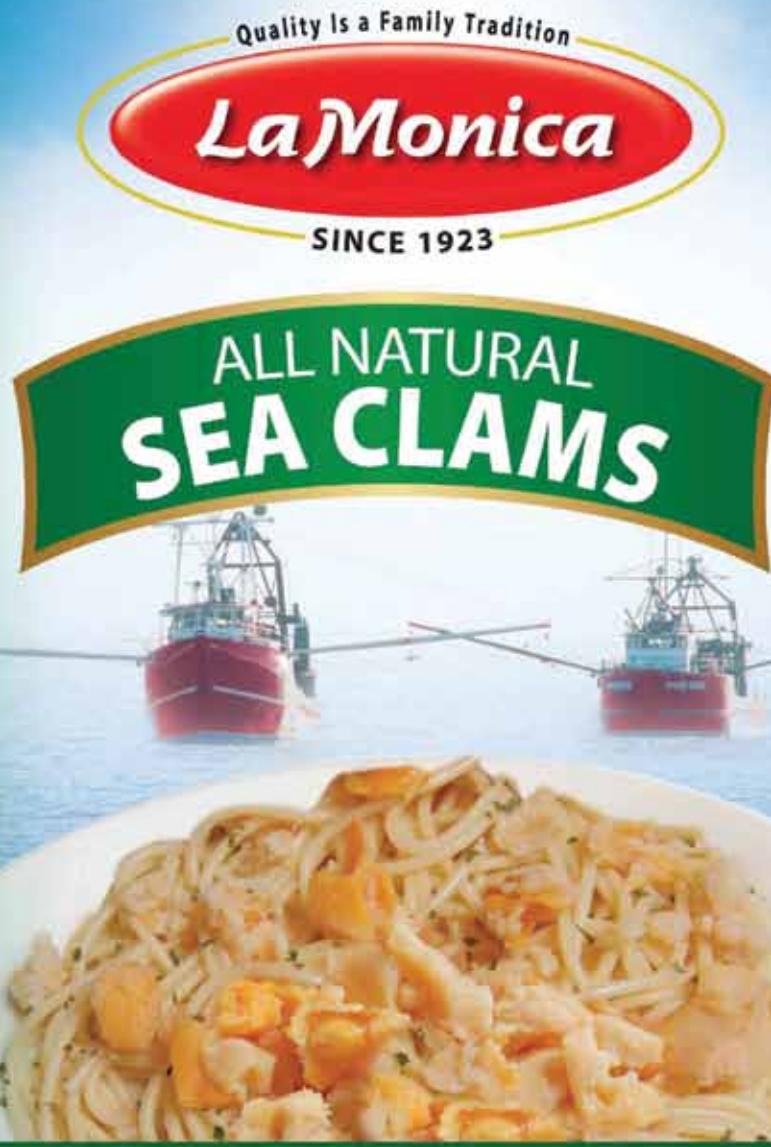
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A Q&A with Butterball, LLC chief executive officer.

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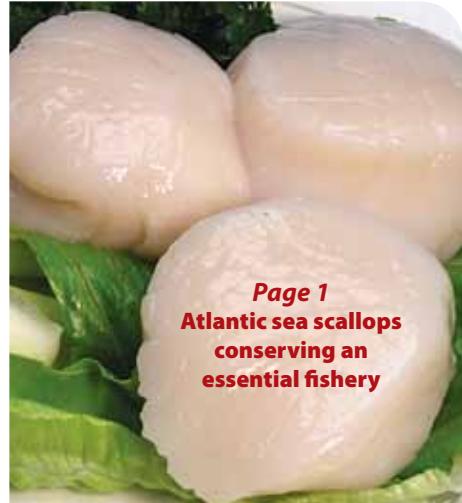
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Center of the plate



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New BAP farm standards coming at right time

Contributed by Global Aquaculture Alliance

The deadline to submit public comment on a draft of comprehensive new Best Aquaculture Practices (BAP) farm standards has come and gone, and the input is now under review so it can be decided whether adjustments to the standards are necessary.

The introduction of new BAP farm standards is a landmark of sorts for the Global Aquaculture Alliance (GAA) and its BAP third-party certification program, as it marks a shift in the BAP farm standards from species-specific standards separately tailored for shrimp, tilapia, *Pangasius* and catfish to standards applying to all types of production systems

for finfish and crustaceans (excluding cage-raised salmonids, for which separate standards already exist).

It also signifies the evolution of the BAP program as well as the aquaculture industry, according BAP Standards Coordinator Dan Lee, who was instrumental in guiding the creation of the new BAP farm standards.

"This modified approach is critical for a program like BAP that attaches great importance to setting globally consistent aquaculture standards," said Lee. "Although the BAP program began by developing species-specific standards, it is more logical to address aquaculture impacts by reference



"This modified approach is critical for a program like BAP that attaches great importance to setting globally consistent aquaculture standards..."

to the culture system, because it's largely the nature of the production system that determines the nature of the impacts."

Developing species-specific standards can also exclude other emerging species, he explained.



Dan Lee

Once adjustments to the draft of the new BAP farm standards are made, they return to the Standards Oversight Committee (SOC) for review and potentially approval.

Though they aren't yet finalized, the timing of the new BAP farm standards is significant, especially for segments of the aquaculture industry that have been "on the back foot," defending their ability to produce seafood sustainably, said Lee.

"Now there is a broad stakeholder consensus that aquaculture can be sustainable and that it simply must step up and play the leading role in the seafood supply," he said. "The switch in the BAP approach, from species specifics to broader, system specifics, is consistent with the industry's movement away from a reactive stance to a proactive one."

The timing is right. According to the Food and Agriculture Organization's recently released 2012 State of World Fisheries and Aquaculture, aquaculture production (for human consumption) is projected to exceed wild fisheries production for the first time ever this year. **LB**

An advertisement for Taurus Food Products, Inc. The top half features a large silhouette of a bull on the left and the company name "TAURUS FOOD PRODUCTS, INC." in large, bold, white letters on the right. Below the name, a line of text reads: "All types of raw materials for Food Processors, Meat Patty Makers, Meat Distributors, Sausage and Canned Meat Manufacturing". To the left of this text is a photograph of several raw meat patties. Below the main text, another line reads: "Importers of Australian and New Zealand Boneless Beef". To the left of this text is a photograph of a cow. At the bottom, a line reads: "Purveyors of all Beef & Pork Sausage Materials". To the left of this text is a photograph of several sausages. At the very bottom, the text "CONTACT US FOR A FREE QUOTE" is displayed in large, bold, white letters. Below this, contact information is listed: "Mike Berman 800.828.7877 michael@taurusfoods.com", "Bill Berman 888.520.5600 bill@taurusfoods.com", and "Kevin Miller 316.744.9000 kevin@taurusfoods.com".

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More than just cold cuts

Turkey, it's what's for breakfast

Turkey is something that in the past has been mainly reserved for sandwich meat and Thanksgiving festivities. However, lately, new push for healthier options, especially in breakfast foods, has brought about a renaissance of turkey. It is richer in both calcium and protein than chicken, beef or pork, and contains less calories, cholesterol, and fat than the other meats. As a leaner option, turkey is now being touted as "the healthy breakfast choice" taking a commanding role in any better-for-you menu section.

Dunkin Donuts, the breakfast brand famous for their donuts and coffee, has been part of a big push for turkey, a non-conventional breakfast protein. They now offer the "Turkey Sausage Breakfast Sandwich" as part of their DDSMART menu. This includes a turkey-sausage patty as well as a pepper-fried egg and a slice of reduced fat cheddar cheese. Coupons were offered giving a free turkey breakfast sandwich with the purchase of any beverage, enticing customer's to make the switch. "Turkey is priced right for the operator and consumer, and has great flavor appeal as well as a strong healthy connotation," said Chef Stan Frankenthaler of Dunkin Donuts. He "couldn't imagine a menu without turkey on it somewhere."

Jennie-O Turkey Store, a recognized leader in the turkey industry for over 70 years, sells all sorts of turkey products—bacon, sausages, franks, burgers, ground and sliced, pastrami, and ham. They also feature categories such as gluten free, extra lean, and sodium smart, making eating healthy even simpler. Jennie-O's website isn't only an online store, it also features tips on how to cook and eat healthier, in addition to recipes. In 2012 Jennie-O Turkey Store advertised, "Making the Switch" to the leaner meat during the World Series for the second year in a row. They also sponsor events like the Emmy Awards, as



turkey is a great everyday choice the other 364 days of the year."

Even traditional red meat companies such as Jimmy Dean realize the impact turkey is having. This is so much the case that their Turkey Sausage Quesadilla was featured as the product of the week, as it is a hearty breakfast less than 300 calories. Jimmy Dean also has turkey in some healthy choice categories for breakfast including turkey sausage on either a croissant or a

a campaign to bring turkey out of its niche as only a lunch meat.

Jen Ehresmann, director of marketing at Jennie-O Turkey Store said that "while a whole turkey on Thanksgiving is a timeless American classic...we want consumers to know

whole wheat bagel and taking advantage of an entirely new market.

As eating healthy becomes more and more important, so does turkey. According to new research from Mintel on the U.S. poultry market, sales of turkey, duck and other birds reached \$7.1 billion, a 6.5 percent increase from 2011 to 2012. With the health benefits being clear and the market taking an interest, more than eight in ten Americans say they eat turkey and consumption of non-traditional turkey offerings continues to steadily rise.

As many companies gobble about turkey, and Americans take a more serious look at its many benefits, it is clear to see how turkey is fast on its way to becoming a staple at the consumer breakfast table all over the U.S. and the world.**LB**

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U.S. egg producers take advantage

The shell egg and egg products markets were surprisingly volatile in 2012. It seemed that even in periods when the market was fundamentally poised to fail they received and unexpected lift to keep them afloat, especially during the 2nd half of the year. Most will recall the extreme heat wave and drought which killed chickens, affected production and wilted what many were projecting to be a record corn crop, but issues in the states were not the only driving forces here. Production

changes in the EU and avian influenza in Mexico sent exports soaring during the same period, exerting upward pressure on the domestic market in several instances.

At the end of 2011, the European Union implemented their new cage regulations program for shell egg production. There was a tremendous amount of uncertainty around the situation and several countries were hesitant to comply given the rumors of deadline extensions and lack of a

unified governing body to police the change. Producers were caught in a state of flux, prolonging the transition process, which is still not totally complete today. Prices in the EU soared during the first few months of the year while producers removed layers from old style housing systems to update their facilities.

Prices for breaking eggs topped out at over two dollars a dozen and these raw costs forced Urner Barry's egg products quotations to hit record highs by March. Price spreads between US and EU egg and egg products ballooned by nearly 200% in some cases, and the dialog between the two countries opened as EU buyers looked to supplement domestic product with cheaper supplies from abroad with price spreads widening. The USDA Foreign Agricultural Service (FAS) reported that 8.6 million dozen shell eggs were exported by the US to the EU between January and November of 2012, a whopping 1,128.6% increase in comparison to the same period just a year prior. During that same time frame egg product exports nearly doubled. Trading between the two countries has tapered since as EU prices have normalized and new competitors have entered the market, most notably the Ukraine.

During the same year, just as the summer was ending, Mexico suffered devastating losses to their layer population due to a highly pathogenic strain of bird flu which struck the largest egg producing state of Jalisco. Final reports stated that anywhere between 22-24 million birds were culled to contain the disease and prices in the country skyrocketed. US producers began to field calls from trading partners down south and hundreds of loads were sent privately and through the US Egg Marketers.

Prices in the US had been declining from highs associated with heat related production issues that summer, a trend which would have likely been prolonged had it not been for this unexpected export call. Shell eggs were not the only item crossing the border though. Processors were able to sell substantial volumes of

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of exports in 2012

liquid and frozen yolk, which further supported highs associated with the European situation and even forcing these peaks higher. The USDA FAS reported that 13.8 million dozen shell eggs were exported by the US to Mexico between January and November of 2012 a 1,280% increase in comparison to the year before. Egg product exports to Mexico advanced

by nearly 600% during the same period, mostly in the form of yolk. Mexico has since repopulated their production facilities and is only taking light quantities of shell eggs and egg products at this time.

Although the most gripping cases, these two destinations were not the only countries taking on US supplies in 2012.

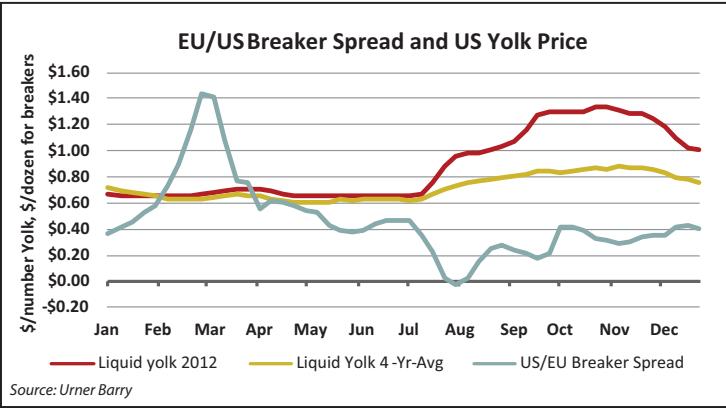
Hong Kong, Canada, and the United Arab Emirates increased their volume of US eggs during the year, and Japan, areas of the Middle East and the Caribbean were also standard trading partners.

“...world exports of US shell eggs advanced by more than 50% between January and November 2012 compared to the same period in 2011.”

In total, world exports of US shell eggs advanced by more than 50% between January and November 2012 compared to the same period in 2011.

Adverse conditions will continue to affect the egg market across the globe in years to come, due to delicate balance of supply and demand. It is important to realize how market implications are increasingly transcending borders and oceans alike as misfortune turns to opportunity. US producers were able to take advantage of these happenings in several instances during the last year, but for now it seems that all is quiet on the export front aside from normal day to day business. **UB**

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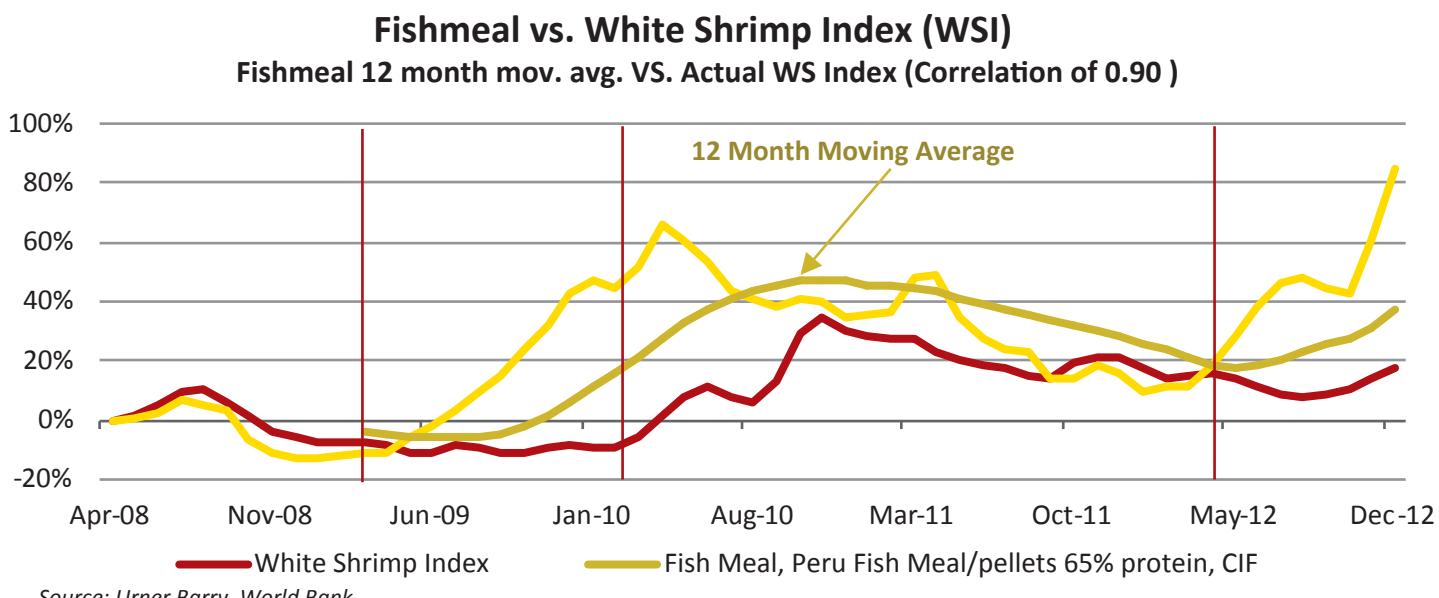
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Fishmeal prices - correlation and causation

Though correlation implying causation is questionable at best, especially because multiple factors should be taken into account when analyzing markets, the following graph offers some thought. When lagging fishmeal prices by 12 months against the Urner Barry Farmed White Shrimp Index, the figure shows a 0.90 correlation between the two variables. Remember, this simple analysis does not take into account any other factors, such as supply shocks in the shrimp market, changes in consumer demand or any external factor that could affect supply and demand at any given point. So, based solely on this factor, this simple chart could suggest that fishmeal prices—an important component of feed, and thus feed costs—take approximately one year to impact the U.S. wholesale shrimp market, everything else equal.




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Call the caterer

Come on over! a growing trend towards dining in

Despite rising food costs, consumers' commitment to catering is on the rise. According to a recent study by Technomic, social catering growth is expected in 2013 and fast-casual restaurants are leading the trend.

Restaurants like Five Guys, Qdoba and Panera Bread are becoming increasingly popular among consumers for their catering occasions. The projected growth for this segment of the industry is 12%, followed by quick service sandwich restaurants like Subway at an 8% growth rate. The study reports that as a whole,

"...more people opt to entertain at home rather than dine out..."

restaurants are snagging four times the revenue of traditional retailers and even independent caterers for catered events.

The ease that comes with picking up a fully-cooked and ready to serve spread is just one reason this trend is on the uptick. Reasonable prices at the fast-casual and quick service restaurant segments are a huge selling point for consumers looking to get the most bang for their buck on food items. Another growing trend stems from more healthy eating options being offered at these establishments, such as gluten-free menus. Even the fast food industry boasts a significant increase in healthy alternatives at the drive-thru. Technomic reports that 20% of surveyed shoppers now consider



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fast food restaurants as a source for at-home catered occasions, compared to just 7% in 2009.

The catering business a cyclical one—seasonal occasions like the Super Bowl and other big sporting events, as well as holidays like Memorial Day, are some of the biggest catering days of the year. Spontaneous gatherings are increasing as the economy drags and more people opt to entertain at home rather than dine out with friends. Whether it's a group of five or 50, a good host is always prepared with a fast-casual or quick service caterer on speed dial. **UB**

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2013 NFI global seafood market conference a huge success

Hundreds of seafood professionals gathered in Santa Monica, California in late January at the National Fishery Institute's second annual Global Seafood Market Conference where they heard key market talk on all major seafood species from an all-star lineup of panelists.

The event, which coincides with the NFI's annual Board of Directors meeting, kicked off with the graduation of the 2012 class of the National Fisheries Institute's (NFI) Future Leaders program.

Class president and Borstein Seafood sales representative John Roy congratulated his peers and thanked the NFI and all parties involved for the Future Leaders program. He said the networking benefit the program offers is unrivaled, and the experience he gained through the program invaluable.

The conference opened each morning with a plenary session: the first was lead by

Endeavor Seafood's Todd Clark and Ron Rogness of American Seafoods Group; both offered an overview of the global seafood industry in 2012. The second plenary session featured a keynote speech from Wells Fargo's Michael Swanson, Ph.D, Senior VP and Agricultural Economist and Consultant in addition to a presentation from Jan Lambregts, the Global Head of Financial Markets Research for Rabobank. Both discussed a 2013 outlook on world economics and finance.

The conference was then split into a series of breakout sessions that featured: shrimp; tuna, mahi, grouper, salmon and swordfish; crab and lobster; salmon, barramundi, cobia and seabass; clams, oysters, scallops and mussels; *pangasius*, catfish and tilapia; groundfish and squid and pelagics.

Each breakout session featured an expert panel discussion on the major



"The breakout sessions provided unique insight into how the 2013 seafood markets are expected to behave and why..."

commodities. Participants included Seafood Exchange President Travis Larkin, Orion Seafood West Coast Sales Manager Marty Greenwald and Sano Seafood President Marcy Bemiller.

Each panel was also moderated by expert analysts including Seafood.com News Editor and Seafood Datasearch President, John Sackton as well as Urner Barry's Director of Business Development, Jim Kenny.



At NFI's 2013 GSMC, participants were provided perspectives and insights of the seafood Industry particularly with regard to information on the economic, social and demographic trends and changes that will affect international seafood markets.

Participants said the breakout sessions provided unique insight into how the 2013 seafood markets are expected to behave and why; crucial information they said will be useful to take back to their offices.

Some highlights included a look at a possible threat to the global shrimp supply; pending MSC certification of Russian pollock and its impact on the Alaskan industry; and how the US scallop market will likely see a shift to smaller sized scallops as Chinese imports replace an expected shortfall in US landings.

Additionally, the conference also shed light on issues such as CO2 tuna treatment and a possible tariff on the product, the Gulf shrimp countervailing duty case, and also introduced a new seafood education foundation to be directed by Linda Cornish that will seek to include more seafood in American diets.

Overall, attendance was up about 33% and is expected to rise again in January 2014 when the next conference will visit Miami. **UB**

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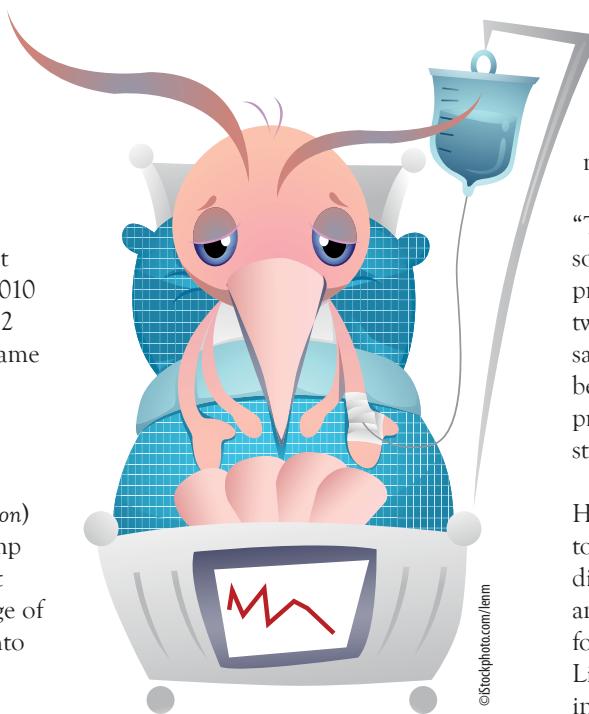
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New shrimp disease impacts Thai production, U.S. shrimp imports in 2012

A new disease is threatening the farmed shrimp industry in Asia, particularly in Thailand—the United States' top shrimp exporting nation, sending importers to other markets for product.

Early Mortality Syndrome, or EMS, first appeared in Chinese shrimp farms in 2010 then spread to Vietnam in 2011; in 2012 Thailand's farmed shrimp industry became the latest victim of the disease.

According to Dr. Donald Lightner, a researcher at the University of Arizona, EMS affects both Black Tiger (*P. monodon*) and White (*Litopenaeus vannamei*) shrimp species. The virus starts during the first 20-30 days after the first post-larval stage of production when the shrimp are put into their ponds.



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Infected shrimp become lethargic, stop eating and mortalities approach 100% in severely affected ponds. The hepatopancreas, a digestive gland found in fish and mollusks, shrinks and has whitish and black streaks. Other signs include a soft, generally darker shell and mottling of the carapace Lightner's research concluded.

In Thailand, shrimp industry officials have blamed the disease for huge shortfalls in the country's production figures in 2012. Total shrimp exports to the U.S. were down 26.7%, equivalent to nearly 110 million pounds, compared to 2011 figures. In fact, the net year-to-year change in U.S. shrimp imports in 2012 was the third largest swing since 1995, largely due to Thailand's production problems. It should be noted, however, that total Thai shrimp exports for all types through November 2012 were down 14.88%, to nearly 298,000 tons according to the Thai Frozen Foods Association.

Analysts for Charoen Pokphand Foods, Thailand's largest aquaculture company, said EMS's impact on the country's white shrimp production was 'more severe than

expected.' Thai industry officials said in January they would cease production for two months to sanitize ponds to try and eradicate the disease, a move applauded by CP's stock analysts.

"Thai entrepreneurs have teamed up to solve this outbreak problem by ceasing the production of baby shrimp all at once for two months in order to get shrimp centers sanitized. Accordingly, this problem should be alleviated in 2Q13, and we feel this problem would only be temporary," said stock analysts from Asia Plus.

