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Brisket popularity leading prices to records well above historical norms

Remember what you were doing the Saturday of Memorial Day weekend 2014? Chances are it was a combination of relaxing with some needed time off, sharing festivities with family and friends, or otherwise celebrating what the holiday means to you. It also marked the day a new world record was set for the longest commercial to air—ever according to the Guinness Book of World Records. That commercial was a 13 hour filming of a brisket being smoked by Arby's to promote its upcoming Smokehouse Brisket Sandwich. That day may also have set how social media and viral publicity could alter markets, something that industry players in any market could learn from. Although introduced in October 2013, and slated to be a limited promotion for the balance of that year, Arby's Smokehouse Brisket Sandwich was so successful that the sandwich was brought back from May to September 2014. The promotion not

> **"... increased promotion of barbecue by QSR chains has altered the landscape for briskets."**

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In safe hands ...
Poultry processing and food security


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Not a day goes by when food safety isn't mentioned in the media or doesn't surface during the course of industry dialogue. For the nation's food processors, there is no more important issue than ensuring the safety of the foods served to U.S. consumers. Whether meals are eaten in a restaurant, fast food operation, QSR establishment or in one's own kitchen, there is no more imperative task than guaranteeing that the food being consumed is safe and wholesome.

Poultry in the United States is processed at USDA-inspected, state-of-the-art plants employing strict operating protocols (including HACCP) and the highest in food-safety standards. But even the strictest procedures can be usurped by bio-hazards or contaminants which can appear in the food product at any stage during its production and preparation. The food U.S. consumers eat can be effectively "cleared" of

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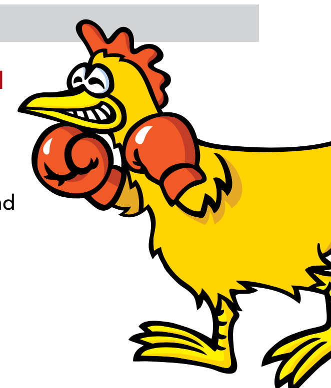
On the inside



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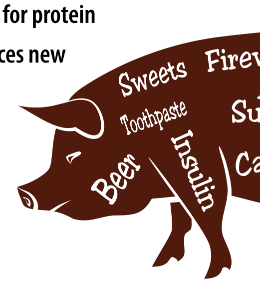
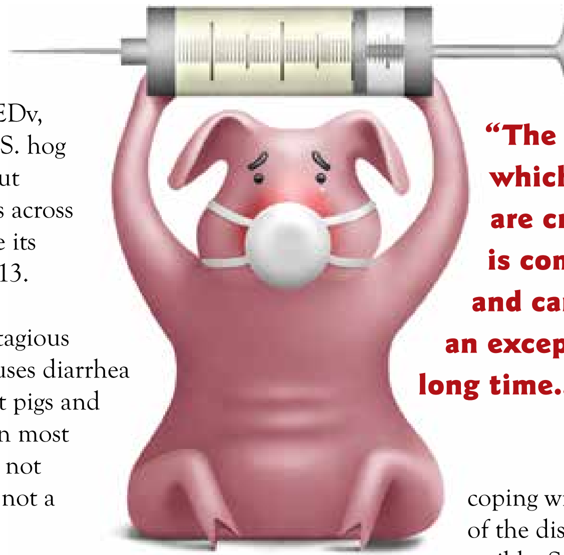


A look into vaccine development



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"The process by which vaccines are created is complex and can take an exceptionally long time..."

As of the time of this writing, the Porcine Epidemic Diarrhea Virus, or PEDv, has decimated the U.S. hog population, wiping out around 7 million pigs across at least 30 states since its detection in April 2013.

PEDv is a highly contagious swine disease that causes diarrhea and vomiting in adult pigs and often causes fatality in most young piglets. It does not affect humans and is not a food safety issue.

With the staggering decline in hog supplies due to PEDv, wholesale pork prices have risen to all time highs in 2014. Luckily, demand has been healthy and, despite being stretched, the industry is coping with the effects of the disease as best as possible. Still, producers have been waiting with baited breath for an answer—a vaccine—to stop the spread and contain the disease so that they may begin to rebuild the domestic supply. The process of developing a vaccine, however, is complicated to say the least.

A vaccine is a product that, by triggering a specific immune response, produces or improves immunity, therefore protecting the body from the disease. A vaccine will mimic or resemble a disease agent and when administered, will stimulate the body's immune system to identify and attack the foreign intruder both imminently and in the future—if and when the body is exposed to the real pathogen. A vaccine can be thought of as sort of a practice round or a simulator for the body to prepare for the real thing.

The process by which vaccines are created is complex and can take an exceptionally long time and the effectiveness of a vaccine can vary depending on several factors, including whether new strains of the pathogen have emerged. The process begins with researchers as they study the virus and learn its characteristics and where it came from, then attempt to re-grow it in a lab. Replicating the virus can be extremely difficult. Once successfully regenerated in a lab setting, the next step is to isolate the antigen, which is what generates antibodies that fight the specific pathogen within a host. This overall process can take years. Following laboratory research and generation, there are then numerous stages required to apply for testing and approval of the vaccine that prolong the process even further.

Once the vaccine is developed, there are several phases of clinical trials that take place to ensure quality control, safety and effectiveness. The entire process is highly regulated by the United States Food and Drug Administration (FDA). When this is complete, an application may be submitted for assessment by an expert committee for potential approval. Once the vaccine and its manufacturing process is approved, the FDA continues to monitor production and quality control testing. The final steps of production and distribution also require valuable time and, in the case of highly contagious diseases like PEDv, every day is precious.

In June 2014, vaccine producer Harrisvaccines received conditional licensure from the USDA allowing their Porcine Epidemic Diarrhea Vaccine, RNA, to be sold directly to veterinarians and swine producers battling PEDv. This is the first conditional license granted for a PEDv vaccine since the initial outbreak in April 2013. The company was also honored at the 2014 World Pork Expo in July with the Producer's Choice Award, a recognition of a product with exceptional quality and unique technology.

In 2006-07, vaccine use was successfully able to control disease associated with the porcine circovirus (PCVAD) that was especially prevalent in the U.S. around 2005.

While it may be too early to tell, fingers are crossed that an effective vaccine along with the strict biosecurity measures that have already been increased to help reduce the spread of the disease could, perhaps, lead to the comeback of the U.S. swine population. UB

Article contributed by **Jamie Chadwick**
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Protein: It's what's for dinner

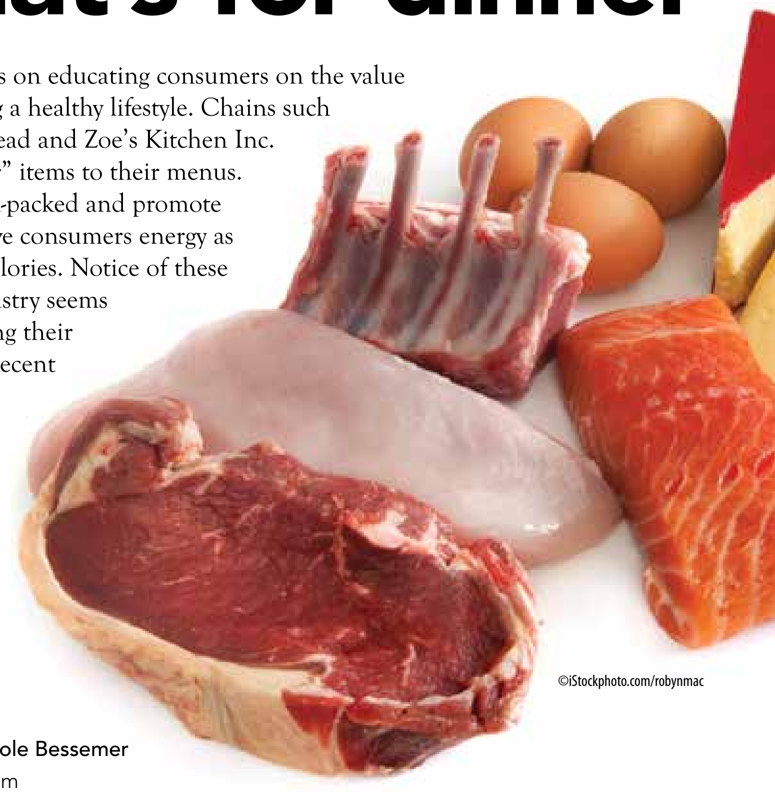
Every year there seems to be at least one new diet fad, but one trend that seems to stay is that which prioritizes protein. While many diets within themselves may have different stipulations in regard to their day-to-day routine, protein is still a leading nutritional factor in many of these diets.

For example, the most researched diet of 2013, the Paleolithic Diet, follows the belief that "if our ancient ancestors didn't eat it then we shouldn't either." This "caveman" way of nutrition stresses the importance of lean meats, restricts the use of salt and dairy, and incorporates only a few cereal grains. Other diets such as the Dukan Diet and Ketogenic Diet focus on eating foods that are rich in protein, which helps to burn fat. There is also the ever-popular Atkins Diet, which some claim as the original cause of the all-protein/low carbohydrate craze that at one point had one in every 11 American adults on board.

While it is hard to claim that one specific diet caused an increase in consumption of protein, it is true that protein consumption is increasing among consumers. The United Nations Food and Agriculture Organization projected that by 2030 the average person will consume about 99 pounds of meat per year, versus 86 pounds in 2007 and 73 pounds in 1991.