However, researchers have been unable to pinpoint what causes EMS. The disease has been identified as a virus and leading theories suggest it could be formed from an infected type of bacteria; Lightner's research turned up bacterial infections and damage in affected shrimp's hepatopancreas. Changing water temperatures due to climate change have also been identified as a possible EMS factor. Links to fish feed as an agent have been ruled out.

Until EMS is resolved and Thai production is back on track, Ecuador and other shrimp producing nations are expected to step up production and exports to the United States. For example, in 2012, much of the shortfall from Thailand was made up by Ecuador with imports up 10.5% to 179.4 million pounds; Indonesia up 5.3% to 163.3 million pounds and India, up 36.4% to 144.6 million pounds.

The consensus is that there is certainly a lot of risk in 2013, as production during the first half of the year may be light, especially in Southeast Asia, and that may send more buyers scrambling to the largely unaffected shrimp producing areas of Ecuador, India and Indonesia. The second half of the year, however, could be very different, depending on how successful farmers are in combating the disease. **LB**

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Cesar de Anda - His words on the Jalisco crisis

Before last June 2012 few people heard of Jalisco, Mexico. Unless you are a producer or marketer of eggs, there really is no obvious reason to be familiar with the largest egg producing state in Mexico and, perhaps in terms of production density, the world.

Jalisco is the home of roughly 50 percent of Mexican egg production with about 100 million layers and pullets. Additionally, it houses more than 30 million broilers making Jalisco the largest egg and broiler-producing state in the country. It's also the epicenter for the largest outbreak of Highly-Pathogenic Avian Influenza (HPAI) the egg industry has ever experienced. Notwithstanding the severe economic impacts of the outbreak and the influence it had on U.S. egg prices, the after effects in the local region and its inhabitants are undeniable.

During USAPEEC's Winter Meeting this past December, Cesar de Anda, one of Mexico's foremost businessmen and owner of the most highly advanced egg products facility in the country, had the opportunity to tell in his own words what it was like to be part of the HPAI outbreak and how Mexico is coping today.

According to Mr. de Anda, the experience was one of most difficult of his life. Because the "official report" took three weeks to reveal, precious time was lost and there was little opportunity for quick counter-measures. With that said, in the "war room" as he called it, "media training" was in high gear. Information

was managed very well calling it a "key" decision to make sure the public stayed well informed.

Eradication efforts were primarily two-fold. They were conducted by depopulating the flocks (very difficult to physically carry out), and vaccination. However, this was a very aggressive virus, and despite valiant efforts, there was high mortality for the first four weeks. Mr. de Anda, taking on a very serious tone, stated that the outbreak impacted everyone from the school aged child to weathered local housewives and businessmen and that the "smell of town was death."

At this point the Jalisco community was looking for a friend. Bird deaths were mounting rapidly and the climate among townsfolk took on a perilous nature. They found that friend in "locally produced vaccine" and in the help of international experts. The process was "special" according to de Anda. The production of a successful vaccine was a result of the high level of cooperation between the government, industry and academics. This cooperative effort is credited with quickly controlling the spread of the illness.

However, the final numbers were still staggering. SAGARPA's (Mexico's equivalent of the USDA translated as the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food) official bird loss numbers range from about 22-23 million, but an "off the record" figure of at least 25 million layers may be more accurate.

As with any dire situation there were side adverse and secondary effects from the HPAI outbreak. The immediate response from the Mexican government was prioritizing it as a national emergency. It quickly became a top national security



Cesar de Anda

issue because it not only impacted the people by reducing or eliminating a basic staple of their diet but also by costing the economy millions. As the outbreak subsided, Mexico was forced to buy eggs from other suppliers, like Columbia, which strengthened their political and business ties in the process. But Mr. de Anda said it was really the U.S. egg industry that came to the rescue which he called a "natural source of eggs" uniquely "tying" the two countries together.

During the course of the HPAI epidemic over \$900 million in business losses were realized. Recovery will take time but repopulation of the chicken houses has started. In closing his remarks Mr. Cesar de Anda stated that there is no doubt the Mexican egg industry will be back stronger than ever using Mexican labor, creativity, and knowledge.^{LB}

Article contributed by Russell W. Whitman
Rwhitman@urnerbarry.com

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"The production of a successful vaccine was a result of the high level of cooperation between the government, industry and academics."

Lobster prices decline as North American

Contributed By John Sackton,
Seafood.com News

The North American lobster industry saw historic landings in 2012 that drove prices down to their lows last seen at the height of the financial crisis in 2008 and 2009.

North American lobster landings have been consistently increasing for over a decade.

In 2011, Maine landings hit a record level of 105 million pounds, and then in 2012, landings jumped another 17% to 123.3 million pounds. Meanwhile, Canadian lobster landings have been increasing as well.

"Initially prices should be stronger, but once Maine production comes into full swing in the summer months, prices are expected to fall again..."

The surge in Maine's lobster landings was due to exceptionally warm water temperatures in the spring of 2012. This brought lobsters inshore earlier, and also caused them to molt about a month early. Lobsters enter traps at a higher rate during and just after molting, as they are hungry.

But the downside is that these 'softshell' lobsters cannot be shipped very far and don't have the same meat fill as hard shell lobsters. Consequently, they sell for a lower price.

Between Maine's historic haul and Atlantic Canada's significant uptick in lobster landings, a summer glut emerged that sent prices to harvesters lower. However, by the fall, prices recovered, and the most



Live American lobster

importantly, currently in the winter of 2013 inventories are normal, and this surge of product has entered the market successfully.

The U.S. has both increased its domestic consumption of lobsters, with retailers again stepping up promotions, and they have increased exports as well. This is a sign of healthy demand.

Ample supply of raw material and reasonable costs allowed 4-5 oz tails to fall back to the same price as they were in 2009, when a substantial expansion of foodservice usage took place.

However, lobster meat prices have not declined to the same extent, as this product has also found wide and growing acceptance in foodservice.

According to Urner Barry's average quotations of 4-5oz Cold Water American Lobster Tails were down significantly in 2012 compared to the year ago period. The decline is around 10% year-over-year.

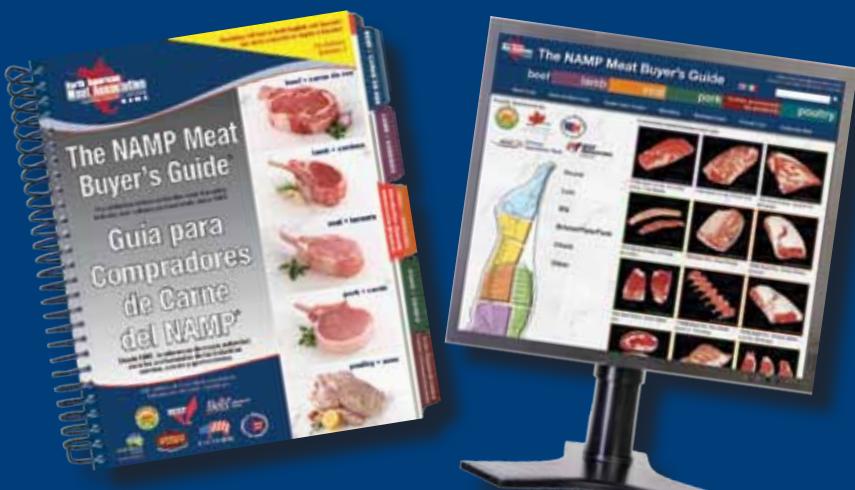
The low prices for North American tails have also held down prices of Brazilian tails. Production of spiny lobster has been weaker in 2012, and there was a considerable shortfall in Brazil compared to prior years. According to discussions at the Lobster Panel at the National Fisheries Institute's Global Seafood Marketing Conference in January, competition from North American tails has kept Brazil tails at relatively stable pricing when otherwise the shortage could be expected to push prices higher.

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landings continued strong pace in 2012

The low prices and the prospect of their continuing at the harvester level have provoked a range of discussions in both Maine and Canada. One of the most promising ideas in Maine is a temporary increase in carapace size from July 1st until August 15th. This would cut landings by about 10% during this period,

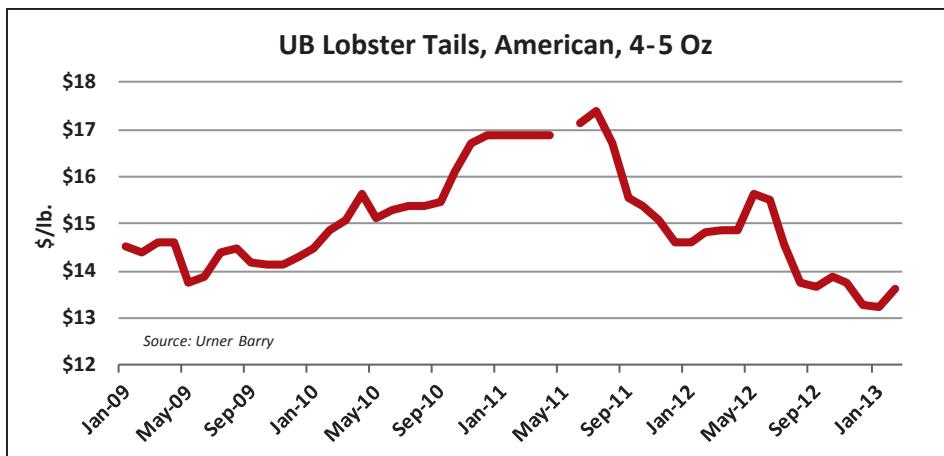
yet the same lobsters would be available to be caught later in the year. This plan also would not favor any particular group.

In Canada, a dispute has broken out between New Brunswick and PEI harvesters who share the Northumberland Strait. PEI, more

dependent on smaller lobsters, wants the status quo, while the New Brunswick harvesters, led by the Maritime Fishermen's Union (MFU), want to move to a larger size in the August fishery which traditionally gets lower prices than the spring fishery.

So as North American lobster harvesters and processors gear up for 2013, the sense of ample supplies overhangs the market. Initially, prices should be stronger, but once Maine production comes into full swing in the summer months, prices are expected to fall again if volumes are consistent with the last few years.

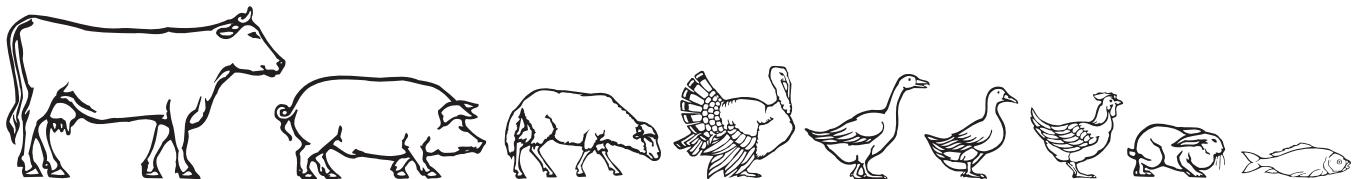
At the same time, the low raw material prices are a boon to processors of tails and meat, and North American lobster products should be able to continue to expand market share in the coming year due to ample supplies and a favorable price environment. 



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Growing breakfast trends make QSRs obvious fit

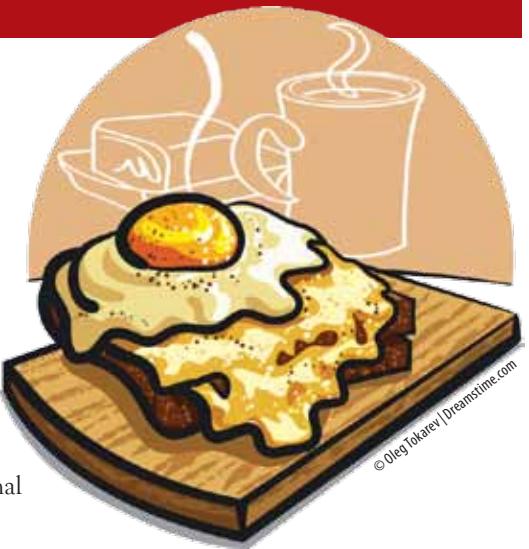
Breakfast is often touted as the most important meal of the day, and over the last year or so it seems more and more QSR chains have taken note of this. Perhaps as important, are the scientific findings which state that what and how much you eat in the morning affects energy levels and appetite through the rest of the day. However, consumers still do not want to spend too much time in the morning on breakfast. These trends seem to be driving the industry, and a number of companies are extending their current offerings or are making a push to break into the breakfast space.

According to the Academy of Nutrition and Dietetics, eating a nutritious breakfast helps with brain function, attention span, concentration and memory. It can also reduce irritability and tiredness.

Many nutritionists urge caution against breakfast breads like waffles, French toast and pancakes, especially when covered in syrup and other sugary toppings. Consumers and foodservice professionals alike have taken note of findings like these and balanced nutritional meals in the morning are becoming the norm. Lean proteins, fibers and antioxidants are the building blocks here, but each chain has their own unique spin.

Aside from looking at healthy options to start their day, consumers want breakfast quickly and conveniently. This need seems to fall perfectly into the hands of QSR chains, already programmed to appeal in turnaround time and diverse product offerings. Typical players in this space like Dunkin' Donuts and McDonalds have capitalized on breakfast for years but are being forced to evolve their product lines based on new trends and growing competition for a piece of the breakfast dollar pie. This has led to a number of menu innovations, ranging from oatmeal, fruits and yogurts to sandwiches, wraps and burritos. New products are typically accompanied by national ad campaigns, which have recently included Dunkin's new turkey sausage sandwich and McDonald's steak and egg bagel and egg white McMuffin, just to name a few.

This market is hardly saturated by fast-food giants, however. Not only have corporations like Burger King and

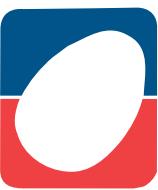


Wendy's retooled their breakfast menus to cater to the health conscious consumer, but new companies are making waves in this space as well. Recently, Taco Bell unveiled its Crunchwrap, a breakfast burrito featured on its "first meal" menu. Chief Marketing and Innovation Officer Brian Niccol stated, "For those who have been stuck with boring breakfast sandwich options, Taco Bell now gives them a compelling reason to break their breakfast routine." Subway is another company which has made a major play in this arena with its line of breakfast sandwiches "amazingly" under 200 calories. Other companies like Jack in the Box, Chick-Fil-A, Sonic, Roy Rogers, Checkers and Arby's continue to add to and tweak their breakfast menus too, attempting to at least maintain current market share.

In their quest for convenience in the morning many consumers will simply grab a bite at their favorite coffee place. Obviously, this allows powerhouses like Starbucks to keep a firm grip on market share. There is also the competition from major breakfast chains and diners which may present a more robust menu but lack the quick turnover that QSRs provide.

Consumers seem to be waking up to the importance of a healthy and well balanced breakfast, but are unwilling to give up pressure moments before they start their days. QSRs are recognizing their ability to fill the gaps here and will continue to create and modify their menus to position themselves going forward. **LB**

Article contributed by Brian Moscogiuri
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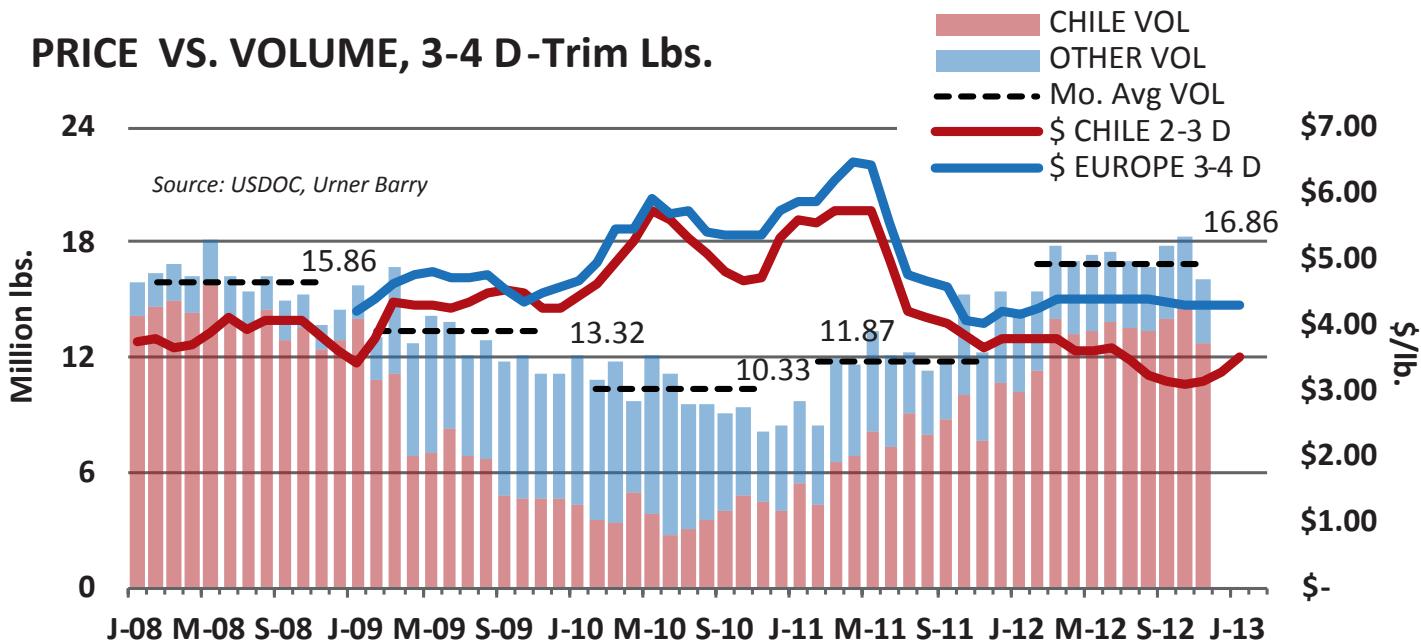
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Salmon on the rise

Fresh Atlantic Salmon Fillets Imports

This chart shows imports of fresh Atlantic salmon fillets. The black dotted lines show the average monthly imports volume for all origins. In 2012, the average monthly volume for this commodity was 16.86 million, which represents an increase of roughly 5 more millions pounds per month compared to 2011 as Chile made its comeback from the ISA crisis, and one more million when compared to 2008 just prior to confronting the expected negative effects of the ISA virus. Imports from Chile continue to grow while those from Europe gradually shrink. As a result, prices for Chilean Atlantic Fillets in the Miami spot market dropped even below 2008 levels.

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IPE: 65 Years and Counting



Centennial Olympic Park, Atlanta, Georgia

The International Poultry Expo, IPE, held their annual tradeshow at the end of January, marking the 65th anniversary of the event. The Expo had been held in Atlanta, Ga. for the past 64 years and 2013 was no exception as thousands flocked to the Georgia World Congress Center from January 29-31 to join the festivities.

According to the U.S. Poultry & Egg Association, the original convention was simply a conglomeration of about 200 "poultry men" who met together in Atlanta with the common goal of discussing pertinent issues affecting the industry. This meeting took place in 1948 and eventually led to the initial "Expo" which was held in January of 1951 and included around 2,000 attendees and 67 exhibitors.

As the primary source of funding for the U.S. Poultry & Egg Association, IPE's aim from the start has been to ensure its role

as the world's premier poultry exposition, benefiting both exhibitors and attendees alike. A key method to reaching this goal has been the commitment the group has taken to the advancement of research and education in poultry science and technology.



Proof of this dedication is shown in the expansion effort the International Poultry Expo exhibited by incorporating other areas of related production and processing. In 2007, IPE signed an agreement with the American

Feed Industry Association to co-host the International Feed Expo alongside the International Poultry Expo. Going further, this year's affair involved the integration of AMI's International Meat Expo.

The addition of the American Meat Institute's personnel brought the nation's oldest and largest meat and poultry trade association together with the world's

largest display of services used in the production and processing of poultry and eggs. The venture also warranted a new title for the event as it now named the International Production and Processing Expo. Worth noting as well is the fact that the combination of these groups placed the 2013 IPE among the 50 largest trade shows in America.

An in-depth look into this year's show revealed that it featured 1185 exhibitors covering over 430 thousand net square feet of exhibition space compared to 893 exhibitors and 293,708 square feet in 2012. Also worth noting is the fact that over 25,000 total attendees participated this year, up over 4,000 more as compared to a year ago.

Educational programs included "Animal Care and Handling: Focus on Poultry Processing"; "Meat and Poultry Processing: A Global Perspective" and "Consumer Trends; Plant Operations and Management". The event also incorporated a city-wide chili cook-off contest and a variety of entertainment.



2012 Featherfest egg cracking.



The show floor (above) continues to draw hundreds of industry professionals looking to stay up-to-date in the ever-changing business climate.

Featured exhibitors were comprised of Aviagen Inc., JBS-Pilgrims, Cobb-Vantress Inc., Tippmann Group/Interstate Warehousing and Heart of Nature, LLC just to name a few.

When asked how this year's show compared to those of the early days one attendee shared that, "Even as the technology and size of the event has changed; one thing that remains true to

this day is the importance of being face to face with your contacts and that's what has kept people coming back year after year." If that mentality is as long lasting throughout the industry as the convention has been, IPE should have no problem continuing to draw a great turn out for another 65 years to come. **LB**

Article contributed by James Serpico
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Lamplighter award recipient Dolph Baker and USPOULTRY president John Starkey.



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Cod's comeback makes for marketing opportunity

Atlantic cod's 2013 resurgence a significant

"Overall, the increase in cod will present both a marketing challenge and a big marketing opportunity."



In October the 2013 Barents Sea quota was set at a historic one million tons, up 30% year-over-year, beating the Groundfish Forum's projected Atlantic cod increase of 18%; this is expected to have major ramifications in the whitefish market.

The increase in Atlantic cod, rivals the increase in Atlantic salmon that we saw from 2010 to 2011. As has been abundantly clear in the salmon market, the surge in supply led to a dramatic drop in salmon prices on a global scale, and a surge in salmon promotion.

The cod market is much more differentiated than the Atlantic salmon market, so there are more complexities in how the increase in supply will affect the various products: fillets, salt fish, dried fish, and H&G. However, H&G cod prices for delivery to China are already approximately 23% lower than earlier this year.

Overall, the increase in cod will present both a marketing challenge and a big marketing opportunity.

First, the opportunity—wild fish is back. The resurgence in the most productive species, pollock and cod, is a strong indication that fisheries' management is working to maintain stable wild harvests. About half the Alaska pollock catch, and most of the Atlantic and Pacific cod catch, is already certified by various third parties as meeting sustainability standards. Russian pollock is expected to get certification by 2013 from the MSC, which would mean most of the global Alaska pollock catch would be certified as well.

This proof that wild fisheries are healthy and abundant opens up a marketing opportunity to try and differentiate wild caught fish from farmed fish, and establish wild caught whitefish as a long term, sustainable, and an important part of a consumer's fish diet. No longer will consumers have to turn to *pangasius* or tilapia because cod prices are out of reach.

The other aspect of this opportunity is that cod prices are declining at the same time that pork and beef and poultry prices are expected to sky rocket. Cod is not impacted by the cost of grain—as are most other protein sources. With poor grain harvests and high prices for feed, not just farmed fish but other meat and poultry become less competitive with cod. This should help manufacturers and foodservice chains take advantage of the abundance of cod.

The downside is what may happen without sufficient marketing. If cod is treated as simply a commodity product, the 23% decline in price is only the beginning, not what we will see by the end of 2013.

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In fact, according to Sergey Gudkov, executive director of the Russian Fishery Union, the increase of quotas may ruin the market and may result in an oversupply situation that could lower prices of his members.

According to Gudkov, the increase in production and exports of cod from Russia may also have a negative effect for pollock and saithe producers.

In this context, the experience of farmed salmon is instructive. Using the Urner Barry fresh salmon price index, the decline in price from May of 2011 to October 2012 has been 44%.

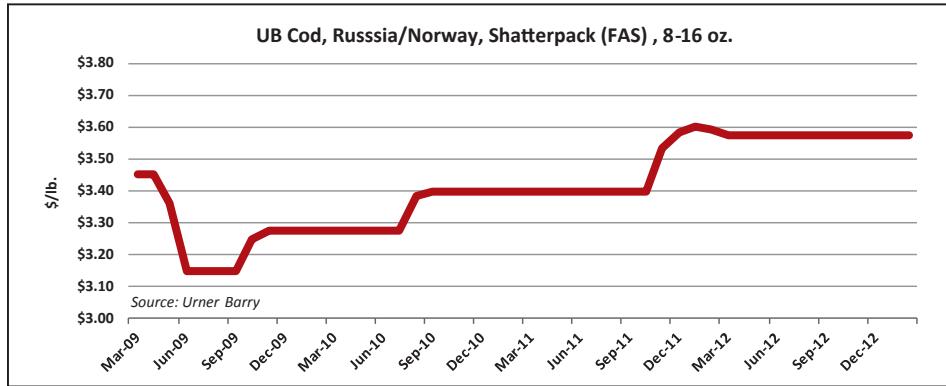
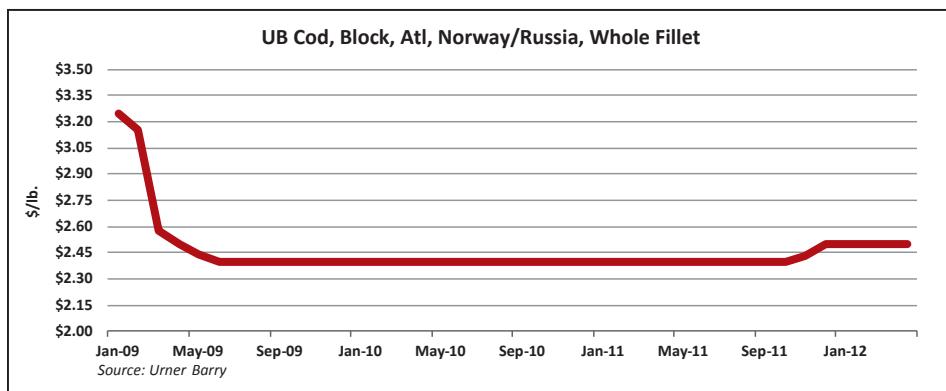
One difference between cod and salmon is that cod may have more readily available substitute market niches to flow into. For example, haddock landings are going to be down substantially. In some markets, cod with a price advantage can substitute for haddock. Also the groundfish forum is predicting a drop in catfish/*pangasius* availability. Here again, a decline in *pangasius* will help steady prices, and make cod more competitive as its price comes down.

Moreover, Alaska pollock looks to remain very stable. Given the current demand for Alaska pollock fillets and surimi, there is little supply pressure for a change in price. Any weakness will come on the demand side in Europe. So once again, cod will increase its competitive position as a manufacturing ingredient versus pollock.

Finally, the prospect of a renewed global recession should give cod producers nightmares. Already the market is suffering because of weakness in Southern Europe, and in Northern European orders for Chinese cod. If demand ratchets down in spite of lower prices, there is little that can be done to expand the market. In that case, companies will need financial depth to survive.**UB**

Adapted from a story by John Sakton that originally appeared in Seafood.comNews on October 10, 2012

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Maryland saw its crab meat and oyster

"We have seen a huge, huge kick for Maryland Crab meat since the "True Blue" program... I think the results speak for themselves."



Photo Credit: Steve Vilnit, Maryland Department of Natural Resources.

In 2012 Maryland's shellfish industry saw a domestic resurgence as the state's blue crab and oyster fisheries both experienced increases in sales and harvests.

For starters, according to local watermen, Maryland's 2012 oyster harvest was the best in decades.

"We've probably got more oysters here than we've had in the last 20 years," said Greg Price, a waterman based in a small fishing village near Deal Island in Somerset County. "It's a bumper crop for what we've been having."

In fact, the Maryland Department of Natural Resources (DNR) reported that the agency struggled to keep up with demand for oyster tags that are affixed to each bushel.

"We've just never been in this situation where we're in December and we still have

demand for tags," said Mike Naylor, head of DNR's shellfish program.

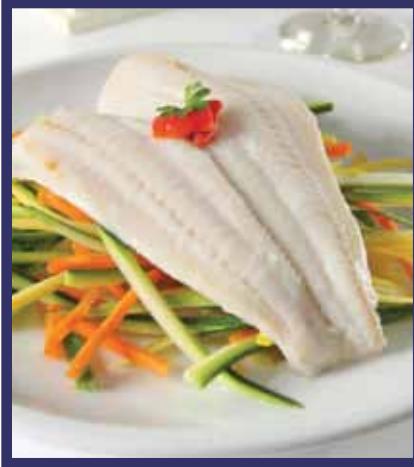
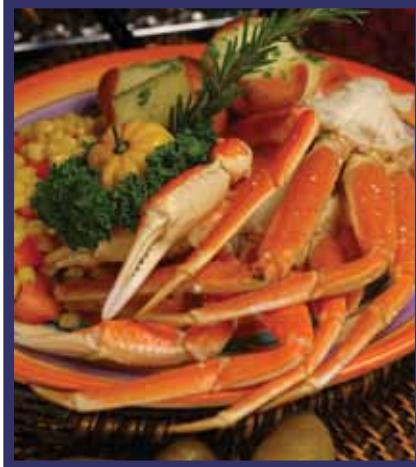
According to the DNR, the oyster fishery was on track to double or triple its harvest from 2011's 135,000 bushel figure, a pace not seen since before a wave of disease outbreaks in the mid-1980s.

The surge in Maryland's oyster harvest reversed product flow in December when Maryland oysters were being sold in the Gulf of Mexico.

"Maryland oysters are being sold down in the Gulf because the production is so high locally they are not able to use all of them in Maryland and Virginia," said Chris Nelson, vice president and co-owner of Alabama-based Bon Secour Fisheries in December 2012.

He added that typically in December 10 to 20 trailers of Gulf oysters get shipped

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industries have banner years in 2012

up north to be processed in the Delmarva area, but the tables were turned in 2012.

Meanwhile, the DNR also reported on the success of the state's blue crab meat sales in 2012.

According to a survey conducted by the DNR's Director of Seafood Marketing, Steve Vilnit, three of the state's top crab meat producers reported a 15% increase in 2012 sales totaling \$7.4 million.

The uptick in sales was accompanied with an increase in processed crab meat. Vilnit said that three of Maryland's top crab meat processors—which represent roughly 70% of the state's total blue crab meat production—reported 462,245 total pounds processed in 2012, up 5% from 2011 figures and 12% from 2010.

Furthermore, the price per pound for Maryland blue crab also ticked up from

\$14.66 per pound in 2011 to \$15.94 per pound in 2012, a 9% increase year over year. The price per pound is also up 16% versus 2010 figures.

Jack Brooks, co-owner of JM Clayton Co., a crab meat processor

based in Maryland, said the surge in crab meat sales was largely due to the DNR's "True Blue" marketing campaign. A program launched in 2012 to increase the domestic use of Maryland Blue Crab by offering promotional materials to regional restaurants that feature domestic blue crab product on their menus.

"We have seen a huge, huge kick for Maryland Crab meat since the "True Blue" program," Brooks said. "I think the results speak for themselves." **UB**

Article contributed by Michael Ramsingh
Mramsingh@urnerbarry.com



Maryland is famous for its shellfish, particularly oysters and the iconic blue crab that both enjoyed plentiful seasons this past year.



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Diets lacking in fish are a real concern

The real risk from seafood: not getting enough

Article contributed by
Rima Kleiner, MS, RD
National Fisheries Institute

Seafood gets no respect. Or, at least *not enough* respect. Seafood is a whole food that is high in protein and provides a boatload of vitamins, minerals and essential Omega-3 fatty acids. It's versatile, easy to prepare and delicious. And most Americans consider fish to be a healthy choice. So, why aren't we eating more of it?

Health organizations—like the Institute of Medicine (IOM), American Heart Association (AHA) and the United States Department of Agriculture (USDA)/United States Department of Health and Human Services (HHS)—recommend that Americans consume seafood 2-3 times

a week for heart and brain health benefits. The 2010 *Dietary Guidelines for Americans* are simple and clear—"Increase the amount and variety of seafood consumed by choosing seafood in place of some meat and poultry."

Despite the scientific evidence that seafood is good for us, we simply do not eat enough. The National Oceanic and Atmospheric Administration estimates that the average American eats approximately 3.5 ounces of fish a week, less than half of the 2010 *Dietary Guidelines for Americans* weekly recommendation. Research suggests that individuals don't eat enough seafood because of misinformation about safety and lack of confidence when selecting and preparing fish.

The good news? The scientific tide has long since shifted but now the rhetorical tide is slowly moving that way too. While the perceived risk from seafood has historically been contaminants, particularly mercury, the science is clear: the real risk of seafood is not eating enough. Seafood is the premiere food source of Omega-3 fatty acids, unsaturated fats that help protect the heart, lubricate the brain and improve baby brain and eye formation.

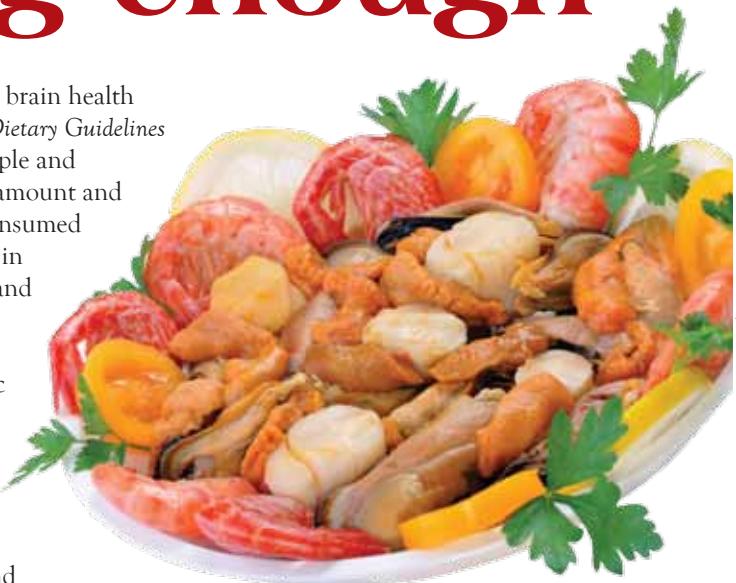
Low consumption of Omega-3s from fish is the second-biggest dietary contributor to preventable deaths in the United States, taking approximately 84,000 lives each year. The FDA has suggested that 50,000 deaths from heart disease alone could be avoided through a diet rich in seafood. And according to Harvard research, eating just two fish meals a week contributed to a 36 percent reduction in deaths from sudden heart attack. Sadly, studies find that only a quarter of Americans report

consuming any fish-based Omega-3s on any given day.

Diets lacking in fish are a real concern. So much of a concern, in fact, that the U.N.'s Food and Agriculture Organization (FAO) along with the World Health Organization (WHO) issued a joint report in January 2010 recommending that public health organizations around the world better communicate the real benefits of seafood (reduced heart disease risk and improved brain development for babies) along with the real risks of *not* eating seafood on health.

We are only at the beginning of this paradigm shift. Misinformation promoted by activists does undermine nutrition science and cause public health damage. And, long-held beliefs and myths continue to cloud consumers' perceptions of seafood. But, the evolution of understanding the importance of fish in the diet is occurring. More and more doctors, dietitians and other healthcare professionals now understand the real risk associated with not promoting or recommending more seafood.

For more information on the heart and brain benefits of Omega-3s from fish, check out www.getrealaboutseafood.com or www.aboutseafood.com. **LB**



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Food stamps at record high yet food industry fails to benefit

Official unemployment figures are on the decline. Average weekly wages are on the rise. Inflation is in check and (at the time of this writing) the S&P 500 is at or near five-year highs. All would appear right in the world. However, one data point continues to loom in the background; an important, yet commonly overlooked and under-appreciated measure that bodes ill

for economic recovery and the health of the population overall.

Between October 2010 and October 2012, the amount of people collecting food stamps, or as of October 2008 on the Supplemental Nutrition Assistance Program (SNAP), increased by over 10.4 percent. That equates to 4.32 million additional Americans requesting nutritional aid from the U.S. government while the “recovery” was in full swing. In September 2012, this figure hit an all-time high of 47,710,283 persons on food stamps. Likewise, in the same month, an all-time high of 22,973,657 households were officially on the SNAP/USDA program.

Now for the costs: From October 2010-2012, the costs of SNAP increased by 9.78

percent or \$533 million, from \$5.778 billion to \$6.344 billion in two years. An admirable increase, yet not sufficient enough to compensate for the influx of new participants. When calculating for the monthly cost per household, the amount of financial aid for each household has actually dropped by an average of \$10 per month over this two year period.

So what does this mean for the protein industry? For starters, the decline in average monthly food stamp compensation from \$286.29 to \$276.62 per household over the last two years means that about \$10 per month is not available for food purchases. This comes during a period when many retail red meat and poultry items have seen significant appreciation in value whether from drought, feed prices, exports etc. On a dinner table level, that's one less strip steak, package of pork chops or package of chicken breasts per month. The decrease of \$10 per month to be spent on food multiplied by the 22,932,705 households on food stamps in October of 2012 equates to nearly \$2.3 billion dollars per month in potential food sales going by the wayside.

This is a growing issue for the food industry with no easy solution. Cost per household is a fraction with a numerator and a denominator. The government could reduce the amount of households on the program—most likely by improving employment. Which if the size of the program was held constant, the amount of funds going to each remaining household would increase. Or, the government could increase the program's size, which has shown to do little but entice more people to register for aid. Cue the pundits from both sides. This is a hot button issue with strong opinions advocating for both viewpoints and unfortunately, with SNAP integrated into the Farm Bill, the debate will likely continue in coming years. **UB**

“Between October 2010 and October 2012, the amount of people collecting food stamps increased by over 10.4 percent.”



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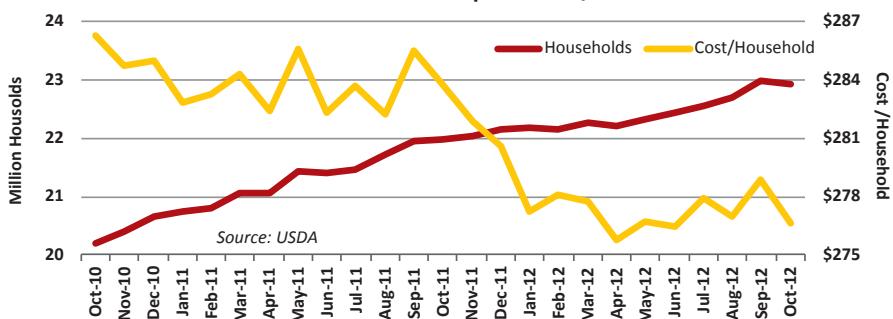
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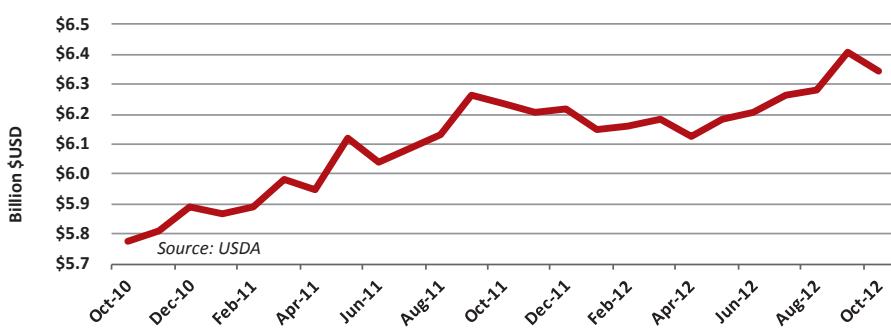
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Households on Food Stamps vs. Cost/Household



Total Food Stamp Costs



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LaMonica languishes in surf clam success



LaMonica Fine Foods finds niche success through Jersey surf clam industry

New Jersey-based LaMonica Fine Foods has enjoyed 90 years of successful seafood business capitalizing on being vertically integrated in the surf clam industry. Dubbed, "Home of the Hand Shucked Clam," LaMonica has found its niche by being the largest hand-shucking clam facility in the United States.

LaMonica was founded in 1923 when Peter LaMonica, Sr. started a small seafood business that specialized in fresh locally harvested seafood. The demand for fresh fish was high so LaMonica expanded his fishing business and opened Cape May Foods in Cape May, NJ.



LaMonica uses only sweet and tender clam and seafood products of the highest quality.



Cape May Foods would continue its operations out of its namesake town until July 2000 when LaMonica's grandsons, Daniel LaVecchia and his brother Michael purchased a newer facility in Millville, NJ; by 2005 the company was totally relocated to Millville and renamed to LaMonica Fine Foods.

According to Danny, who serves as LaMonica's president, the company has remained competitive in the complex seafood industry by offering high quality hand shucked surf clams, ocean clams and conch; items most abundant in the Atlantic Northeast. From these, LaMonica produces a myriad of products including fresh, frozen, canned and value-added offerings.

"Through vertical integration, by owning our own federally allocated clamping rights (ITQs), fishing boats, trucks and our GFSI-certified Processing Plant, we control the quality of our products from harvest to distribution," LaVecchia said. "Our key to success is the great people who work

with us every day. My brother Michael and I lead a talented team of people, starting with our boat crews through every phase of our operations."

Moreover, LaVecchia said LaMonica benefits from its central location in South Jersey that allows the company to take the freshly harvested seafood from their boats landing in Atlantic City and Point Pleasant, NJ and to deliver those fresh clams to the Boston, Philly, New York, Washington DC and Baltimore markets, all within 24 hours.

LaMonica is constantly developing new products to introduce to the market. The company released a foodservice Lobster Bisque and New England Clam Chowder, in addition to retail versions of its Red Clam Sauce, White Clam Sauce and Clam Juice. For the 2013 Lenten season they rolled out a new line of LaMonica Branded All Natural Chopped Clams, Clam Juice and Clam Strips for foodservice and retail.

"We are very excited with the results of introducing these products at the Winter Fancy Food Show in San Francisco in January. Many manufacturers and restaurants are going "All Natural," and we are thrilled to be a part of that," LaVecchia said.

In fact, LaMonica All Natural products will be on display at the Boston Seafood Show in the New Product Showcase and in their Booth, #851.

"Our seafood products, which are harvested and processed in the U.S., are among the best in the world. We are very proactive in cooperating and working with the NMFS and our industry colleagues to maintain the species sustainability to ensure generations to come can enjoy Sweet and Tender, Hand Shucked LaMonica clams," LaVecchia said.^{UB}

Article contributed by Michael Ramsingh | Mramsingh@urnerbarry.com



LaMonica
Since 1923



Above: LaMonica Fine Foods, is not only "Home of the Hand Shucked Clam", but Scungilli, Calamari, and Crispy Clam Strips too! LaMonica Scungilli are delicious in salad, simmered in sauces, or prepared any way you like.

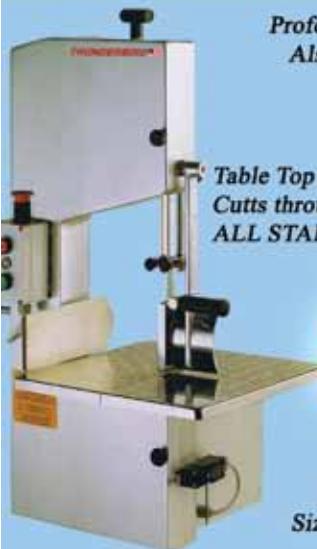
Left: LaMonica is proud to offer its customers New Jersey Seafood! Their clams come from the Atlantic Ocean, landed in New Jersey, then are processed and packed at company plants located in Cumberland County, NJ.

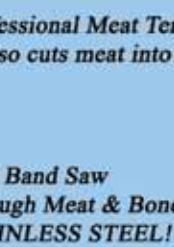
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Nuggets are bright spot

Falling U.S. catfish fillet production

The U.S. catfish industry continued to contract sharply in 2012, falling another 10% to only 300 million pounds of round weight, when compared to 2011. Meanwhile, domestic fillet prices fell 20%, but nugget prices held up. The reason seems to be that nuggets are only produced domestically. So, continued demand for nuggets, both fresh and frozen, has been one of the few bright spots for the industry.

"Total U.S. round weight of catfish processed fell 10% from 334 million pounds in 2011 to 300 million pounds in 2012."

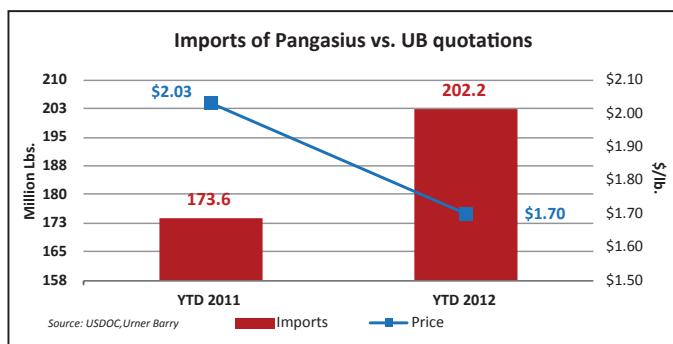
Total U.S. round weight of catfish processed fell 10% from 334 million pounds in 2011 to 300 million pounds in 2012.

Industry sources said the decline in processed weight is a result of falling domestic demand for U.S. catfish. Many U.S. farmed catfish producers attributed widespread availability of cheaper foreign imports of Chinese catfish and Vietnamese *Pangasius* for the decline in demand for U.S. catfish.

For example, according to the U.S. Dept. of Commerce, YTD imports of frozen Vietnamese *Pangasius* fillets through November hit a record high 202.2 million pounds, an increase of 16%; and record import levels have been

accompanied with near three-year lows in average fillet prices. According to Urner Barry quotations, the average price of 3.5 ounce *Pangasius* fillets in January was \$1.70 per pound, down 16% from January 2012's \$2.03 per pound average—the lowest recorded average price since May 2010 when prices were reported at \$1.67 per pound.

Meanwhile, total domestic catfish fillet production decreased 5% in 2012, from



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hurts noteworthy nugget demand

65.42 million pounds to 62.07 million pounds, while prices have plummeted.

However, this decline in fillet demand, and subsequent production, has had an interesting impact on the catfish nugget market.

Catfish nuggets are produced during the filleting process; so as fillet production falls, nugget production follows suit. Moreover, it should be noted that catfish nuggets are not produced overseas.

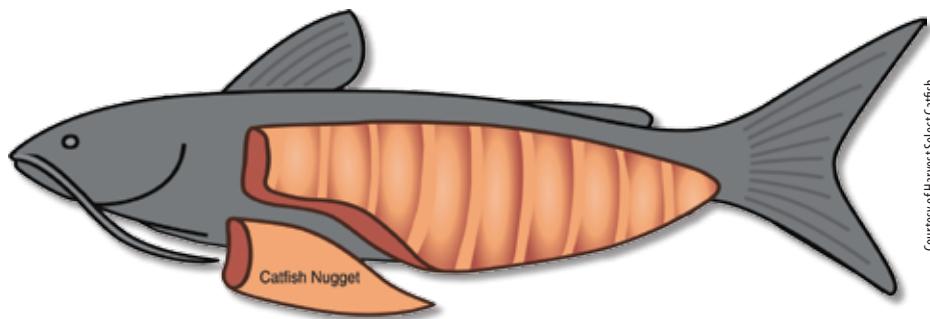
According to industry sources, U.S. demand for domestic catfish nuggets in 2012 has remained relatively strong when compared to other catfish items.

For example, YTD production of domestic catfish nuggets fell 10% in 2012, from 21.30 million pounds in 2011 to 19.20 million pounds, with end-of-month inventories in December plummeting 47%, from 1.76 million pounds in 2011 to 930,000 pounds in 2012. As a result, nugget prices rose in 2012 as supplies dwindled. According to Urner Barry quotations of Frozen Domestic Catfish Nuggets, the average price of nuggets was up 26% in December 2012 compared to the same month in 2011, from \$1.15 per pound to \$1.45 per pound; assuming everything else equal, this indicates a rise in demand.

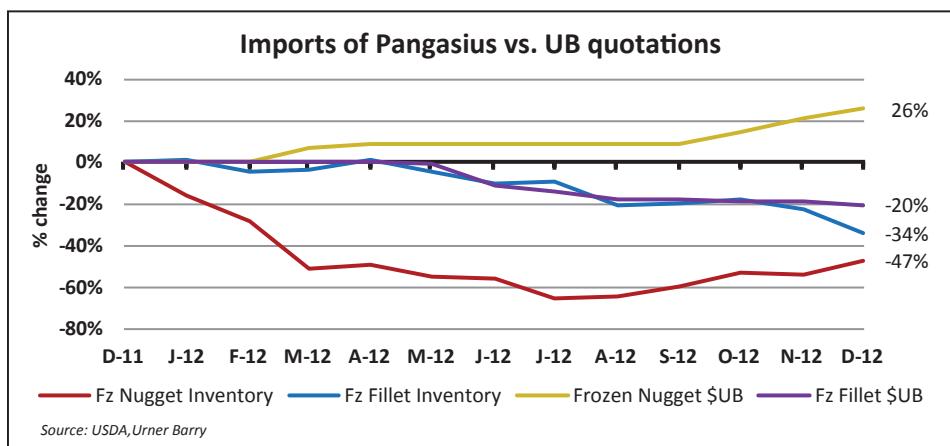
By comparison, U.S. domestic fillet prices plummeted 20% in 2012, from \$4.12 per pound in December 2011 to \$3.28 per pound the same time a year later. Meanwhile, as fillet production fell in 2012, inventories also dropped—34% year-over-year in December 2012. Assuming all things equal—declines in prices, inventories and production—it is safe to assume a decrease in demand.