It seems as though that major food companies and chains have taken notice to these trends as well. Atkins Nutritional Inc. recently came out with a line of Atkins' Breakfast sandwiches which focus on low carb English muffins, real eggs, cheeses and premium meats. Oberto Jerky just launched its PROtein campaign with fitness and nutrition specialist Harley Pasternak which focuses on educating consumers on the value of lean protein in living a healthy lifestyle. Chains such as Taco Bell, Panera Bread and Zoe's Kitchen Inc. also have added "power" items to their menus. These items are protein-packed and promote food that is going to give consumers energy as opposed to counting calories. Notice of these trends by the food industry seems to go beyond reinventing their offerings and menus. Recent merger and acquisition activity even indicates that companies have come on board the increasing trend in protein offerings, and are aggressively attempting to expand their range of protein products. UB

"While many diets within themselves may have different stipulations in regard to their day-to-day routine, protein is still a leading nutritional factor..."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Article contributed by Nicole Bessemer
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Recouping margin, one egg at a time …

Eggs could help combat record input costs in America's favorite food

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At Urner Barry's 2014 Executive Conference and Marketing Seminar this past spring, Joe Pawlak of Technomic covered consumer trends in foodservice. Mr. Pawlak suggested that it was imperative to "utilize fast casual establishments as a learning platform" for upcoming menu trends in the foodservice industry.

One trend, which should be catching the eye of egg producers, is the growing amount of local restaurants, diners, bars, and other fast casual establishments that are adding an egg as a topping for the traditional hamburger. Aside from the flavor and textural elements egg adds to this popular piece of American cuisine, replacing a 2 oz. portion of ground beef with a 2 oz. large egg could have tremendous financial benefits.

Ground beef prices, along with the rest of the beef complex, hit record price levels in 2014. Higher-priced retail cuts may even be motivating buyers toward cheaper burgers in the foodservice sector. Demand here, coupled with tight stocks and high import costs of fatter beef trimmings and lean boneless beef (items grinders most commonly use to produce hamburgers), have cut into margins and are beginning to force consumer prices higher.

In-N-Out Burger recently announced a 15 cent price hike to their famous Double-Double. "We make every effort to keep our menu prices as low as possible," Carl Van Fleet, the company's executive vice president of development said. "Unfortunately, we have seen pretty significant cost increases over the last year and we had to take a small price increase in order to maintain our quality standards."

Meanwhile, other fast food companies have turned to breakfast in order to recoup lost margins in the red meat complex. According to The NPD Group, a leading market research company, breakfast accounted for nearly 60 percent of the restaurant industry's traffic growth over the past five years.

One way to bridge the gap between breakfast's success and the battle with increasing costs in the red meat category is to bring the egg into lunch and dinner, something that fast casual restaurants are already implementing across the country.

If you search the Internet for eggs on a burger, results will show a multitude of food blogs, smaller chains, and celebrity chefs touting their experiences and sharing their recipes. You may, however, be hard pressed to find the bigger names making much of a splash here. That's a bit surprising given the success of recent breakfast sandwich innovations at fast food companies like McDonald's and the launch of Taco Bell's new breakfast menu. Even more surprising given the fact that most of these chains already have the capability to seamlessly add egg to their existing offerings. Not to mention the ease of use and food safety benefits of exceedingly popular precooked patties.

But what about the financial benefits?

Using Urner Barry's Midwest large quotation to calculate the value of a single large egg (2 oz.) and UB's 136 Coarse Ground 81% beef quotation for a 2 oz. equivalent volume, we can calculate a benchmark value of adding an egg to a burger. The 5 year average shows a cost savings of nearly 10 cents per burger, while periods in 2014 have spiked over 25 cents, with an average of more than 17 cents year to date.

According to Mint.com's *Hamburger-Economics of America's Favorite Food*, Americans consumed 26.1 billion pounds of ground beef in hamburger form during 2009, or 61.2 pounds of beef per person. More recent sources suggest total annual poundage is closer to 50 billion, or 3 hamburgers a week per person! Based on the 2009 consumption data and the 5 year average spread between the two items, cost savings of using an equivalent volume of egg to 2 oz. of ground beef would have been more than 10.4 billion dollars. If the current consumption is closer to 50 billion a year and we use a year to date average spread of 17 cents, then the cost savings would balloon to over 34 billion dollars a year!

Now obviously not all burgers are consumed at foodservice restaurants and not all offerings here are big enough to remove 2 oz. of ground beef and keep at least a 1:1 beef to egg ratio. In fact, McDonald's single hamburger is only 1.2 oz., meaning this combo would be best served on larger offerings. The egg does however give menu makers a way to cut costs, especially given current market conditions, making the egg a value-added topping in more ways than one.