Since catfish nuggets are not produced overseas it will be interesting to observe how the industry and market react, should catfish fillet production continue to decline amid consistent demand for nuggets.**UB**

Article contributed by Michael Ramsingh
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Carnivorous cavemen

Good news meat-lovers: a recent study done by two separate groups, the *Proceedings of the National Academy of Sciences Journal* and journal *PLoS ONE*, suggests that eating meat may have led humans to the top of

the food chain in more ways than one. If not for our early ancestors consuming meats high in calories, fat and nutrients, our human brains may have never developed as they did.

“...there is little chance that our brains could have developed as they did if we consumed only a raw or vegan diet.”



Researchers believe that eating animal protein fueled brain growth early on in our evolutionary history. The study published by in the *National Academy of Sciences Journal* suggests that there is little chance our brains could have developed as they did if we consumed only a raw or vegan diet. Our bodies need a certain amount of calories just to sustain basic functioning, and so much more was needed to promote maturation.

The study, as reported by *Live Science*, was conducted by

comparing the brain size of primates versus that of humans. Gorillas, for example, can grow up to three times the size of a human in body mass, yet the gorilla brain is significantly smaller. The human brain, in comparison to our overall size, is disproportionately larger. The study concludes that the gorillas' diet of plant nutrition is at fault for their inferior brain size, and that hours and hours of constant munching is needed simply to maintain that mass. Meanwhile, humans were eating animal protein which allowed their bodies to have more than enough energy giving them the ability to focus on more important things, like building superior cognitive function.

Cooked meat specifically was proven to release more nutrients and calories than raw food, and once our ancestors figured out how to make fire—the rest was history. According to scientific findings, our brains started evolving at a rapid rate.

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How do we know for sure what our ancestors were eating for supper? A study conducted by the journal *PLoS ONE* published in October 2012 examined the remains of a pre-human toddler who is believed to have died from malnutrition 1.5 million years ago. Shards of a skull found in modern-day Tanzania reveal that the child had porotic hyperostosis, a type of spongy bone growth associated with low levels of dietary iron and vitamins B9 and B12; the result of a diet lacking animal products in a species that requires them, as reported by *Live Science*.

So what does this research mean for us in 2013? It further supports existing research that meat, in moderation, is essential for healthy brain function. It's high in Omega-3 fats and nutrients that promote development. Who knows—maybe after another million years of eating meat we'll all be super heroes with special powers and x-ray vision. **LB**

Article Contributed by Jamie Chadwick
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Big basket needed for spring celebration

AEB reclaims Easter as THE egg holiday

Article contributed by
the American Egg Board

Building on momentum started in 2012, the American Egg Board (AEB) is organizing a sizeable, aggressive campaign in 2013 to reclaim Easter as *THE* egg holiday. This will be the largest and most comprehensive Easter promotion ever organized by AEB. Across almost every department at AEB, Easter-related efforts are planned.

A major Easter-focused national advertising campaign will feature a new Easter-themed version of the Incredible Edible Egg Jingle for radio as well as new print and digital ads. Radio listeners of ESPN's "Mike and Mike" and "Nick Cannon Countdown" will hear the new :30 and :60 spots. Several state promotional organizations have expressed interest in running these spots locally helping to extend AEB's messages further. Viewers of the "Jimmy Kimmel



Decorating with eggs is a traditional part of Easter. The American Egg Board knows it's fun for all ages and makes a great family project.

Show" will also see a sponsored integration that incorporates the jingle on March 22.

In-store Easter promotional displays and egg price signage will reach grocery shoppers close to their points of purchase. From March 10 to April 6, Easter-themed egg case signage will appear in 7,700 grocery stores. A Facebook coupon and a cooperative retail promotion with Kellogg Keebler brand crackers will also drive egg sales during this period. Three million Instant Redemption Coupons (IRCs) for a dozen free eggs with purchase of two cracker packages will be available. Decorating and recipe ideas will be

posted to Kellogg's Snackpicks.com, Pinterest.com/snackpicks and Kellogg's Fan Rewards customer loyalty website.

A press release featuring Sabrina Soto, home/interior design expert and Target's Style Expert for Home, will include her tips/inspiration for decorating hard-boiled eggs as part of AEB's Easter press kit that will also include fact sheets on hard-boiling and a "A Dozen Reasons to Love Eggs." AEB will promote all these efforts via its social media properties. A Pinterest contest will be hosted for fans to post their own creative decorated egg. The contest will help drive more followers to AEB's Pinterest page. Potentially, the winning egg will be presented as the 36th Commemorative Easter Egg to President Obama and First Lady Michelle Obama.

AEB will again provide volunteers hats and aprons and more than 14,000 hard-boiled eggs for the White House Easter Egg Roll taking place on Monday, April 1. Plans are underway to coordinate a variety of lawn activities along with the 16-foot inflatable egg to bring additional awareness to eggs at Easter.

To further capitalize on the momentum of Easter, AEB has partnered with Discovery Education to host a second virtual field



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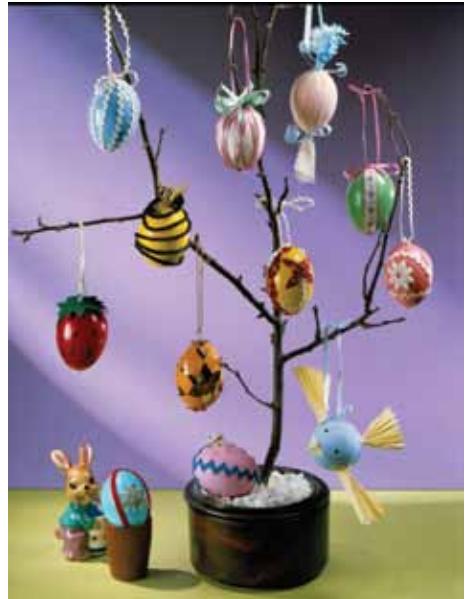
The White House Easter Egg Roll event draws 35,000 visitors to the South Lawn of the White House for games, stories and the traditional egg roll. The day's activities include sports courts and cooking demonstrations to help educate families on smart ways to incorporate healthy eating and exercise choices into their daily routines.

trip featuring Willamette Egg Farms' Greg Satrum on Wednesday, March 13. His cage-free facility and aviary housing system will showcase different methods of modern

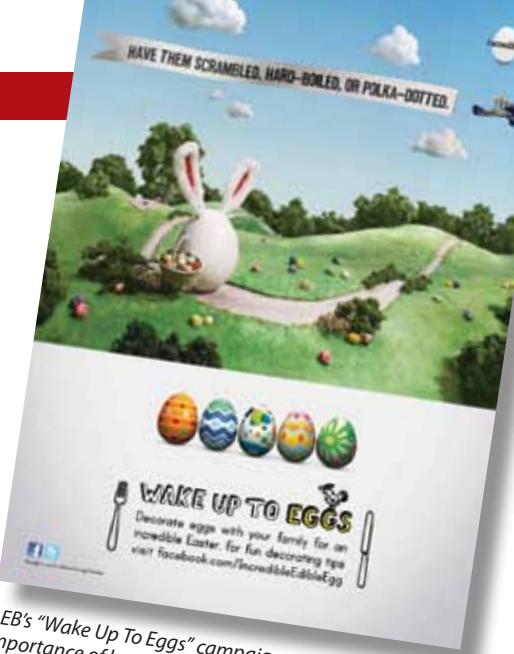
egg production. This field trip will once again be tied into lesson plans and additional educational opportunities. Based on farmers' feedback, AEB is focused on older students, including middle school students.

Last year's inaugural field trip shattered previous records and was Discovery Education's most successful field trip. Students will submit questions to be answered at the end of the live broadcast. Willamette Egg Farms provides an ideal backdrop to educate kids and teachers alike about the various types of production, while stressing that any method of production is done with great care for the birds.

The state promotional organizations will also share an Easter-focused press release with more than 250 media contacts. This release will focus on the holiday's traditions. A new craft brochure will also shortly be available. New crafts will also be shared by the states with their local media



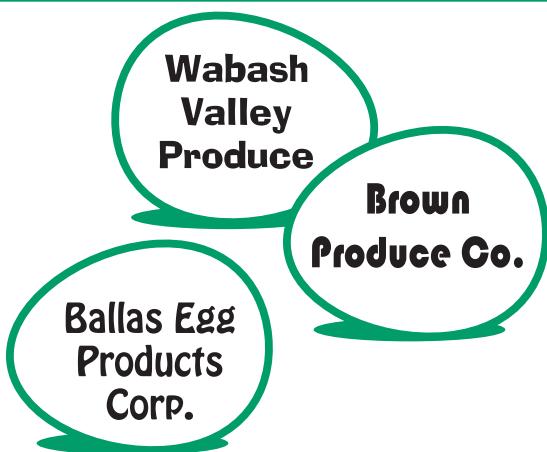
You don't have to be a professional artist to decorate eggs. They can also be painted, covered with beads or other materials or used as part of other Easter decor.



AEB's "Wake Up To Eggs" campaign promotes the importance of beginning the day with a high-quality protein breakfast.

contacts. Historically, AEB's egg crafts receive incredible media coverage.

AEB looks forward to sharing the results of this effort with the industry as they become available. As Easter approaches, check out IncredibleEgg.org for more Easter-targeted content. **US**



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Future leaders feed fish to those in need

Working to eradicate hunger in the U.S.

In January 2013 the National Fishery Institute's (NFI) 2012 Class of Future Leaders concluded their year by participating at the Los Angeles Regional Food Bank.

The group gathered in Santa Monica, CA just before the start of the NFI 2013 Global



John Roy, Bornstein Seafoods; Betsy Arrington, Harvest Select; Sean Casady, Trident Seafoods.

Seafood Market Conference and set out to the LA food bank to work with other community volunteers to help prepare food orders that would benefit some one million residents in the area.

The 2012 class raised more than \$15,000 for SeaShare, a charity that works with the seafood community to eradicate hunger in the U.S., and donated nearly 160,000 pounds of food.

"We have a dedicated group that worked on this service project and we hope we've made an impact," said class president John Roy of Bornstein Seafood. "More than just what we've donated



National Fishery Institute's (NFI) 2012 Class of Future Leaders concluded their year by participating at the Los Angeles Regional Food Bank.

or accomplished this past year, it's the relationship that the thirty companies, represented by this class, have fostered and continue to foster with SeaShare that we hope will have a lasting effect."

SeaShare director Jim Harmon echoed Roy's sentiment, and praised the NFI Future Leaders' efforts in combating hunger by gathering donations of healthy seafood options.

"NFI members continue to make important contributions in the fight against hunger. In spite of hectic schedules and important meetings, Future Leaders took the time this week to volunteer at the local food bank. I am humbled by their generosity," said Harmon. "Together, we are exposing thousands of families to the healthy benefits of seafood. We are fighting hunger and changing eating habits at the same time. This is a win-win for hungry Americans and our seafood donors."

Ana Martinez, volunteer director at the food bank thanked the NFI and the Future Leaders class for taking the time to work with her organization and for the LA community at large.

"Thanks to you, many hungry families and individuals throughout Los Angeles will be able to receive critical food assistance. As the demand for food continues to grow, the Food Bank needs the help of concerned people like you," said Martinez. **UB**

Article contributed by Michael Ramsingh
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S&G, superior quality and customer service at its best

To someone involved with the poultry industry, it might seem like chicken companies are a dime a dozen these days. Even as a number of corporations merged over the last few years, a high number of trade outposts have popped up as well. So how does a business in this congested environment set itself apart from the crowd? For over ten years now, the answer for S&G Poultry has been superior quality and customer service.

An Alabama-based company, S&G began as Rainbow Breeder Company, LLC in August of 2000 with Danny Eiland and Richard Udale. Under the Rainbow name, Danny and Richard provided broiler chicks to poultry producers, live markets and other aspects of the growing world.

In 2004, Eiland took the reigns as the sole owner and renamed the company S&G Poultry, LLC in honor of his two



granddaughters Sara and Grace. The name change was only that, as Danny, along with the addition of his wife Ann, continued to please the broiler community with top of the line broiler chicks.

According to the owners, they "are the only provider of colored-feathered broiler chicks in the U.S. which supplies 100% of its chicks from its own U.S. developed pedigree lines." This fact is important as S&G believes its birds are "bred to be broilers. Not birds with just pretty feathers, but chickens bred to be grown outdoors or indoors with good growth rates, feed conversion and meat on their bones. The fact that they also happen to be drop dead gorgeous is a bonus." The company also prides itself on not only

being a broiler breeder, but also providing one table egg line.

So what types of birds does S&G offer? That answer varies from the Red Ranger, the Rainbow, the Naked Neck, the Golden Nugget and the Heritage White. The Red Ranger is the company's baseline product with a 70% live to dressed weight yield noted. The Rainbow is considered more of a dual purpose bird with the hens laying large brown eggs and the males reaching market weight at around 12 weeks. The Naked Neck lives up to its name as its neck is almost completely void of feathers, but these birds are also known as the premier eating bird because of their superior meat texture and very thin skin which crisps to perfection when roasted. The Golden Nugget is S&G's table egg bird as it produces a good-sized brown egg with excellent shell quality. Last but not least, the Heritage White chicken comes from the old White Plymouth Rock stock which provides it with a sturdy frame and well-balanced body making it a great meat bird.

In addition to offering a variety of birds, the employees of S&G pride themselves with the ability to educate their customers on the superior quality of their product and assisting in the growing procedures. With over 30 years experience supervising the growth of commercial broilers combined with a hands-on approach to every aspect of producing a great bird, Danny Eiland and his crew are confident in their ability to assist in the enhancement of any company's bird performance.

When combined with their reputation for product superiority and attention to their customers, those kinds of traits are certainly not commonplace, particularly in the current landscape of muddled expansion that the chicken industry has grown to become.**LB**

Article contributed by James Serpico
Jserpico@urnerbarry.com

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Urner Barry expands offerings in-time for IBSS debut

Each year, the team at Urner Barry looks to bolster its product offerings in an effort to meet the needs of our clientele. As far as the company's seafood portfolio is concerned, many of these newly developed products are launched at the International Boston Seafood Show (IBSS) and accompanying Seafood Processing America (SPA).

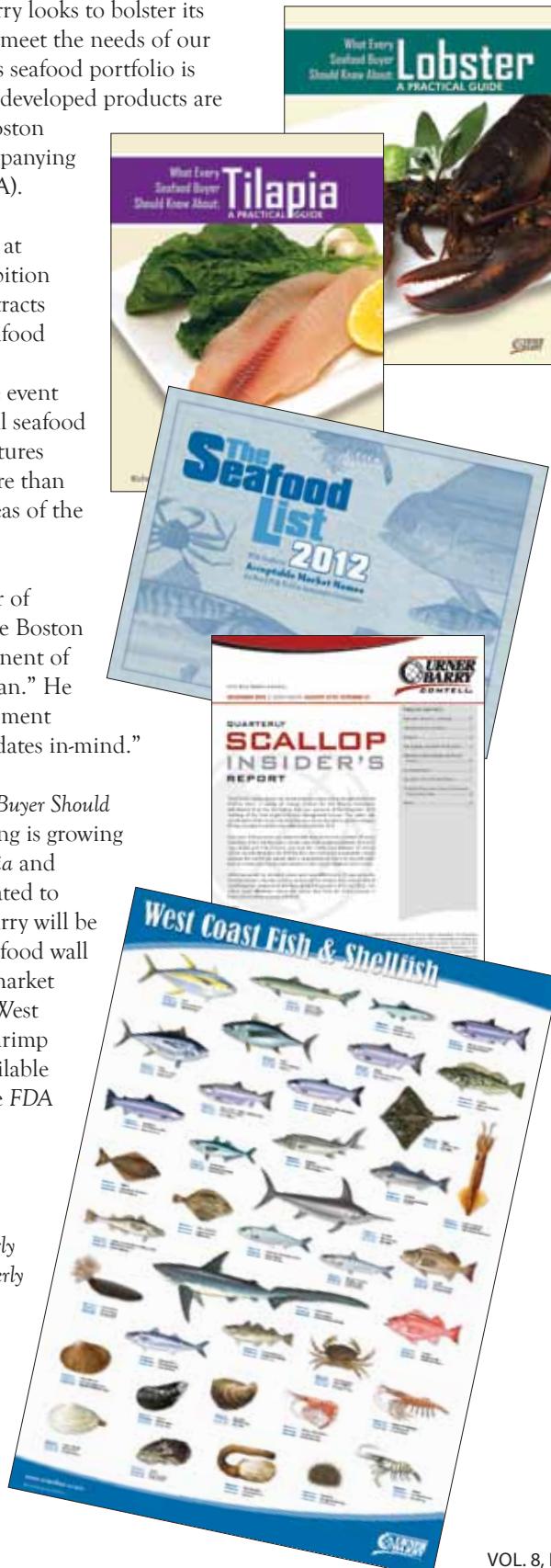
Slated to run March 10-12, 2013 at the Boston Convention & Exhibition Center, this annual gathering attracts more than 18,000 seafood buyers and sellers from over 120 countries around the world. The event has grown into the largest annual seafood show in North America, and features more than 900 exhibitors in more than 1,700 booths representing all areas of the seafood industry.

Jim Kenny, Urner Barry Director of Business Development says, "The Boston Seafood show is a critical component of our overall seafood marketing plan." He adds, "We align product development and new releases with the show dates in-mind."

In 2013, the *What Every Seafood Buyer Should Know About* series by Dick Gutting is growing by two. A Practical Guide to Tilapia and A Practical Guide to Lobster are slated to debut in Boston. Also, Urner Barry will be expanding its popular line of seafood wall charts for the North American market with Alaska Fish and Shellfish, West Coast Fish and Shellfish, and Shrimp Size and Identification. Also available will be an updated version of the *FDA Seafood List*.

Also on-hand will be copies of Urner Barry's latest additions to their Insider's Reports, the Quarterly Scallop Insider's Report and Quarterly Groundfish Insider's Report.

If your travel plans have you at the International Boston Seafood Show and Seafood Processing America March 10-12, please sure to stop by Urner Barry booth #364. **UB**



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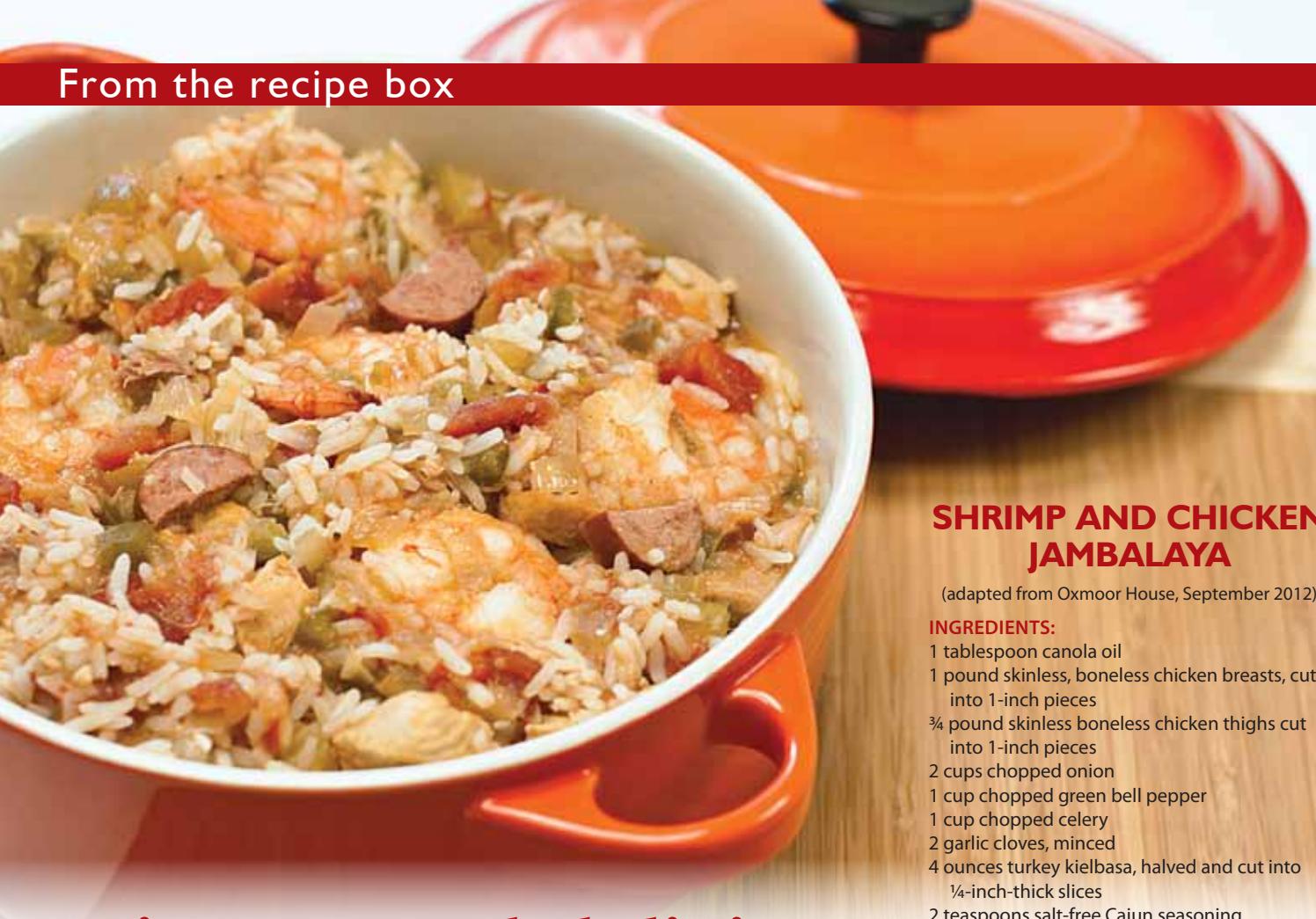


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Photo/Jenny Wessel

Diverse and delicious Shrimp and Chicken Jambalaya

Just uttering the word "jambalaya" does something to excite one's culinary desires and carnal craving for meat and spices—and lots of them! According to fact and folklore, jambalaya got its beginnings in the original European sector of the French Quarter. It was created in response to a desire by the Spanish to make paella in the New World. Without a ready supply of saffron, tomatoes came into play and slowly it evolved to include a variety of Caribbean spices as well. Traditionally speaking, there are two types of jambalaya; Creole, which includes tomatoes, and Cajun, which does not.

Originating from Louisiana's rural bayou country, it's natural that readily available local fare such as crawfish and shrimp

were used in the traditional "New World" recipe. However, any combination of meats, including chicken and turkey for poultry aficionados, may be used to make jambalaya.

Our readers who are attending the International Boston Seafood Show will no doubt be happy that the *Reporter's* recipe's foundation lies in shrimp. At the same time, our friends in the chicken and turkey industries will appreciate the inclusion of breast and thigh meats, as well as turkey kielbasa, which represents flexibility and value to the consumer. This recipe contains a mix of ingredients which blur the traditional lines between Cajun and Creole. Any way you size it, there's one commonality among all jambalaya recipes; they're all delicious! **LB**

SHRIMP AND CHICKEN JAMBALAYA

(adapted from Oxmoor House, September 2012)

INGREDIENTS:

- 1 tablespoon canola oil
- 1 pound skinless, boneless chicken breasts, cut into 1-inch pieces
- ¾ pound skinless boneless chicken thighs cut into 1-inch pieces
- 2 cups chopped onion
- 1 cup chopped green bell pepper
- 1 cup chopped celery
- 2 garlic cloves, minced
- 4 ounces turkey kielbasa, halved and cut into ¼-inch-thick slices
- 2 teaspoons salt-free Cajun seasoning
- ½ teaspoon dried thyme
- ¼ teaspoon Spanish smoked paprika (optional)
- 2 (14 ½-ounce) cans diced tomatoes with red and green peppers, undrained
- 1 (14-ounce) can fat-free, lower-sodium chicken broth
- 2 (3 ½ -ounce) bags boil-in-bag long grain rice
- 1 pound medium shrimp, peeled and deveined
- 2 tablespoons chopped fresh flat-leaf parsley
- 1 tablespoon hot sauce
- Fresh parsley leaves (optional)

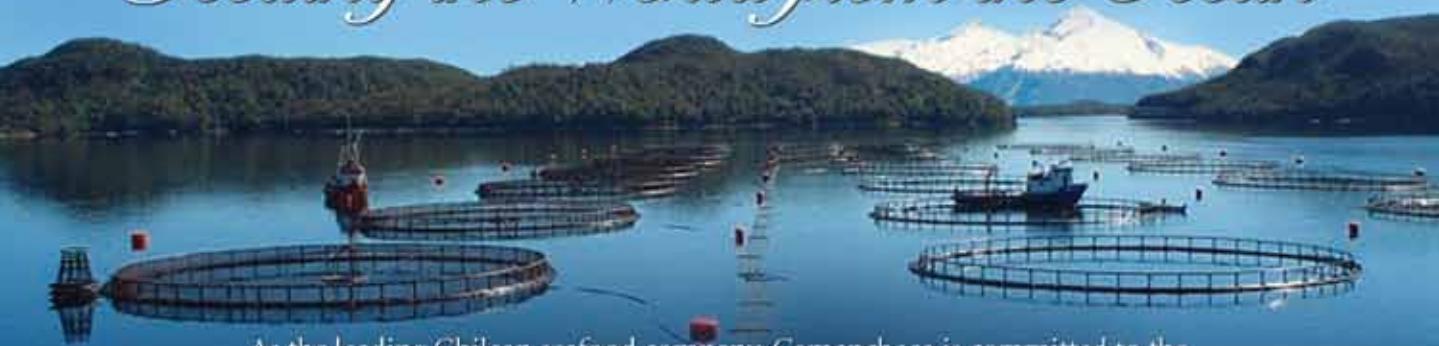
PREPARATION:

1. Heat a large skillet over high heat. Add oil to pan; swirl to coat. Add chicken; cook 4 minutes, stirring occasionally. Place chicken in an electric slow cooker.
 2. Add onion, bell pepper, celery, and garlic to pan; sauté 44 minutes or until tender. Add onion mixture, turkey kielbasa, and next 5 ingredients (through chicken broth) to slow cooker. Cover and cook on LOW for 5 hours.
 3. Cook rice according to package directions. Add cooked rice and remaining ingredients except parsley garnish to slow cooker. Cover and cook on HIGH 15 minutes or until shrimp are done. Garnish with parsley leaves, if desired.
- Yield: 8 servings. (serving size 1 ¼ cups)

*Introduction written by Russell W. Whitman
Rwhitman@urnerbarry.com
Recipe prepared by Rusty Dean
Rusty@urnerbarry.com*

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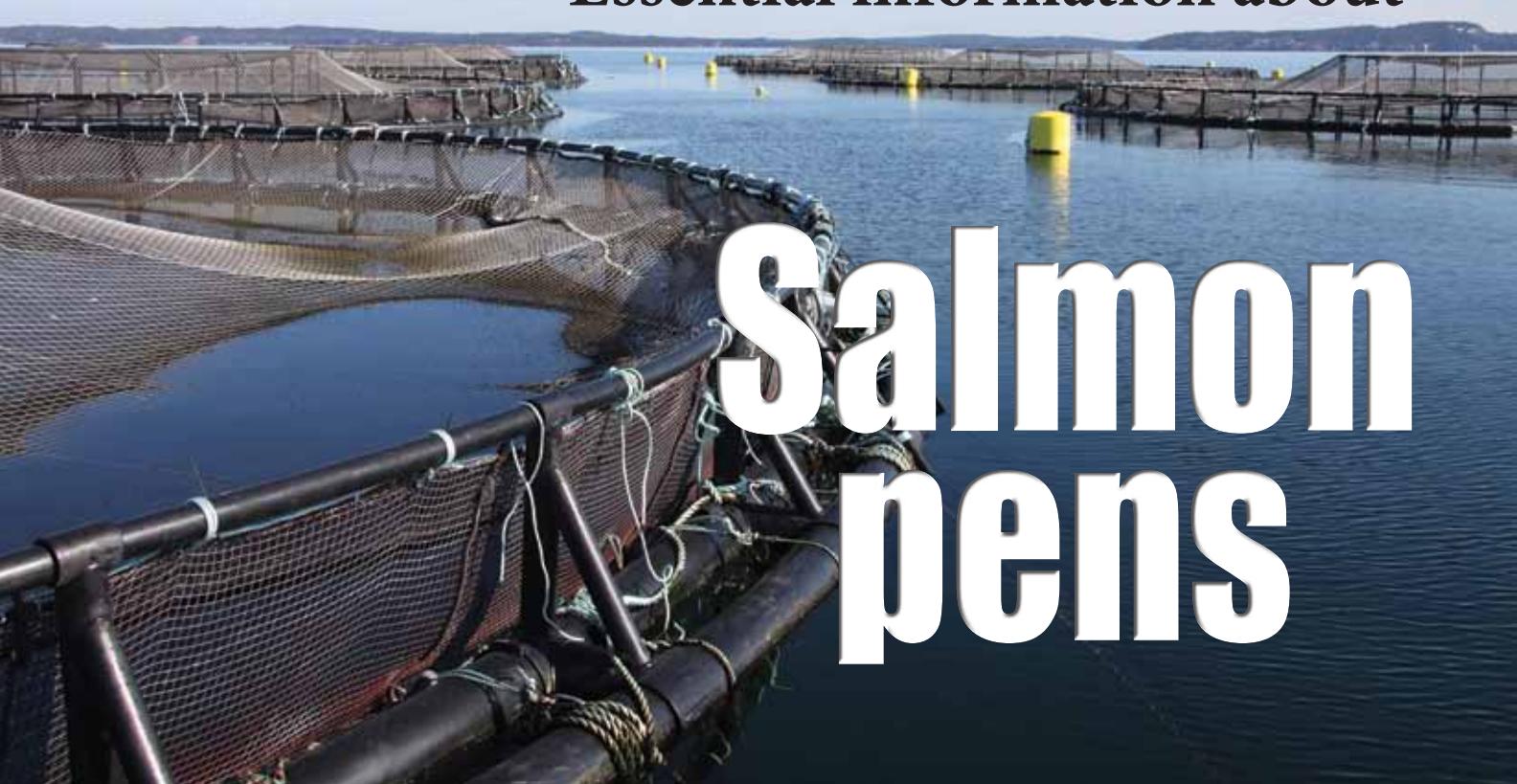
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Salmon pens



GMG Fish Services, founded in 1994, is the equipment manufacturing and repair division of Cooke Aquaculture Inc. GMG is an important part of Cooke's vertically integrated salmon farming company. Cooke is an "egg-to-plate" salmon producer meaning the company is involved in every aspect of production from spawning and rearing juveniles to farming the ocean, harvesting and processing. Cooke makes its own feed, owns its own fleet of trucks and even makes its own boxes for packing the fish.

Net and cage construction and repair are an integral part of the operations. There is also a GMG retail store that sells marine supplies to fish farmers, fishermen and boat owners.

Urner Barry's Reporter spoke with GMG Fish Services, a division of Cooke Aquaculture Inc., in New Brunswick, Canada about an aspect that not many seafood specialists think about. What are farmed-salmon raised in? There is a lot more involved than just a net in the water. Here we look at the basics of salmon pens with the intention of presenting some fundamental information on how salmon are raised for aquaculture.

GMG FISH SERVICES

Modern containment systems keep fish in and predators out

THE DESIGN

Today's modern salmon pens are designed and built specifically for the environment in which they'll be used. For GMG Fish Services that means manufacturing systems that will work in the high-energy waters of the North Atlantic. With farms located in Fjords, off the rugged coast of Newfoundland or in the Bay of Fundy, home of the world's highest tides, GMG's cages are designed to withstand the elements. They have to be strong but flexible



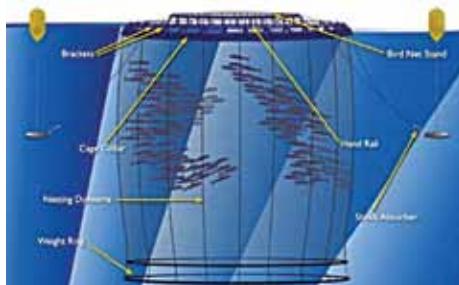
to withstand strong currents, heavy storms, ice and even the occasional hurricane.

Salmon cages designed by GMG work well off the East Coast of Atlantic Canada and Maine. Known as polar circles, the frames are built from tough high-density polyethylene (HDPE) pipes and brackets. They have some give which enables them to roll with the waves, currents and ice, yet are strong enough to stand up to the sometimes-harsh conditions. In some areas, GMG's farm site technicians can see all four seasons in the same day with sunshine, rain and snow. (photo left)

The most common size polar circle frame has grown from 70 meters (almost 230 feet) in circumference to 100 meters (328 feet) and many of GMG farms now have 150 meter (492 feet) cages as well.

THE COMPONENTS

What you see isn't always what you get with salmon cage systems. Like an iceberg, most of the system is below the surface.

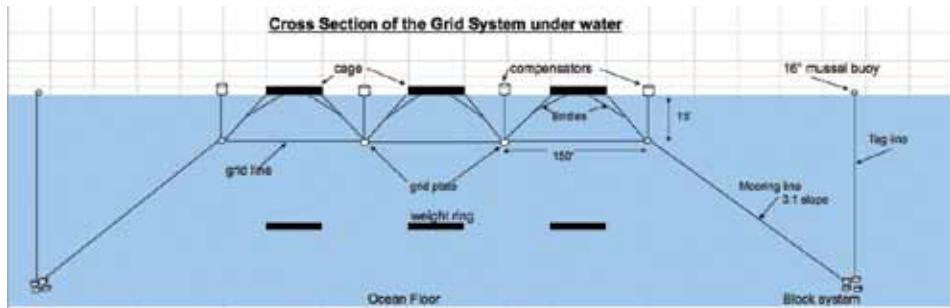


HDPE FRAME

What you see is the main frame including the collar (which is the circular HDPE pipe floating on the surface) and the handrail (connected to the collar by brackets and is used to secure netting and also as something for workers to hold onto as they walk around a cage).

Another HDPE pipe structure floats in the middle of the cage. It's called a bird stand and its job is to provide support for the net that covers the top of the cage and is tied securely to the handrail. This component keeps birds away from the salmon and it also protects against escapes if waves crash over the cage or if ice weighs it down.

There is also circular pipe below the cage and depths that vary depending on the water depth at a particular farm. This pipe



is called a weight ring and it holds the netting secure and helps maintain the structure of the cage. These weight rings could sit 10 meters (almost 33 feet) or more below the cage.

SECURELY ANCHORED

Since a farm could hold six, eight, or more cages, there has to be an anchor system to hold it all together. Grid plates anchored to the ocean bottom provide stability and ensure the farm maintains its proper layout.

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NET DIFFERENCE

The netting itself comes in several sizes and weights. Smaller fish, known as smolts when they are initially introduced to the farm, require smaller mesh sizes so they don't escape. These smolt nets are replaced with market nets when the fish grow larger and will spend the rest of the grow-out period in these enclosures. A larger meshed net is wrapped around the entire system to keep seals and other predators away.



These predator nets work well and frustrated seals generally move on to look for easier-to-catch foods.

Cooke Aquaculture and GMG are constantly looking for stronger, lighter netting materials.

STRENGTH TESTED, TAGGED AND TRACED

At GMG Fish Services there are literally thousands of nets in the system and they're all tagged and tracked in a computer database. When used nets are taken off a cage they are transported to a specialized cleaning facility for disinfecting and drying. They are then delivered to GMG in St. George, New Brunswick, where eagle eye workers look for holes to mend. It's a big job with hundreds of farms and millions of fish relying on them.

Each net is mechanically tested for strength and graded in terms of whether it can withstand a high energy site or if it should be relegated to medium or low energy farming areas.

When building a new farm or changing nets, the crew at GMG can find the size and strength they need by referencing the computer database and tracking that net from the storage facility.

CLEAN TEAM

Once nets are cleaned and mended they get dipped in a paint solution that helps keep seaweeds, shellfish and other sea life from growing on it. When growth occurs it closes off the mesh and cuts the amount of water, and oxygen, flowing to the fish. A good oxygen flow is critical to healthy feeding and good growth. Nets are cleaned on site with pressure washers or, if they get too dirty, they are changed and brought ashore for a thorough cleaning. **UB**

Article submitted by Janice Brown
Janice@urnerbarry.com



Cooke Aquaculture and GMG Fish services are committed to ensuring that their farming practices are ethical, sustainable and respectful of the environment.



GMG manufactures and repairs a variety of Containment and Predator nets of all different shapes and sizes from 50 meters to 150 meters to accommodate all sizes of fish.



GMG's main focus of its Net Manufacturing Division is to keep the fish in and the predators out. When used nets are taken off a cage they are transported to a specialized cleaning facility for disinfecting and drying, and then looked over by eagle eye workers for holes to mend.



From the careful selection of farm sites and investment in the best technology in everything from cage and net construction to feeding systems, to regular monitoring and sampling of sediment under cage sites, Cooke Aquaculture and GMG take all the necessary steps to ensure the health of its animals and of the surrounding areas.

No mixing. No blending. No kidding.

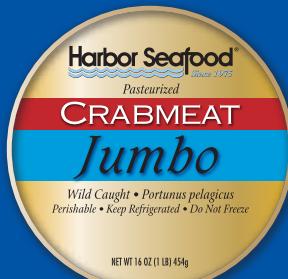
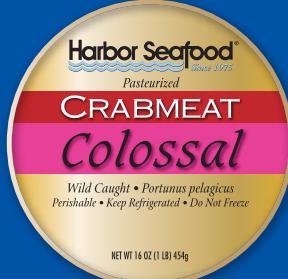


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U.S. shrimpers set sights on foreign imports

Gulf shrimp industry's countervailing

Just prior to the new year, a group of American shrimp processors in the Gulf filed a new countervailing duty petition against 85% of the shrimp imports into the U.S., coming from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam. In 2004, the shrimp antidumping petition targeted five of these countries, plus Brazil. Indonesia and Malaysia have not been targeted before by U.S. industry trade actions.

The petition was filed by a group called the Coalition of Gulf Shrimp Industries (COGSI), organized for this purpose. However, the coalition members are, by and large, members of the American Shrimp Processors Association. The executive director and legal counsel for both groups are the same. The petitioners argued that foreign government subsidies were driving down imported prices of shrimp, preventing the U.S. domestic industry from competing with the cheaper imports.

Initially, in mid-January a battle was fought to determine who really represented the industry in the countervailing suit.

The Southern Shrimp Alliance (SSA) filed motions arguing that the COGSI—who claimed to represent 97% of the industry—was not accurate, and that they had a number of processor members who should be allowed to participate in the suit.

Additionally, COGSI also fought to keep the definition of the industry as narrow as possible. This included arguing against including fresh shrimp in the suit which would have reduced their claim that they represented a significant 50% of the industry.

However, in a January 17th preliminary hearing, the U.S. Department of Commerce (DOC) ruled that COGSI had standing for the petition. The DOC determined the organization represented



25% of the domestic production of a like product.

Meanwhile the SSA's Ad Hoc Shrimp Committee has been named a party to the investigation.

The DOC ruled that the products to be investigated are frozen warm water shrimp and fresh warm water shrimp. They accepted the petitioner's argument that subsidies given to farmers for the production of fresh shrimp will be part of the investigation because they benefit the exporters of frozen shrimp. The DOC will investigate Ecuador, China, India, Malaysia, Indonesia, Thailand and Vietnam.

Foreign shrimp exporters have said they will fully cooperate with the U.S. Trade Commission's investigation and will prove that their governments have not provided them subsidies.

"We will give relevant data as requested, including our export figures and annual minimum wage. We are trying to cooperate by complying with all the procedures," said Indonesian Fisheries Product Processing and Marketing Association chairman Thomas Darmawan.

The Vietnamese Association of Seafood Exporters echoed Indonesia's response and said they are prepared to prove that Vietnam's shrimp producers and exporters do not receive government subsidies.

The logo for Royal Harvest Foods features a white rooster standing on its hind legs, holding a sword in one wing and a shield with a blue 'R' and 'H' in the other. Above the rooster is a banner with the words "ROYAL HARVEST FOODS".

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duty case will take time to develop



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Thai shrimp exporters responded strongly to the investigation and said that "Thailand, for its part, has consistently argued that farmed shrimp are always cheaper than those caught at sea, so the U.S. Gulf fishermen are trying to compare apples and oranges."

Should the DOC make a ruling in favor the domestic shrimp processors, such duties will be applied from the date of the preliminary determination. However, lawyers for the countries and companies defending the suits expect that a number of the subsidy allegations will be thrown out. For example, in the case of Ecuador, the Commerce Department narrowed the investigation from seven alleged subsidies to two.

As a result, the outcomes will vary considerably from country to country.

Lawyers further suggest that in general, countervailing duties based on subsidies are lower than countervailing duties based on antidumping charges. One of the key elements is expected to be how familiar the various countries are with the U.S. countervailing duty process. China, for example, has faced hundreds of subsidy allegations, and is very well versed in U.S. law. Indonesia and Malaysia, however, have had far less direct experience with defending against U.S. countervailing duty charges.

In the current CVD case, that could be as early as 65 days after the start of the

investigation, which would be March 25, 2013, or if the timeline is extended, as late as May 28, 2013. Given the complexity of the allegations and the number of potential respondents, most experts feel an extension until May 28th is likely.

There is also the potential that the petitioners could allege 'critical circumstances', in which case the Dept. of Commerce could apply the duties up to 90 days retroactively from the date of the preliminary investigation (March 25th or May 28th depending upon the aforementioned extension). However, the allegation of 'critical circumstances' has to be proved, based on such things as an unusual surge in imports prior to the Dept. of Commerce ruling. Further, duties cannot be imposed retroactively before the date Commerce publishes a notice initiating the investigation in the federal register, which occurred on January 25th.

Even if duties are applied following a preliminary determination, the amount and rates, and even whether the duties will continue to exist will not be determined until the final determination, which commerce will issue no later than 75 days after the preliminary determination.

Customs will follow the normal liquidation process so that duties will not actually be collected until the entry is liquidated, after the final rates and duties, if any, are calculated. These rates and duties will be determined in a subsequent proceeding called an 'administrative review'. However, the liability of the importer of record for additional duties will begin at the earliest on March 25th, or if the petitioners successfully argue that critical circumstance exist. **US**

Article contributed by Michael Ramsingh
Mramsingh@urnerbarry.com

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William Roenigk presented with 2013 NPFDA Poultry Industry Lifetime Achievement Award

In 1991, the National Poultry & Food Distributors Association (NPFDA) began awarding the NPFDA Poultry Industry Lifetime Achievement Award to a poultry industry leader that played a major role in the growth of the poultry industry.

This year, NPFDA presented Mr. William P. Roenigk, Senior Vice President of the National Chicken Council, with this much-deserved award. It was presented by NPFDA president Kristin McWhorter during the NPFDA Awards Reception on Wednesday, January 30, 2013. Upon accepting the award Bill was virtually speechless but graciously thanked the industry friends and family which made "this night among my most memorable ever."

Mr. Roenigk is Senior Vice President of the National Chicken Council, the United States organization representing companies that produce, process and market over 95 percent of the young meat chickens (broilers) in the country. Roenigk joined the National Chicken Council (then National Broiler Council) in 1974. His responsibilities at the Council have included conducting economic and market analysis and presentation of broiler industry issues and concerns, both domestic and international to a variety of government bodies and non-



NPFDA Award Members and President & Past President (from Left to right): Marc Miro, Global Food Innovations and NPFDA President; Bill Roenigk, National Chicken Council and Lifetime Achievement Award winner; Al Acunto, Preferred Freezer and NPFDA Past President; Ted Rueger, Eastern Poultry and NPFDA Member of the Year; Andrew Hays, Pilgrim's Pride and NPFDA Top Recruiter.

government organizations. Additionally, as Sr. Vice President he is responsible for overseeing projects that involve industry and consumer market surveys. Information from these surveys provides important insights and understandings in addressing marketing, regulatory, and legislative issues.

Shortly after Roenigk joined the National Chicken Council, the U.S. Department of Agriculture and the U.S. Trade Representative's office initiated the Agricultural Trade Advisory Committees for the various agricultural commodities. Roenigk has been appointed to the advisory committee for animals/animal products since the committee's inception. As a member of the committee, he holds a confidential security clearance from the federal government. Prior to his present position of Senior Vice President, he was Director of Economic Research and Membership Services for the National Broiler Council.

Before joining the Council, Roenigk was Agricultural Economist with the federal government's Office of Food/Cost-of-Living Council; Agricultural Economist with the Foreign Regional Analysis Division/Economic Research Service, U.S. Department of Agriculture; and Agricultural Economist with the Dairy, Livestock and Poultry Division/Foreign Agricultural Service, USDA. He holds a



William Roenigk, senior vice president of the National Chicken Council, accepting his Poultry Industry Lifetime Achievement Award.

"Mr. Roenigk joins a long list of poultry industry household names including Frank Perdue, Don Tyson and Colonel Harland Sanders..."

Bachelor of Science from Pennsylvania State University and a Master of Science from the University of Delaware; both degrees are in agricultural economics. He has completed the course work in agricultural economics for a Doctorate degree in Agricultural Economics at the University of Maryland.

In speaking about Roenigk, USAPEEC president and last year's Lifetime Achievement Award recipient Jim Sumner said, "Bill should have received this award years ago. He is certainly a more deserving recipient than I."

Mr. Roenigk joins a long list of poultry industry household names including Frank Perdue, Don Tyson and Colonel Harland Sanders, along with lesser known but nevertheless notable honorees like Marvin Johnson and Tom Rueger. **UB**

*Article contributed by Russell W. Whitman
Rwhitman@urnerbarry.com*

Test your knowledge: Fishin' Films

1. In what famous fishing movie did the character “Quint,” played by Robert Shaw, sing the lines, “Farewell and adieu to you, fair Spanish ladies. Farewell and adieu, you ladies of Spain. For we’ve received orders for to sail back to Boston. And so nevermore shall we see you again”?
A. *Gone Fishin’*
B. *Jaws*
C. *On Golden Pond*
D. *The Creature from the Black Lagoon*

5. In the film, *A River Runs Through It*, fishing was more than just a pastime to the Maclean family, of 1920s Montana. It was a metaphor for religion, life, and love. The film won an Academy Award for Best Cinematography and was directed by this famous actor:
A. Paul Newman
B. Woody Allen
C. Charlton Heston
D. Robert Redford

3. This seafood restaurant-chain and market was inspired by a 1994 award-winning film and named for two of its main characters.
A. McCormick & Schmick's
B. Long John Silvers
C. Joe's Crab Shack
D. Bubba Gump Shrimp Co.

4. Based on the true story of the Andrea Gail's sinking in October, 1991, George Clooney and Mark Wahlberg star in this film that features a crew of commercial fishermen during one more late-season sword fishing expedition.
A. *The Perfect Storm*
B. *Open Water*
C. *Deep Blue Sea*
D. *The Poseidon Adventure*

5. For 50 years Max Goldman and John Gustafson, or moron and putz as they affectionately referred to one another, hit the ice everyday in an attempt to catch the big one. *Grumpy Old*

Men starred these two actors, as they competed in fishing, life, and love.

- A. Bill Engvall and Billy Ray Cyrus
- B. Jack Lemmon and Walter Matthau
- C. Roy Scheider and Richard Dreyfuss
- D. Spencer Tracy and Gregory Peck

Prepared by Terence Wells | Twells@urnerbarry.com

See answers on page 70

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Contributed by the
National Turkey Federation

According to the National Restaurant Association's 2013 Restaurant Industry Forecast, more than seven out of 10 consumers are trying to eat healthier at restaurants now than they did two years ago; women more than men (75 percent vs. 66 percent). Similarly, about three-quarters of consumers say healthy menu options are an important factor when choosing a restaurant. The trade association went on to say restaurants are responding to the rising demand for nutritious options, and that 86 percent of consumers say that restaurants are offering a wider variety now than two years ago. Similar findings were cited in a 2012 study conducted by Technomic, a consulting and research firm serving the food industry.

"People want great-tasting and healthy food when they eat out. By putting turkey on the menu, restaurants can give their customers the best of both worlds."

That's all good news for the turkey industry and consumers alike.

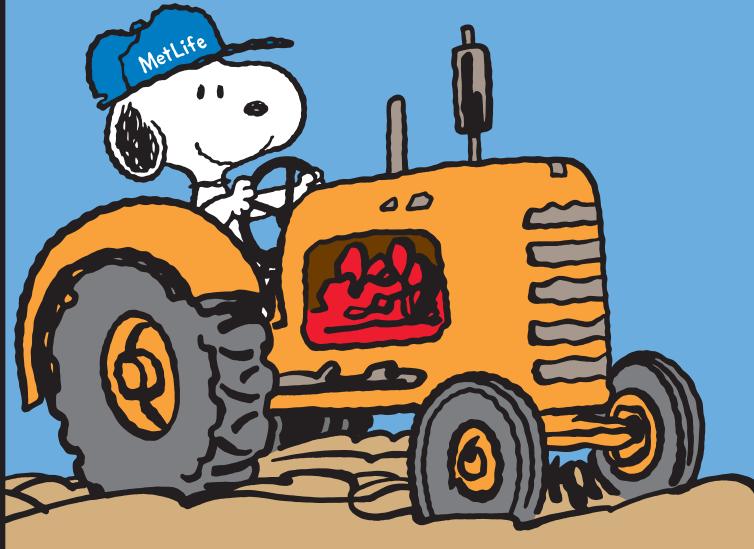
Turkey is the leanest of all the major proteins, is low in fat and calories, and packed with protein. For instance, a three-ounce serving of boneless, skinless turkey breast contains 26 grams of protein—that's eight percent more than the same

size serving of boneless skinless chicken breast or trimmed top loin beefsteak—and no saturated fat. In addition to its many nutritional qualities, turkey simply tastes good.

"People want great-tasting and healthy food when they eat out. By putting turkey on the menu, restaurants can give their customers the best of both worlds. You can literally have your cake—or burger—and eat it too," said Mary Raguso, Vice-President of Communications & Marketing for the National Turkey Federation (NTF).

Over the past 30 years, turkey consumption has nearly doubled, and according to the U.S. Department of Agriculture, annual turkey consumption is up by nearly a half pound—averaging 17 pounds per person per year. These statistics coupled

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with the latest research indicate that savvy restaurants owners and chains are attracting customers by offering healthier dishes and placing descriptors such as "wholesome" and "nutritious" on their menus. "Increasingly, health-conscious consumers are choosing turkey whether they're eating at home or dining out," said Raguso. "The turkey industry is so pleased to provide consumers a healthy alternative."

With the rising tide of obesity across our nation, the availability of healthier food options is even more critical. According to the Centers for Disease Control and Prevention, nearly 36 percent of adults and 17 percent of children ages two through nine are obese. A 2012 report released by the Trust for America's Health and the Robert Wood Foundation projects that half of all U.S. adults will be obese by 2030 if Americans don't change their ways. There is hope—the 2012 Technomic study reported 50 percent of consumers said they wanted restaurants to offer healthier foods, and 38 percent said they would order these

How turkey stacks up against other proteins

Protein 3 ounces (85 to 87 grams)	Calories	Total fat grams	Saturated Fat grams	Cholesterol milligrams	Protein grams
Turkey Breast	117	.64	.21	72	26.2
Chicken Breast	140	3.1	.87	73	26.7
Beef (Top loin, steak)	174	7.8	3.0	59	24.2
Beef (Eye round)	143	4.1	1.5	46	24.8
Pork (Top loin, chop)	167	7.8	2.7	62	22.7
Pork (Tenderloin roast)	125	3.4	1.2	62	22.1
Ground Turkey	193	10.8	2.8	84	22.4
Ground Beef (80/20 mix)	230	15.1	5.7	77	21.9

options if offered—up five percent from their 2010 study.

Retailers and restaurants can build their businesses further by focusing on consumers' desires to eat healthier foods at their establishments. Obesity is often referred to as an "epidemic" in our country, with rates more than doubling from 15 percent in 1980 for adults and tripling for children. There are many

factors around why this is—and there are just as many solutions too, including eating healthy foods such as turkey. NTF can assist those interested in marketing turkey as a healthy menu option, touting its taste and health benefits.

To learn more about the turkey industry, visit www.eatturkey.com, where you can also view over 1,000 recipes, and 'follow us' on Twitter or 'like us' on Facebook.  

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Spending time with...

Butterball, LLC chief executive officer,

ROD BRENNEMAN

On September 6, 2011, Butterball, LLC, the nation's largest turkey producer, announced the appointment of Seaboard Foods, LLC previous president and chief executive officer, Rod Brenneman, as the company's new chief executive officer.

At the time of his selection Mr.

Brenneman was acting as interim CEO for Butterball and there's no doubt his familiarity with the organization made for a "seamless" transition. Walter Pelletier, president of Maxwell Farms, LLC, which shares equal ownership of Butterball with Seaboard Corporation, stated that, "I am pleased to welcome Rod to the helm of Butterball, and I look forward to utilizing his valuable knowledge and vision in corporate leadership to continue to build the Butterball brand."

Today, it's been more than a year since Rod Brenneman took over at one of America's most recognized and respected brands. In getting to know Rod, it quickly became apparent that, thus far during his tenure at Butterball, his commitment (and that of the company's) to produce the highest quality of healthy, wholesome turkey products is his number one priority.

Urner Barry's Reporter welcomed the opportunity to sit down with Butterball's CEO for a little Q and A session this past January.

URNER BARRY'S REPORTER: September marked your first year at the helm of Butterball. Congratulations. What challenges did you



Rod Brenneman

encounter in transitioning into the turkey industry that you might not have anticipated? What have been your most unexpected rewards?

ROD BRENNEMAN: Thankfully, the transition from pork to poultry kept me within an industry I've come to know very well. Looking at the core business, there are many similarities that encouraged a smooth transition. However, the drought of 2012, combined with the grain price impact of ethanol, posed a challenge to our company and our family farmers as one of the biggest issues facing the protein industry.

As for rewards, I'm continually reminded that our associates are truly committed to fulfilling Butterball's company vision of "becoming the food brand of choice, loved and trusted by all who rely on us, to provide reasons to celebrate every day." We are poised for both short- and long-term success, and I'm proud to be a part of the Butterball team.

UBR: Is the collective protein industry being proactive enough to keep animal rights groups and the consumer happy when it comes to a humane harvest of our meat supply?

RB: At Butterball, we recognize animal care and well-being is a serious matter, and we are constantly striving for continued improvement. We've dedicated significant resources over the past year to improving and strengthening our animal care and well-being standards and programs. Butterball's standards and practices are based on guidelines developed by the National Turkey Federation and the Food Marketing Institute that have been approved by multiple animal well-being experts.



Animal care and well-being is central to the operations of our company, and we are committed to the ethical and responsible care of our turkey flocks.

UBR: Is the turkey industry doing a good job of promoting itself to the consumer as the protein alternative of choice to beef and pork?

RB: Butterball offers a variety of products that compete with multiple proteins, and they do very well. For example, the Butterball Original Seasoned Frozen

Turkey Burger did so well among consumers in an everyday application that we launched a second flavor, Sweet Onion, and saw a strong consumer response—especially

during the summer grilling season. A number of our other retail products that compete directly with beef and pork are also doing well—like deli meats and breakfast sausages.



Increasingly, consumers are choosing turkey for all of its benefits—health, taste, family appeal, specialness. Since Butterball is the most well-known brand of turkey in America, we are benefitting disproportionately as turkey segments of categories like packaged lunchmeat and bacon grow.

Consumer interest in turkey outside of Thanksgiving has influenced large restaurants to capitalize on and encourage turkey consumption. Hardee's national launch of a turkey burger in 2011, and more recently in Subway's Turkeytopia television campaign, focus on capitalizing

Continued on page 70



Vol. 8 Issue 2 • SPRING 2013

- Boston Seafood Show - March 10-12 Boston, MA,
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- Midwest Poultry - March 13-14 St. Paul, MN
- Urner Barry Executive Conference - April 28-30 Las Vegas, NV
- National Restaurant Association - May 18-21 Chicago, IL
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Vol. 8 Issue 3 • ANNUAL MARKET OUTLOOK

- USA Poultry & Egg Export Council - June 11-13 Williamsburg, VA
- National Chicken Council July 21-23 Coeur d'Alene, ID

Vol. 8 Issue 4 • FALL 2013

- International Aquaculture Forum
- CAB Specialists
- Meat Importers Council of America
- NAMA Outlook Conference
- Global Aquaculture Alliance

Vol. 9 Issue 1 • WINTER 2014

- NFI Global Seafood Market Conference
- International Production & Processing Expo
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- NAMA Meatxpo
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- Annual Meat Conference

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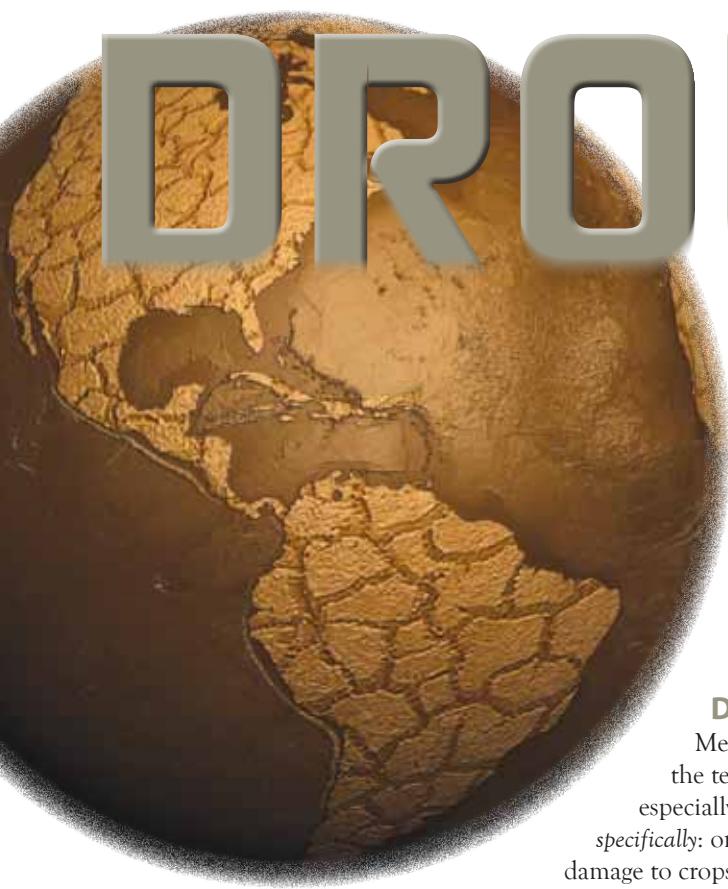
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Dry spell taking its toll around the world



a global issue

DROUGHT:

Merriam-Webster defines the term as "a period of dryness especially when prolonged;

specifically: one that causes extensive damage to crops or prevents their successful growth". The protein industry (and more broadly the majority of the consumer foods segment) might define the term as a weather abnormality when grain and meat prices soar, producers start looking at livestock as liabilities instead of assets and water becomes as cherished as oil or gold.

Much has been said about the drought conditions persisting for roughly two years throughout regions of the United States and now the world. Just in the first month of 2013, the USDA has designated 597 counties in 14 states as natural disaster areas due to the drought carried over from 2011 and 2012. Throughout 2012, there were 2,245 counties in 39 states or 71 percent of the U.S. considered a disaster area. Several regions in the U.S., Canada, South America, Central Europe, China, Russia, Middle East and North Africa recorded the warmest summers in history in 2012.

Drought and the subsequent premiums in feed prices in recent years has resulted in increased cattle and hog slaughter, flock culling and drastic shifts in international trade patterns. Although some believe that increased plantings have the potential to offset the effect of poor harvests, the

strain on feed supplies will certainly be a difficult obstacle to overcome given the globalization of the grains industry.

For example, Brazil is the world's third largest producer of corn as of 2012, of which 30 percent is designated for export. Brazil, like the U.S. has had to contend with widespread drought across much of its farmland and may have difficulty matching last year's production. Similarly, Brazil is the second largest importer of wheat, while the five largest wheat exporting countries or regions; the U.S., Australia, Canada, the European Union and Russia have all experienced drought in the past year. In India, the monsoon season which the country relies upon for the majority of soil moisture during the growing season produced roughly 12 percent less rain than average. As a top-10 wheat, corn and soy meal exporter and a nation of 1.24 billion people, the consequences of a poor harvest can be extensive. The web of nations relying on consistent imports or exports of grains is widespread with examples like those above ample to the point of concern.

To describe the drought conditions around the globe to the extent that it deserves could take a novel. However, there's no better way to quickly visualize drought conditions than with actual visualizations! 

Article contributed by Russell Barton
Rbarton@urnerbarry.com

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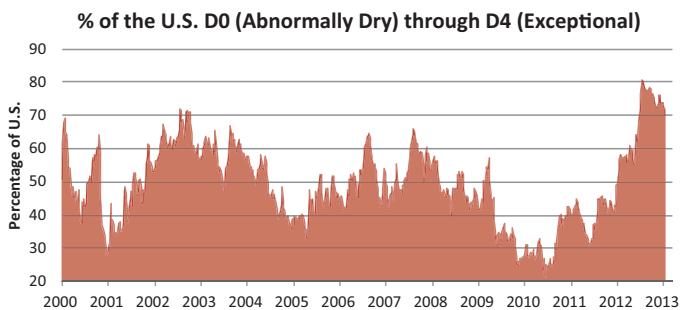
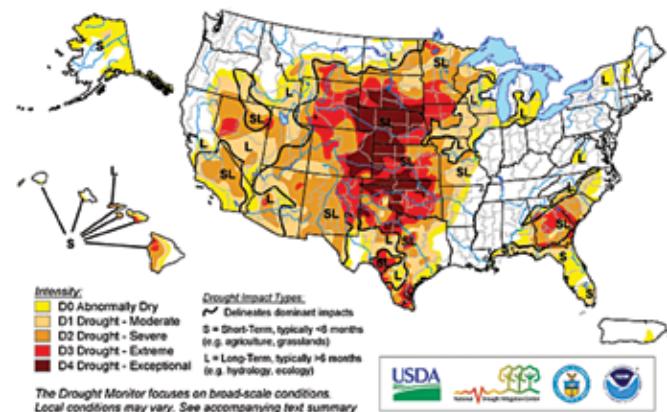
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U.S. Drought Monitor

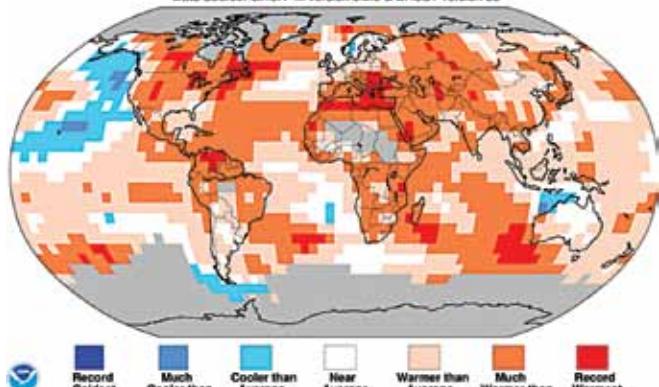
February 12, 2013
Valid 7 a.m. EST



Land & Ocean Temperature Percentiles Jun–Aug 2012

NOAA's National Climatic Data Center

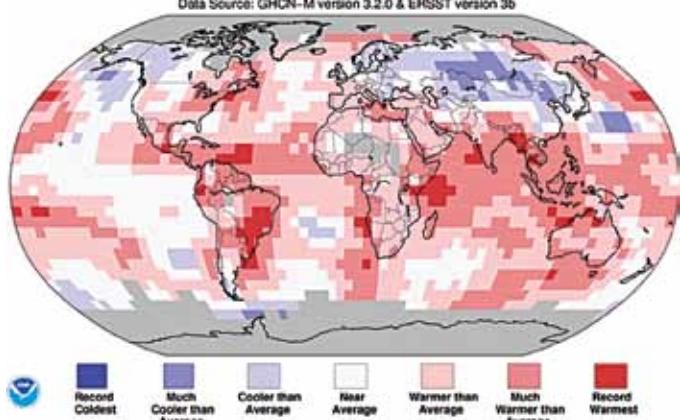
Data Source: GHCN-M version 3.2.0 & ERSST version 3b



Land & Ocean Temperature Percentiles Dec 2012

NOAA's National Climatic Data Center

Data Source: GHCN-M version 3.2.0 & ERSST version 3b



The U.S. Drought Monitor is perhaps the most widely used map for determining drought location and degree. Much of the corn producing region is either in D2 (Severe) or worse drought conditions to begin the year.

This chart displays 12 years of drought coverage as a percent of the contiguous United States. In 2012, up to 80 percent of the U.S. was considered D0 (Abnormally Dry) to D4 (Exceptionally Dry) with an average of 71 percent.

Dark red on this NOAA chart shows record breaking temperatures for the June-August period of 2012. Multiple locations in the U.S., Europe, Russia and South America hit new highs.

Dark red on this NOAA chart shows record warm temperatures for the month of December 2012. Sections of Brazil and Australia (where it is summer) hit records while much of North America, Africa and Western Europe were "much warmer than average"

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Front-month live cattle futures – less about cattle than you might think

Within the beef department of Urner Barry, many conversations begin or end with discussion over Live Cattle futures. Whether it stems from livestock inventories, corn prices, weather patterns or other external factors, the rise and fall of cattle contracts can have a significant impact on the industry as a whole. However, just how much of this movement is determined by market related factors and how much is merely a consequence of hedge funds and automated trading systems with no anticipation of actually accepting delivery? The answer may surprise you as it has changed significantly in the last few years.

The series of charts displayed show the front-month live cattle contract movement in comparison to a broad market index, specifically the S&P 500. Between 1992 and 1999, the correlation between the two assets was -.56, indicating that they had a slightly inverse relationship, but more accurately little correlation at all. Between 2000 and 2007 that correlation grew to .29—moving in the same general direction yet still far from what an economist would safely consider correlated. Between 2009 and 2013, however, this figure grows significantly to a highly correlated .87 and as you can see, if the chart did not include a legend, one line could be mistaken for the other.

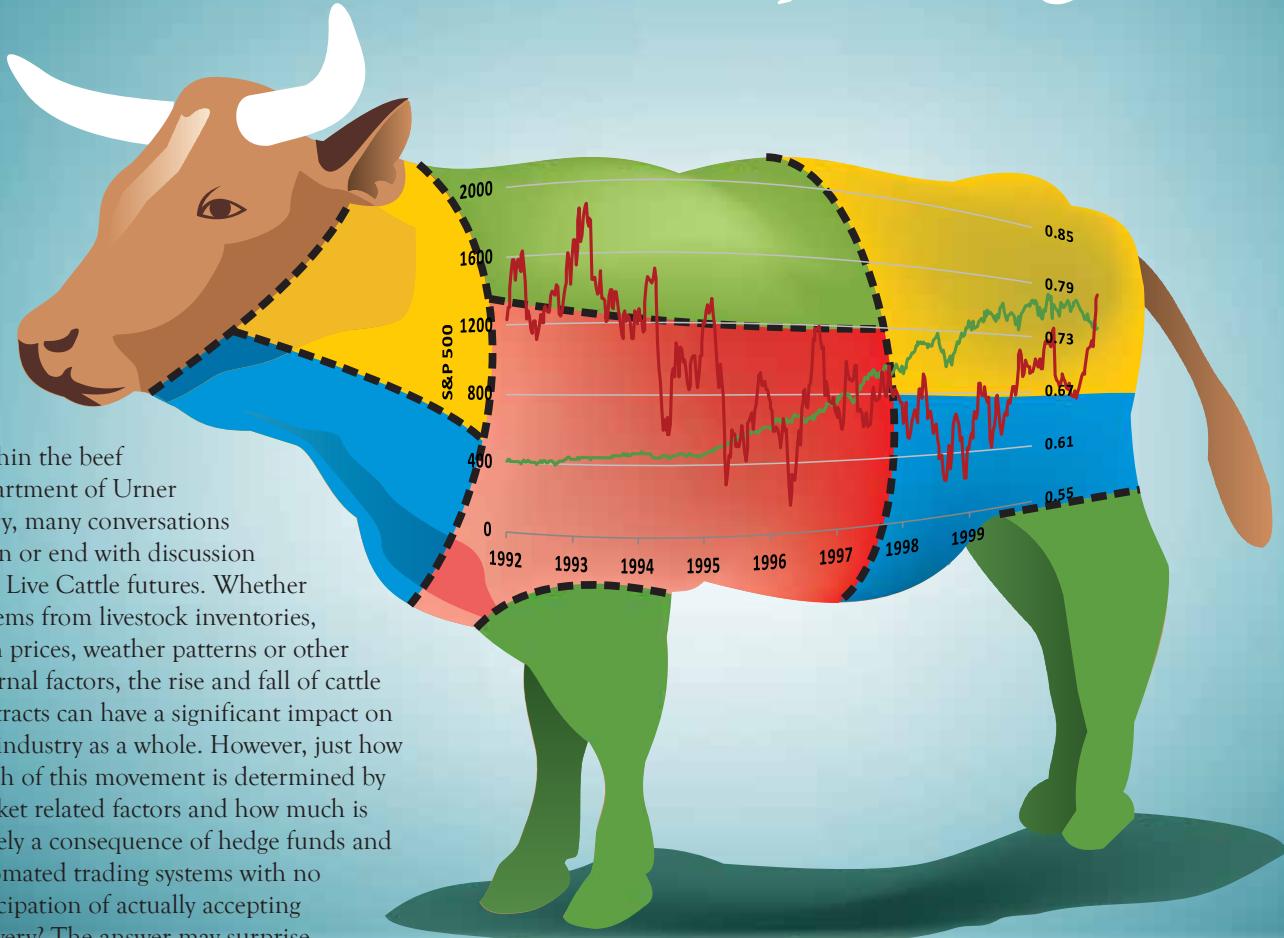
What is behind this shift in correlation? One first has to look at a location with

no cattle at all (unless they are made of gold); The Federal Reserve. Beginning in 2008, in response to the housing collapse and ensuing recession, the Fed began buying Treasuries, credit default swaps and mortgage backed securities (essentially any bad debt) and in turn infused the economy with cash—otherwise known as Quantitative Easing or QE. This process, repeated three to four times over in five years, effectively eliminated risk in the stock market in two ways: it provided banks with ample cash reserves in which to invest and through aggressively buying treasuries, resulted in yields so low that holding longer termed treasuries (the standard risk adverse investment instrument) no longer made sound investing sense.

The second factor, which is equally important in establishing the reasoning behind highly correlated markets is the

advent of algorithmic trading, or High Frequency Trading (HFT), beginning in the late 90s. A novel concept at first, high frequency trading is an automated system that involves complex computer algorithms that seek out bids and asks in order to complete trades within milliseconds. However, as the processing power of computers improved exponentially in the mid 2000s, HFT grew to account for over half of all trading on the CME and other equity exchanges. High Frequency Trading essentially takes headlines and proceeds to trade whatever complex web of hedges and correlations are programmed in, meaning that a bullish comment on a tech stock can send oil higher, or a bearish call on a pharmaceutical company can draw down the Euro.

With the stage set, it should become clearer why live cattle contracts have



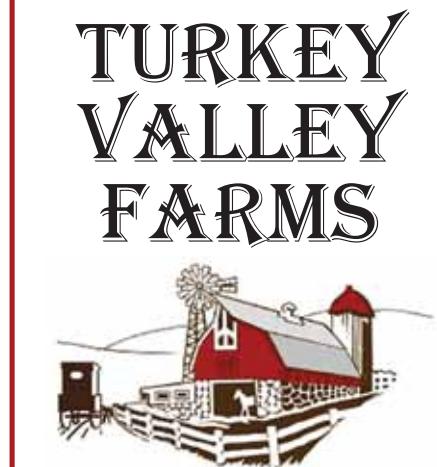
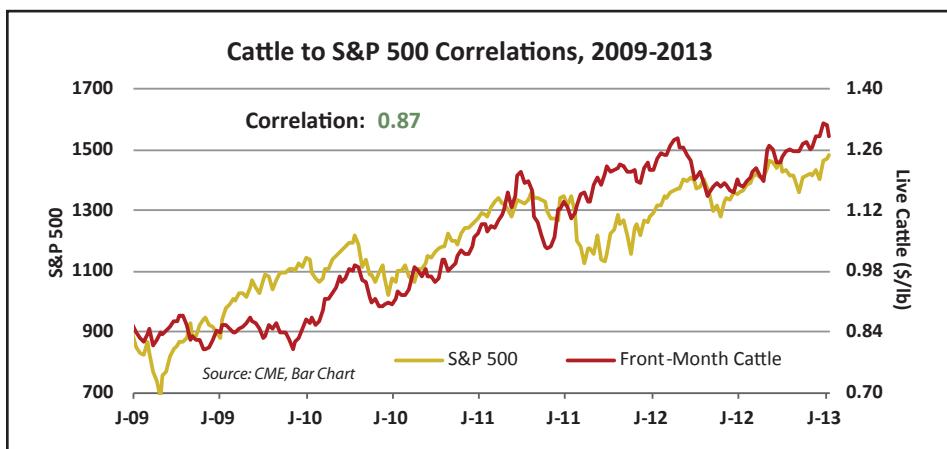
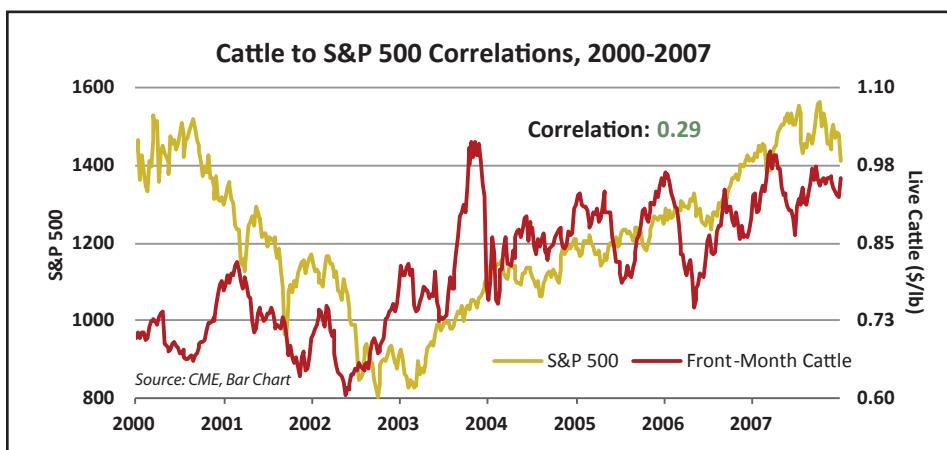
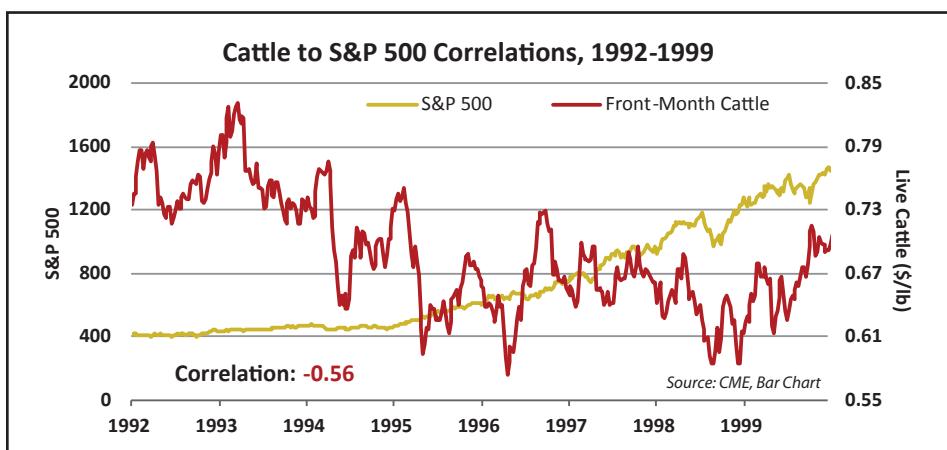
traded alongside broad equity indexes in recent years. In the 90s and early 2000s, live cattle futures were almost entirely transacted according to cattle and beef related occurrences. Boots were on the ground of the exchanges, watching market related headlines and trading accordingly. In the late 2000s, however, with the popularity of HFT at new heights and risk all but eliminated through the actions of the Federal Reserve, large institutional investors could afford to gamble on riskier investments. If the Fed were to inject

new money into the system, all markets would rise whether it was cattle, oil, gold, equities or non-dollar currencies. Similar to the situation with cattle, the correlation between the front-month corn contract and the S&P 500 was .82 during the same 2009-2013 period. The correlation between the movement of front-month crude oil and the S&P 500 was .89 and it was .78 between oil and cattle.

Many arguments can be posed based on this occurrence and any significant market

related event could break this correlation completely. It could be considered a coincidence that the cattle industry experienced drought, herd liquidation and subsequently higher livestock prices very near the same time that the broader equity indexes were rising. However, as can be seen in April of 2010, 2011, and 2012, both front-month cattle futures and the S&P 500 peaked and turned downward, which also signified the end of the bull run brought about by each wave of quantitative easing. These peaks are seen across commodity class future contracts including crude oil, corn, soy beans and hogs. This kind of symmetric price movement hadn't ever been seen in previous years and makes one wonder if they weren't tied into similar algorithms, trading for profit and risk with no reverence as to what the actual underlying asset was. If nothing else, the next time cattle futures are brought up in conversation, gaze at the tickers for other exchanges—you may find something interesting. **UB**

Article contributed by Russell Barton
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Rainbow Trout

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Specifications

Market names	Trout, Rainbow or Steelhead
Scientific name	<i>Oncorhynchus mykiss</i>
Common name	Rainbow Trout

Description

Rainbow trout, originally native to the western part of North America and the eastern part of Asia, have been introduced throughout many freshwater lakes and rivers in North America. Farmed product can now be found all over the world. Idaho is the largest grower in the U.S., and some of the major importers are Chile, Canada, Argentina, Colombia, Iceland, U.K. and Australia. Named for its multi-colored skin, the rainbow trout is highly prized with anglers and is an excellent recreational fish. Wild populations spread and extended themselves far beyond their natural realm for the species. *Oncorhynchus mykiss* is its scientific name which was changed in 1989 from *Salmo gairdneri*.

Nutrition Facts

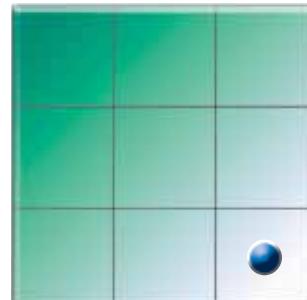
Serving Size: 3.5 oz

Amount Per Serving	% Daily Value*
Calories 138	Calories from Fat 48.7
Water 72.73g	
Total Fat 5.40g	8%
Saturated Fat 1.6g	8%
Cholesterol 59mg	20%
Protein 20.87g	42%
Iron 0.27mg	2%
Sodium 35mg	1%
Omega-3 0.986g	

*Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs.

Eating Qualities

Ocean-run, or steelhead trout, has a similar taste to that of salmon; while freshwater, or rainbow trout, has a clean taste and is well accepted by chefs because of its versatility. Although not as high in omega-3 oil content as salmon, rainbows have a slightly oily taste and delicate small flakes. Depending on where the fish is grown, the flesh can vary; freshwater rainbows flesh can be whitish to brownish, while steelheads can be pink to almost red. A highly-prized game fish, rainbows are one of the most popular freshwater finfish overall.



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Fish Fact

Although the scientific name, *Oncorhynchus mykiss*, refers to both the ocean and freshwater species, rainbow trout is commonly freshwater, while steelhead trout is its ocean counterpart.



Rainbow trout can be either sea-going or entirely freshwater. The sea-going strain of rainbow trout is called steelhead trout and, like their salmon cousins, steelhead trout are anadromous. Although there are no major physical differences between rainbow trout and steelhead trout, color variations can occur. Generally, rainbows' backs range blue-green to olive, and their sides run a silvery hue which then fades to white on the belly. They also have a reddish-pinkish band that runs along each side about midline which may range faint to radiant.



Rainbow trout fillet.

PRODUCT FORM

Fresh and Frozen
whole, fillet, steaks

Value-added
smoked, canned

Most U.S. rainbow trout are farmed, and most of the production comes out of the Idaho region. Rainbows can be offered fresh or frozen, dressed or boneless, and in various packs and gradings. Most of the fish are graded in two ounce increments. The preferred size ranges from 2 to 10 ounces, and wholefish are generally graded 6-10 oz, 8-12 oz, 10-14 oz and 12-16 oz. Fillets are graded 3-5 oz, 5-8 oz and 6-10 oz. The flesh of rainbow trout is creamy and delicate with visible flakes and superb flavor. Flesh can come in different colors ranging from a salmon pink to red. To produce the desired color, the fish are bred as special hybrids, or feeding is designed to tint the flesh. The red hybrid is extremely popular in the Japanese market.

Also farmed in Chile, Argentina and Canada, aquaculture for rainbow trout is fast growing and well established. Some companies will refer to it as sea trout, although this is not the approved market name, it is the same species.

PACK DESCRIPTION

Fresh & Frozen
10 lb, 20 lb, 35 lb



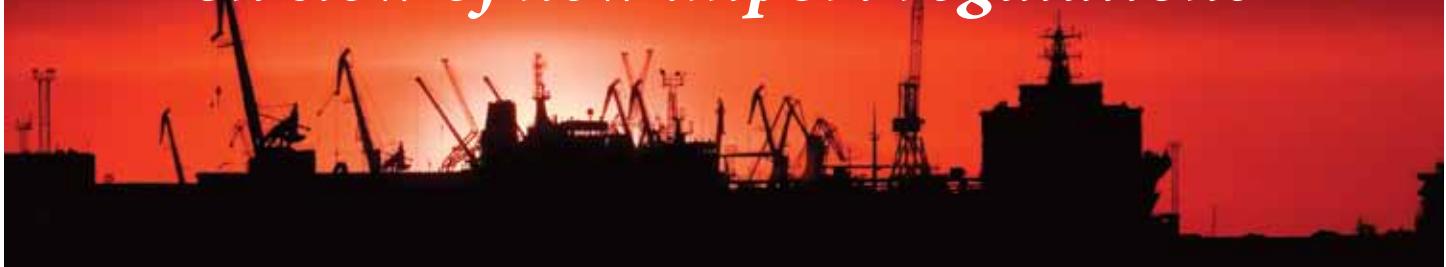
Global Supply

TOP COUNTRIES:

United States	United Kingdom
Chile	Australia
Canada	
Argentina	
Colombia	
Iceland	



Seafood Buyers Workshop educates industry on slew of new import regulations



Seafood importers from across the United States flocked to Urner Barry's December 2012 edition of its Seafood Workshop Series to gain crucial knowledge on increasingly complex import and export regulations in a quest to stay compliant.

The workshop was a full-day event designed to keep seafood buyers and importers up-to-date on government requirements for importing and purchasing of seafood and to give them the tools they need to be fully within regulations. The event was hosted in association with Richard E. Gutting, an attorney with Redmon, Peyton & Braswell

Seafood Import Workshop Series

LLP and former President of the National Fisheries Institute.

According to Mr. Gutting, seafood companies have increasingly stepped up their efforts to try and stay compliant amid vast changes to U.S. food inspection, including the passage of the Food Safety Modernization Act, ramped up FDA seafood inspections and a slew of more

stringent third-party seafood certification schemes such as HACCP and GRAS.

"We've shifted gears there are so many changes going on in the supply chain, so many news rules and regulations; laws have been passed and the Administration has really clamped down from an enforcement standpoint," Mr. Gutting said.

So much so that for the first time in the workshop's history Mr. Gutting opened up a 'graduate level' course that focuses on the new changes and how importers could be impacted by them in 2013 and beyond.

"Our supply chain has really become entangled with the regulations of these agencies," he said.

In fact, at the NFI's 2013 Global Seafood Market Conference in January, it was noted that keeping compliant has become an increasingly difficult task. Companies said they have had to refocus their efforts to master the alphabet soup of compliant regulations. For instance, recent reports of possible changes to CO₂ treated tuna imports, including possible tariffs on the product, had some importers closely monitoring the situation in another effort to remain compliant.

"Every importer who is serious about their business should attend this workshop," said Mark McCloskey, Senior Vice President, Purchasing at The H&N Group.

At the Workshop, Mr. Gutting educates buyers of proper compliance procedures by using situations from real life cases he has worked on. He said feedback from participants on each issue drives the Workshop discussion and helps shed light on the complexity of compliance and the variability of the issues. **LB**

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John Woodland – a man of code (1921-2012)

Loaf of bread; gallon of Milk; stick of butter. With thousands of products in stock, supermarkets everywhere, at one time, faced a logistical nightmare. How could they possibly keep track of every product that was bought, sold and in need of replenishment? It was a challenge turned down by many, only to be welcomed by a few.

It all started in 1948, while taking classes as a graduate student at Drexel (University) Institute of Technology, when Bernard Silver overheard a discussion between a local food chain president and one of the school's deans. Silver listened intently, as the food chain's president pleaded with the dean to take on a research project that involved capturing product information automatically at checkout. Though the project was initially turned down by the dean, Silver became intrigued by the challenge and mentioned it to his close friend and fellow graduate student, Norman Joseph (John) Woodland. Together, the two teamed up, with hopes of working towards a logical solution.

Some of Woodland's first ideas, including the linear barcode and bull's-eye systems, combined patterns of ink and ultraviolet lighting. Although successful during testing, both systems had their flaws, ranging from ink instability to printing costs. Nonetheless, Woodland was convinced he had a workable idea. He took some stock market earnings, quit Drexel, and moved to his grandfather's Florida apartment to continue working on the systems.

In Florida, while "playing" in the sand at a local beach, Woodland drew his first barcode. Using elements from two already well-established technologies, movie soundtracks and Morse code, he extended the Morse code dots and dashes downwards forming a series of narrow and wide lines.

Wanting to protect their intellectual property, Woodland and Silver filed a patent application in the United States in 1949 for their coding, mechanical



and electronic systems. A patent was later issued in October of 1952. Around that same time, Woodland teamed up with IBM and concentrated his efforts on developing a system that was both functioning and feasible.

In the years that followed, a few coding systems made their way to the market and were used commercially, including in 1972

at a Kroger store in Cincinnati (bull's-eye), however, there needed to be some sort of industry standard. It was during that same timeframe that a committee was formed within the grocery industry to select a standard code to be used. Shortly after, in 1973, an IBM proposed design (UPC Symbol) was selected as the industry standard.

Today, about five billion products are scanned and tracked worldwide every day. Thanks to the determination of John Woodland and Bernard Silver, the tracking-process that comes along with buying and selling products, is one of functionality and feasibility. **UB**

Article contributed by Terence Wells
Twells@urnerbarry.com

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Latin American seafood industry event happenings

During the fall, Urner Barry had the honor of being invited to various important seafood events in Latin America.

In September, a joint event between the two most important seafood shows in Mexico took place in Cancun: Aquamar Internacional and the International Aquaculture Forum. Then in October, the Ecuadorian Aquaculture Chamber invited Angel Rubio, Urner Barry's market analyst, to speak about the U.S. shrimp market.

Aquamar Internacional celebrated its 10th anniversary in a very successful manner. In a business synergy between Aquamar and CONACOOP, which is the National Commission of Fishing Cooperatives, the event drew hundreds of fishermen who attended marketing, processing, and fishing cooperative workshops. In addition, a business center was created in order for companies to engage in potential future business projects and strategic alliances. The exhibition floor was in this event; Angel Rubio gave a presentation about the importance of market information transparency so that producers, in addition to all market participants, can make better and more informed decisions.

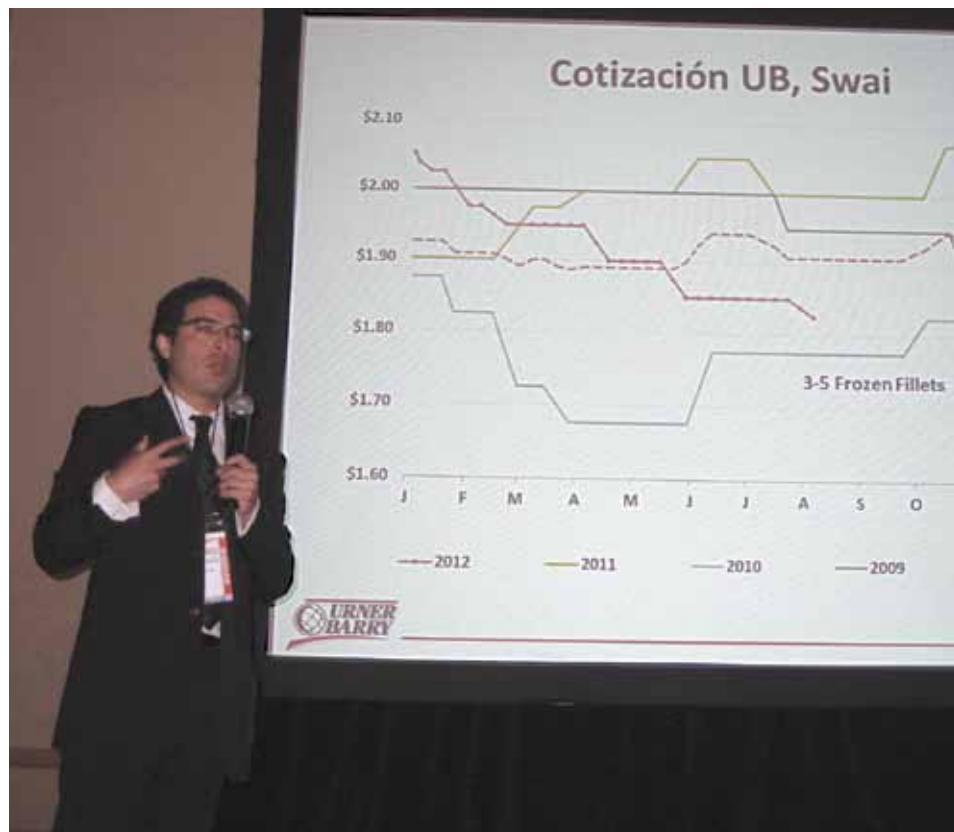
The International Aquaculture Forum, an event from the well-known publication "Panorama Acuicola Magazine," had its 6th event under the premise that



all participants within the production and supply chain must act cooperatively and take responsibility in a collective manner. In this way, biologist Salvador Meza emphasized the importance of all these actors to not depend so heavily in government support; especially since many things were uncertain given the election that was about to take place in November. "We cannot allow that people that we do not even know take decisions about the future of aquaculture in Mexico and affect thousands of producers, mainly because they are not aware of the consequences of their decisions," Meza said. In this event, market analyst and reporter Angel Rubio gave a presentation about the tilapia and *pangasius* markets in the U.S.

Finally, the XIV Ecuadorian Aquaculture Congress and Aquaexpo, organized by Ecuadorian Aquaculture Chamber, or better known as the CNA, took place in Guayaquil, Ecuador in October. This event provided topics of interest to those involved in the aquaculture industry in Ecuador and Latin America. Among those topics covered were nutrition and effective feed practices, disease control, and market diversification. In addition, this event had an exhibition floor where domestic and international companies had the opportunity to display their technologies and services. As previously mentioned, Urner Barry's market analyst/reporter, Angel Rubio, gave a presentation of the current shrimp market situation in the U.S. **UB**

Article contributed by Angel Rubio
Arubio@urnerbarry.com



Urner Barry's market analyst Angel Rubio presenting at the International Aquaculture Forum and Aquamar Internacional in the fall of 2012.

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Urner Barry, NAMA give *Meat Buyer's Guide* a new online home

Urner Barry, in conjunction with the North American Meat Association (NAMA), has taken the meat industry's number one resource for center-of-the-plate protein knowledge to a new online home.

The makers of the NAMP Meat Buyer's Guide have launched the new *NAMP Meat Buyer's Guide Online*, bringing the industry's premier resource publication for foodservice purchasers, educators, students and many others who deal in the protein industry to a new convenient online format.

The *NAMP Meat Buyer's Guide* is the most comprehensive meat and poultry identification manual in existence, in addition to the plethora of information

already contained in the hard copy, the digital version of *The NAMP Meat Buyer's Guide* will provide users with video of cutting demonstrations along with high-definition photographs of protein cutouts with enlarging features.

Endorsed by 22 industry organizations, the *Guide* includes sections on Beef, Lamb, Veal, Pork, Further-Processed/By-Products, and Poultry.

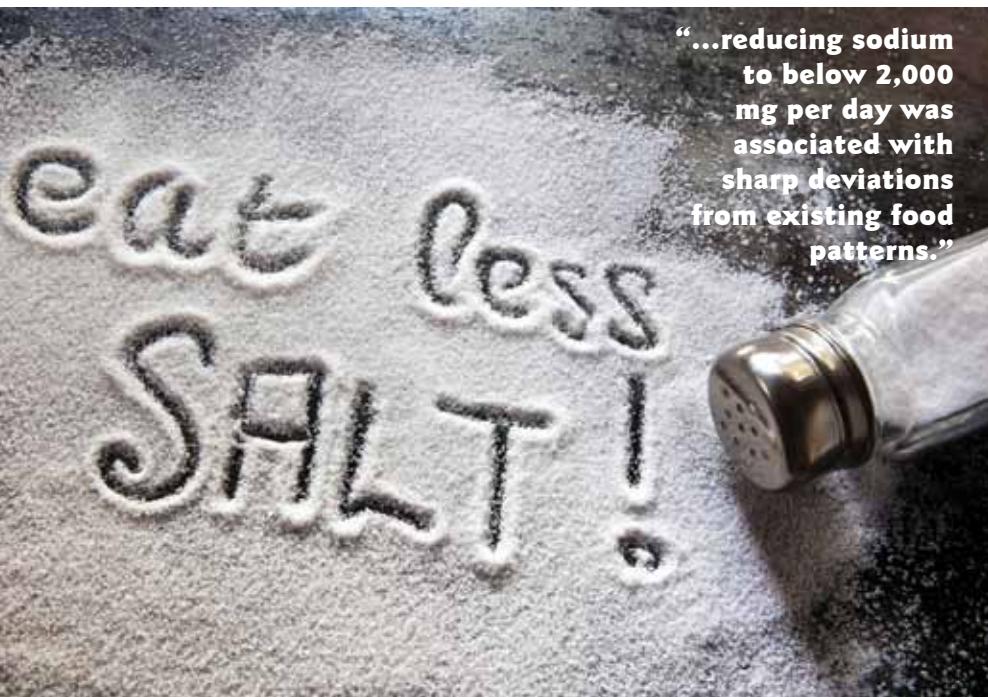
It also features trim/quality specifications, food safety information, material requirements, grading descriptions, and the industry's most complete meat glossary.

Those interested in ordering a copy of the *Guide* should visit at www.meatbuyersguide.com or shop.namp.com to get your license immediately. Those looking to provide company staff and customers with the *NAMP Meat Buyer's Guide Online* are encouraged to call Urner Barry at 732-240-5330 and inquire about our multi-licensing deals. **UB**



The digital version of *The NAMP Meat Buyer's Guide* provides users with video of cutting demonstrations.

Is less really more? The scoop on sodium



“...reducing sodium to below 2,000 mg per day was associated with sharp deviations from existing food patterns.”

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Sodium reduction is one of the fastest growing segments of the food and beverage ingredient marketplace. Around the same time as Michelle Obama's implementation of the 'Let's Move' campaign, the New York City Department of Health and Mental Hygiene unveiled the inevitable National Salt Reduction Initiative (NSRI) to aid one of the most obese cities in the nation (so much for the Big Apple). However, the plan grew overnight as it now partners with over 90 private and public organizations to help prevent heart disease and stroke by cutting back on the amount of salt used in pre-packaged and restaurant food. The NSRI has and will continue to monitor the salt levels of its partners' products to meet certain standards. Many household names have jumped on board and are setting the example for the food industry to create quality, flavorful products that pack less of a punch in the sodium department. Boar's Head may be the captain of the low-sodium meat brigade.

Of the original 16 companies to pledge their commitment to the NSRI, Boar's Head was the first delicatessen. They took their commitment to the next level by concocting their very own "Assault on Salt" campaign; aiding their customers in creating low-sodium, healthy meals using the company's

personal line of low-sodium meat, poultry and cheeses as well as providing tips to maintain a healthy lifestyle. There are a total of 22 low-sodium products Boar's Head sports proudly, with 16 of them being meat related. Customers can enjoy bologna, ham, bacon, roast beef, turkey, chicken, frankfurters and Braunschweiger liverwurst with 33-50% less guilt.

Other brand names such as Oscar Mayer Meats, Eckrich, Thin 'n Trim, Hillshire Farms, Sara Lee, and Old Neighborhood Foods have hopped on the low salt bandwagon. Oscar Mayer currently produces both a lower sodium bacon and turkey bacon with sea salt that contain 25% less salt than their original recipes. Eckrich is one of the newest additions to the low-sodium product family with its pork, turkey, beef combination skinless smoked sausage containing 33% less salt than the company's other sausage products. To most Americans, less salt equals better health. However, the underdogs of the food industry are taking jabs at the big guns claiming that less is not always more.

Nonprofit organizations such as the Weston A. Price Foundation (WAPF), as well as an abundance of big-time manufacturers and producers, criticized the

FDA and all companies who followed suit for their extreme salt reduction decision. The facts are well known by all: the recommended daily sodium intake is 1,500-2,300 mg whereas the average American consumes 3,400-4,500 mg. For perspective, one teaspoon of salt is the equivalence of 2,325 mg. Companies producing these hot low-sodium commodities are following the FDA's guidelines. All those striving to lose weight or looking to get on the "fit and healthy" track breathed a sigh of relief that they could still eat some of their favorite foods with less guilt. Unbeknownst to them, their waistline will not be the only thing diminishing.

According to the 2012 American Journal of Preventive Medicine, "reducing sodium to below 2,000 mg per day was associated with sharp deviations from existing food patterns." Essentially, the average American will consume mainly fruit juices, beans, nuts and seeds because of their low sodium nature. What dangers will this spell for meat production and distribution? Only time will tell.

In fact, in a recent study by researchers at UC San Francisco (UCSF), Harvard Medical School and Simon Fraser University in Canada and described in the journal Hypertension, hundreds of thousands of lives could be saved over 10 years if Americans reduced their sodium consumption to the levels recommended in federal guidelines.

Moreover the study also found that gradually reducing sodium intake through processed or restaurant-prepared foods by 4 percent per year over 10 years would yield substantial health benefits, saving 280,000 to 500,000 lives over a decade.

While ultimately the final amount of salt of a meal lies in the hands of the consumer, it is worthy to note that by companies putting less salt in their products, the consumers is left to add it on their own, which has proven to have them consume less sodium overall. **LB**

Article contributed by Ali Longo
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Move over quick service restaurants

Casual dining shows signs of life, but new challenges arise

Adapted from a story which originally appeared on Foodmarket.com on February 12, 2013



There's good news to report for the casual-dining segment: customer enthusiasm is up. However, according to a new report from Technomic Inc, the other side of the coin shows that new challenges are emerging for casual-dining operators as the lines continue to blur between limited-service fast-casual restaurants and full-service casual-dining chains. Consumer expectations are shifting as customers continue to trade-up and trade-down across the casual-dining spectrum.

"Consumers in search of a casual-dining occasion have plenty of choices, and their expectations are changing," Darren Tristano, executive vice president of Technomic, said in a statement. "Whether their needs are driven by price, food quality, overall value or simply the dining experience itself, operators need to know how to stay competitive."

In its "Future of Casual Dining Consumer Trend Report," Technomic found that 85 percent of consumers surveyed said they eat at fast-casual restaurants at least once a month, and 82 percent reported visiting a traditional casual-dining brand once a month. The strength of traffic at traditional casual-dining restaurants resulted in part from customers trading

down from upscale casual, the report found, as only 40 percent of respondents who recently patronized a casual-dining restaurant also visited an upscale eatery in the same time frame.

Chicago-based Technomic based its results on an exclusive survey of 1,500 consumers.^{1B}

Article contributed by Linda Lindner
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Customers willing to pay for consistency and quality

Wholesale beef demand sends signals

By Miranda Reiman, Certified Angus Beef®

Producing the most nutritious food in the world doesn't count for much if you don't have any buyers. Luckily for cattlemen who target high-quality beef, that's clearly not an issue.

Those who purchase meat for foodservice and retail outlets say they want the highly marbled beef, because that's what their customers want.

"We sell to people who are going to cook product and please guests—they're not buying for themselves and they're not shopping for price," says Mort Kent, U.S. Foods of Denver, Colo. "They have a reputation to uphold and their customers expect consistency and quality, and they're willing to pay for it."

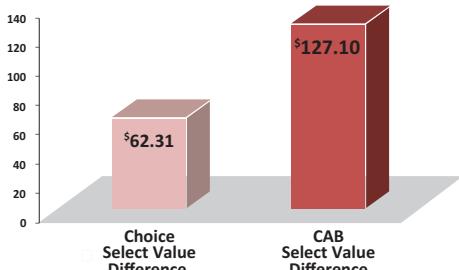
A recent analysis of Urner Barry wholesale beef pricing data supports that claim.

During the two years from July 2010 to July 2012, the value difference between USDA Choice and Select grade beef was \$62.31 on an average 830-pound (lb.) carcass.

The wholesale price for the Certified Angus Beef® (CAB®) brand over Select was more than double that at \$127.10 (see chart 1). That's \$15.31 per hundredweight (cwt.). The analysis is part of an updated "Black Ink Basics" technical report from CAB.

Chart 1

Wholesale Carcass Value Differences
July 2010 through June 2012



Source: Urner Barry

"I look at it as I am the purchasing agent for my customers, and so how can I do the best job for my accounts? Because I am really representing them," says Franklin Hall, the third generation to operate Lone Star Foodservice, in Austin, Texas.

Just as a cattle buyer fills orders for a certain type and class of cattle, Hall acts on requests from his high-end restaurant clientele.

"My job as a processor and distributor is to make sure I am purchasing the best product at a fair price and when I receive that product the systems in our company are set up to respect that product—to properly age that product, to artfully cut that product and package and deliver it in a way that helps our customers and makes them look good."

"Our goal is to have their guests have a wonderful eating experience," he says.



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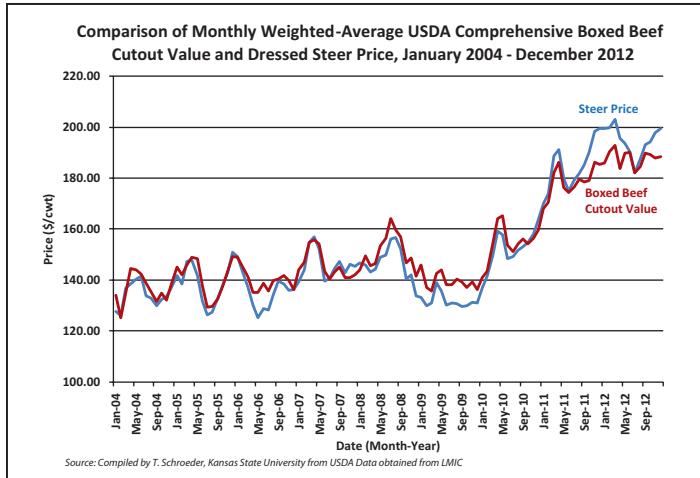


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Chart 2



If that means paying more for better beef, they'll do it.

"We need to be able to have everyone in the chain of distribution make a little bit more on CAB than on a commodity product, otherwise it becomes a commodity product," says Mark Polzer, vice president of business development for the brand.

That's why distributors typically pass along that higher price they've paid to their customers.

"The foodservice market that we're in is much more quality driven than it is price driven," Kent says.

"So producing the highest quality, most consistent beef with the best genetics is critically important."

If farmers and ranchers answer that call, they'll be rewarded, says Ted Schroeder, Kansas State University ag economist.

"Producers who sell fed cattle on a grid most directly and immediately benefit from added premiums associated with high-quality cattle," he says.

Schroeder tracks USDA's published "branded boxed-beef premium," which is not as specific as the Urner Barry-reported number, but shows a similar pattern (see chart 2). That number compared to the Choice weighted-average grid premium shows, "the two are highly positively correlated."

"That means, as the wholesale premium for CAB increases, so does the producer's

premium for CAB fed cattle," he says.

Schroeder estimates 64% of the wholesale premium for branded beef over Choice is passed back to the producer. Of course, he points out, those bonuses vary greatly from one grid to another.

Can that trend continue as beef prices inch higher?

"Generally higher beef and fed cattle prices tend to result in larger premiums for CAB cattle and beef," Schroeder says. "If the recent pattern is an indicator of the probable future—and I think it likely is—then higher beef and fed cattle prices will translate into greater premiums for high-quality branded wholesale beef and CAB grid cattle."

Meat buyers have already implemented creative solutions as a way to deal with higher prices. Kent says many chefs are lowering quantity, not quality.

"If you cut the portion size down by a couple of ounces and have a great starch and great vegetable to go with it, people will have been well fed, and they will leave with the memory of a great meal," he says.

The fear that high-priced beef leads people to trade down while pinching-pennies is unfounded when the beef is good enough.

"To my knowledge, our beef packers do not have beef backing up in their coolers and warehouses. They are selling every single pound they produce, and so are we," Kent says. "The customer demand is for higher quality, better marbled young cattle with consistent flavor, juiciness and tenderness."

That helps explain CAB's sixth consecutive record sales year in 2012, which Polzer also attributes to an "insurance policy" effect.

"CAB gives them the best chance to make money," he says, "because of the additional

quality assurance, the consistency that the product provides and ultimately the customer retention."

Numbers at every level prove that marketing high-quality beef, whether on the hoof or on the plate, leads toward more profit.

For more information on this analysis, look for the Black Ink Basics technical summary, "Premium Prices Send Clear Signals," at www.cabpartners.com/educators/index.php.

The foodservice market that we're in is much more quality driven than it is price driven..."



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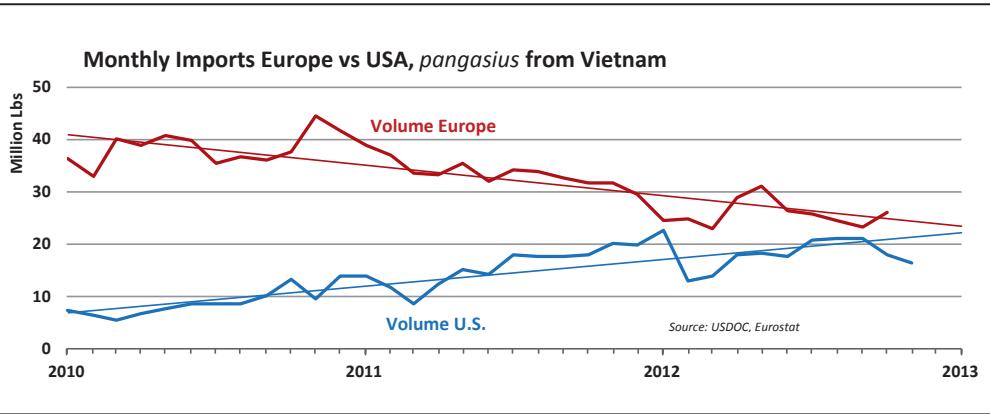
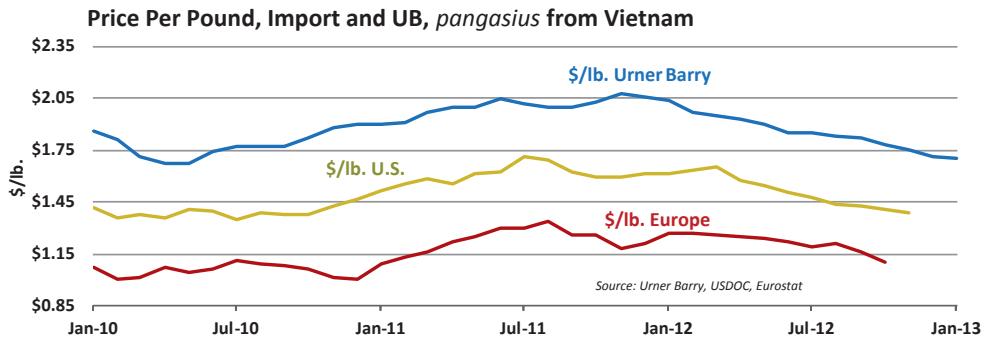
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Pangasius

Over the last few years, imports of *Pangasius* fillets from Vietnam have followed the following pattern: imports in Europe have declined while in the U.S. they have grown. Replacement pricing, which is simply calculated by dividing the value of the shipments by the volume, follow a rather close correlation with Urner Barry's pricing.



Scallops

Continued from page 1

Each year, fishing vessels are assigned both days-at-sea and a number of access area trips. In the last five years, vessels have been assigned between 32 and 37 days-at-sea, and 4 to 5 access area trips for a total haul between 52 and 62 million pounds. However, for FY2013, the rules have been substantially revised because the overall sea scallop catch is expected to be nearly 30 percent lower than in recent years due to lower biomass in the scallop rotational access areas.

While vessels will be allocated similar open area effort levels, 33 days at sea for full time vessels, only two access area

trips will be allowed at a reduced limit of 13,000 pounds compared to four trips at 18,000 pounds in 2011 and 2012. This action will effectively reduce the scallop take from 62 million pounds in FY2012 to 43 million pounds in FY2013.

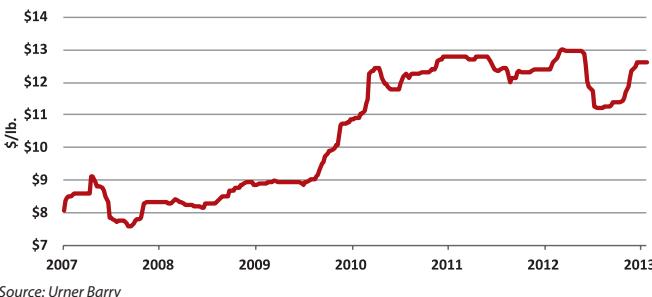
The exact impact on market price is unclear as other mitigating factors will only be realized once the calendar advances. Anecdotal evidence suggests that there has been a change in demand; both in terms of occurrences on menus, as well as in international trade. Buyers that look to the world market to supplement domestic supply are given no guarantees. The level of imports has been quite erratic in recent years; in-fact,

we saw a 47 percent decline in imports Jan-Oct 2012 when compared to the same timeframe in 2011. The year prior, imports jumped 26 percent.

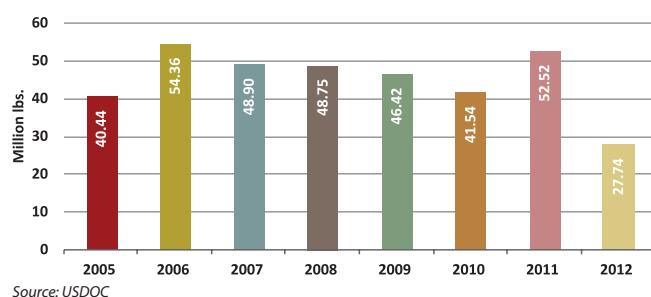
We do know that scallops are trading in a "new range." The average price for a pound of U/10 IQF Dry Scallops between 2010 and 2012 was \$12.24, compared to \$8.70 in the previous three years. The average cost for 10/20 scallops 2010-2012 was \$10.40 and \$7.87 in the previous three years. FY2013 does not kick-off until March 1, 2013, but the stage has already been set. **UB**

Article contributed by James P. Kenny
Jkenny@urnerbarry.com

UB Sea Scallops, Domestic, Dry, IQF, U/10 Count



YTD (Jan-Oct) Imports of Scallops, All Types



Shipping

Continued from page 1

payments for the 30 months they worked with no contract.

Meanwhile, as West Coast port workers walked off the job, East Coast workers threatened similar action should their collective bargaining agreement with the U.S. Maritime Alliance end on December 29, 2012 at midnight.

At issue for the East Coast workers, were management's demand to cap payments that are made to longshoremen based on the volume of containers they loaded and unloaded—estimated at about \$15,000/year per employee. That's in addition to the average ILA salary of \$100,000 in wages, and more than \$20,000 in benefits.

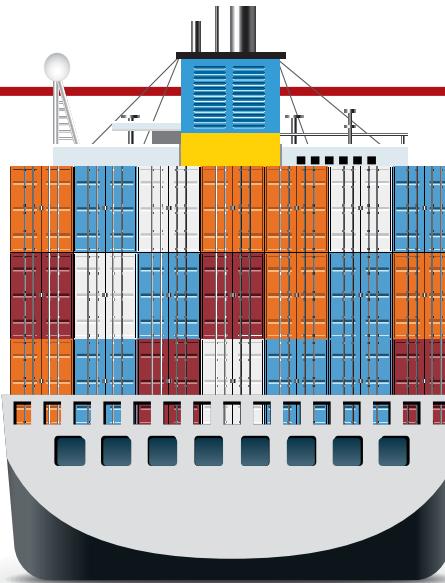
The strike threatened to send some 15,000 workers from Maine to Texas to the picket line.

The National Retail Federation (NRF) and a coalition of food associations including the American Meat Institute (AMI) sent letters to the Obama Administration denouncing the strike.

"We know there are tough issues that have yet to be resolved during these negotiations, but it is critically important for the American economy that the two parties remain at the table until a new deal is finalized. A strike of any kind at ports along the East and Gulf Coast could prove devastating for the U.S. economy," AMI said in a letter.

However, on February 1 the FMCS announced that a Master Agreement between the USMX and the ILA had been reached, averting an East Coast port strike. The new agreement came after a December 27 deal that extended negotiations between the ILA and USMX another 30 days.

"I am extremely pleased to announce that the parties have reached a tentative agreement for a comprehensive successor Master Agreement. The tentative agreement is subject to the ratification procedures of both parties and, as well, to agreements being achieved in a number of local union negotiations," said FMCS Director George H. Cohen.



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Though U.S. ports were able to avert catastrophe, some in the shipping industry say meeting the logistical challenges of shipping in a global economy will be a costly endeavor.

The expansion of the middle class in Brazil, India, Russia and China has driven the need for delivering proteins to all corners of the globe to higher levels than ever and in the process created one of the most complex transportation scenarios imaginable.

But, according to Bill Duggan, vice president of North American Refrigerated Services for Maersk Line, the price of shipping has not kept up with inflation. He said for the last six to seven years, rates have not been able to keep up with the development of bunker costs and inflation.

In fact, according to Duggan because the return on reefer investment is no longer sufficient, Maersk has decided to not invest in new reefer equipment for 2013, this includes vessels used to transport meat and fish.

However, in 2011 during a conference in Singapore Dr. Martin Stopford, managing director of Clarksons, warned that both the shipping and shipbuilding industries are expected to face a prolonged slump in the next ten years after the remarkable boom of the past decade.

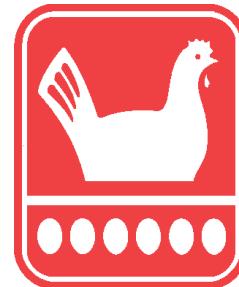
Clarksons said that the three key challenges affecting the shipping and shipbuilding sectors include: overcapacity in a world of lower economic growth; high fuel prices and the push for environmental accountability.

Meanwhile, shipping rates have already gone up for those in the food industry. On January 1, 2013 Indian seafood exporters were hit with a \$1500 per container reefer charge.

"Already, the industry is suffering from the global economic turbulence and escalating cost of operations here. A steep increase in freight rates will result in further hardship and shipping of low-value items won't be viable. Many units specialize in low-value items they will find it difficult to function if freight rates go up further," said Indian trade sources.

In the end, only time will tell how the shipping industry will adjust to 21st century demand but for now if there's one guarantee—it's that the cost of freight is bound to get pricey. **UB**

Article contributed by
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Russell W. Whitman
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Brenneman

Continued from page 52

on this natural consumer interest in making turkey a bigger part of consumers' weekly meals. These broad-reaching campaigns are driving turkey protein sales both in foodservice and at retail.

UBR: Of the following issues: A) Production expansion B) Weak economy C) Export trade disruption and D) Feed cost uncertainty, for 2013 what is Rod Brenneman's number one concern for the turkey industry?

RB: Each of these issues pose challenges for Butterball and the rest of the turkey industry, but the priority for each protein company must be to keep the eye on the ball. At Butterball, our number one focus, despite countless external factors, is to continue to deliver high quality, safe and innovative products that our customers and consumers desire.

UBR: What do you bring from your leadership and development as CEO at Seaboard Foods that you can use in your leadership at Butterball? Any particular experiences you can talk about?

RB: My strengths are in building a strong, cohesive team and in setting and communicating a strategy for the organization. My experience and commitment to running Seaboard Foods as an integrated organization is proving to be an asset in leading Butterball. I feel very strongly that making decisions on an integrated basis, as opposed to traditional segmented business evaluations, is very important to maximizing the organization's potential.

UBR: What are the advantages to Butterball of being owned by Seaboard Corp. and Maxwell Farms?

RB: Butterball experiences several benefits from a two-pronged ownership approach. First, both owners are aligned in corporate positioning and see eye-to-eye on company direction, which allows our management teams to lead without worrying of conflicting ownership interests. Second, each owner is committed to providing resources and supporting the business to ensure Butterball remains the number one brand

in the turkey business. Finally, both owners have a long-term approach to business, which lends itself to long-term strategic decisions.

UBR: Butterball has earned various worker safety recognition awards in the industry. Is this a top priority for you and the company?

RB: Worker safety is a top priority for Butterball. Without great associates, our company could not and would not be successful. My desire is to protect our greatest asset. Butterball's industry-recognized worker safety program consistently delivers performance that exceeds poultry industry standards as compiled by the U.S. Department of Labor, Bureau of Labor Statistics. Butterball has received numerous accolades on the program, including the Award of Distinction from the Joint Poultry Safety Council in May 2012 and Award of Merit for safety excellence from the American Meat Institute (AMI) in March 2012 for the Carthage facility. In fact, Butterball's Huntsville facility was recognized by the

"Butterball's industry-recognized worker safety program consistently delivers performance that exceeds poultry industry standards..."

state of Arkansas in January for having worked 8 million hours without a lost-time injury—that's the kind of success we want to celebrate and build on. 

Interview conducted by Russell W. Whitman
Rwhitman@urnerbarry.com

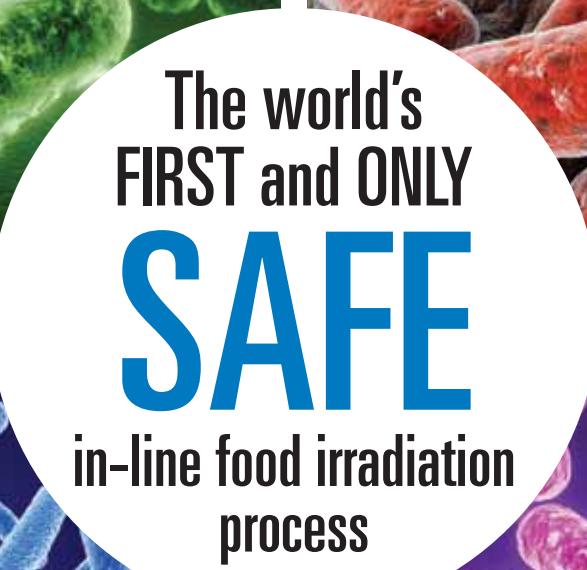
Answers to the quiz on page 49

1. B. Jaws
2. D. Robert Redford
3. D. Bubba Gump Shrimp Co.
4. A. *The Perfect Storm*
5. B. Jack Lemmon and Walter Matthau

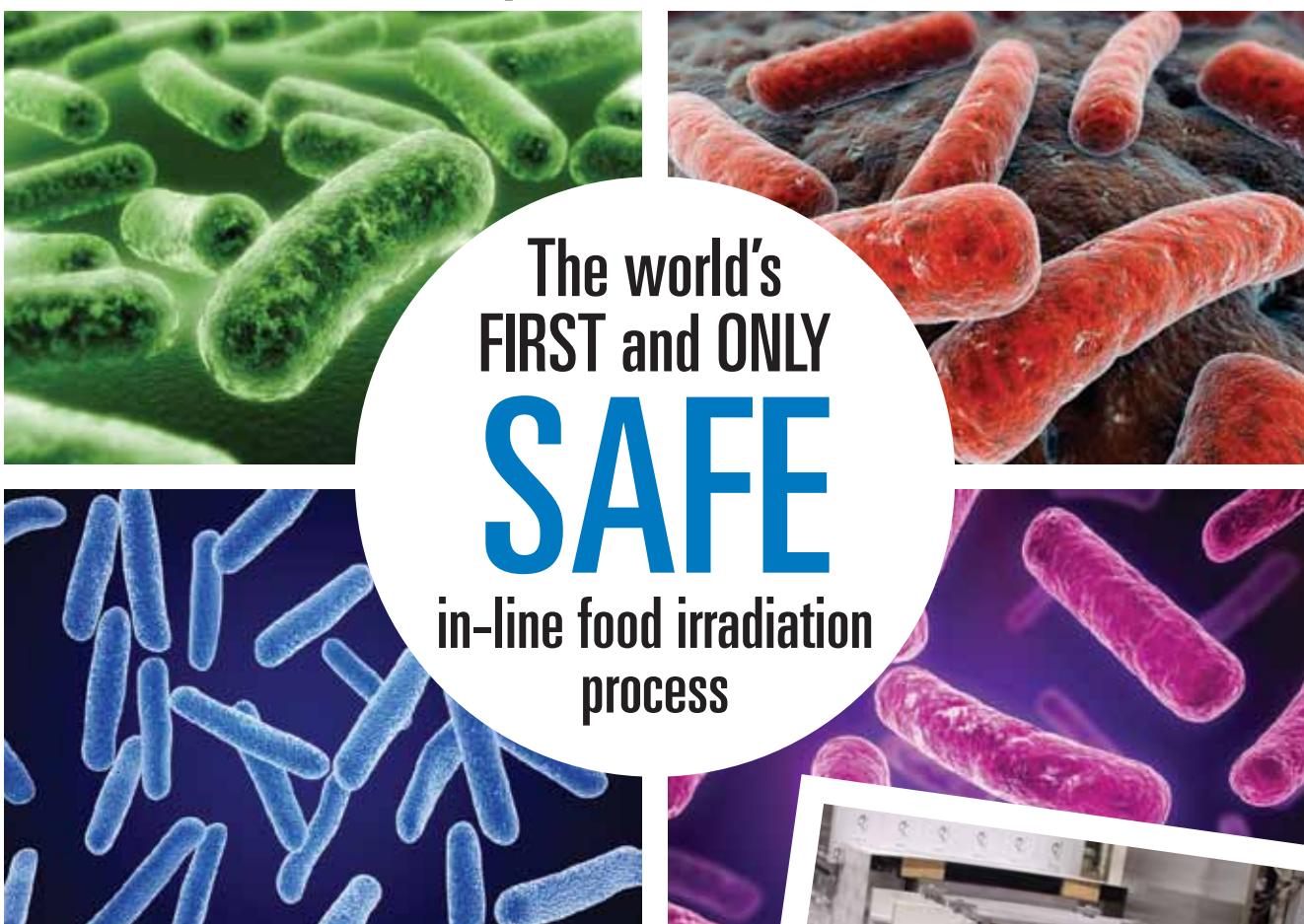
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