Consumers are making similar choices at the supermarket. Phil Lempert, an analyst on consumer behavior and marketing trends recently said, "from a consumer standpoint we'll see people buying smaller portions of beef, or they might substitute eggs instead."

Large scale foodservice companies have done a good job promoting eggs to grow the breakfast sector, but it looks more a matter of when then if they will begin to add eggs to lunch and dinner offerings. Why not start with the hamburger? UB

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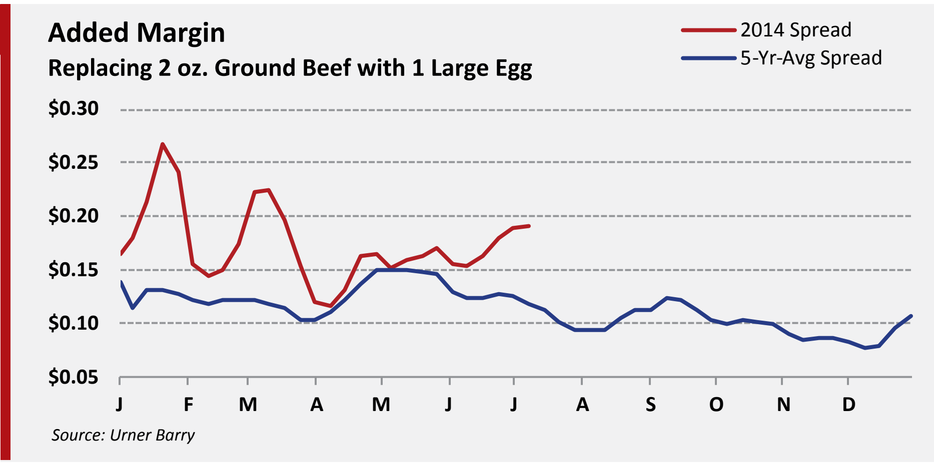

> **"One way to bridge the gap between breakfast's success and the battle with increasing costs in the red meat category is to bring the egg into lunch and dinner ..."**

U.S. hog and pork supplies continue to be affected by PEDv

Uncharted waters, extreme volatility, nervous traders and other similar descriptions have been often heard or read about the hog markets during the past year or so and will likely continue for at least several more months.

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One cannot discuss 2014 U.S. hog supplies without including the single largest factor affecting the number of animals available to processors, the porcine epidemic diarrhea virus (PEDv), which made its way into the country in the spring of 2013.

This summer, specifically July and August, was expected to be the period in which slaughter-ready hog supplies in the U.S. would be most affected by PEDv, a disease which mainly affects very young pigs, resulting in high death losses in naive herds. Many, but not all of the nation's hog farms, have had outbreaks of the disease, and the peak in the case counts was hit in February. The virus prefers cool to cold temperatures and wet conditions, so it is most active during the winter months. Estimates of death losses from the spring of 2013 through the first quarter of this year were in the area of 7 million to 8 million head.

From late winter on, futures prices were building large premiums into the summer and early-autumn lean hog contracts, factoring in tighter supplies due to PEDv. The July contract peaked at an all-time high of $133.80 per cwt and August hogs were not far behind with a top at $133.375.

Packers prepared for the reduced supplies by trimming slaughter schedules, putting some plants on four-day work weeks to better align processing rates with the limited hog supplies available. During the third week of July, slaughter was the smallest for a non-holiday period since June of 2006, and cash prices hit an all-time high, near the level that futures prices had predicted they would.

Hog producers and vertically integrated pork processors had pushed hog weights to record highs this spring and summer in anticipation of the tightened supplies to offset part of the reduction in head count. But, about the same time that prices hit a top and started to move down, temperatures across the Midwest turned cooler than normal, which allowed the animals to gain weight faster than normal for that time of the year.

From mid-July, prices in the cash as well as futures markets fell rather sharply and were struggling to find support. Retailers all but abandoned pork as a feature item during the July-August period, and wholesale prices (At the time of this writing) may have to drop further for the category to buy its way back into the weekly promotions (*Chart 1*).

Meanwhile, much uncertainty remains for hog supplies through late summer and into the final quarter as PEDv cases were still quite high in March and April, although they were coming down from the peak hit in February (*Chart 2*).

Bob Brown, private analyst in Edmond, Okla., predicted slaughter rates in August to average about 6% below a year ago and for September-October to be down around 5%.

If carcass weights remain heavy, pork production could be nearer to year-ago levels.

December lean hog futures during the month of July traded from a high of $105.50 to to $93.25. Analysts said wildcards for the hog markets this fall and early winter include the effectiveness of efforts to control PEDv throughout the spring and summer, the level of retail feature activity that occurs for pork, and strength of international sales. Beef supplies and prices could also affect pork prices and sales. UB

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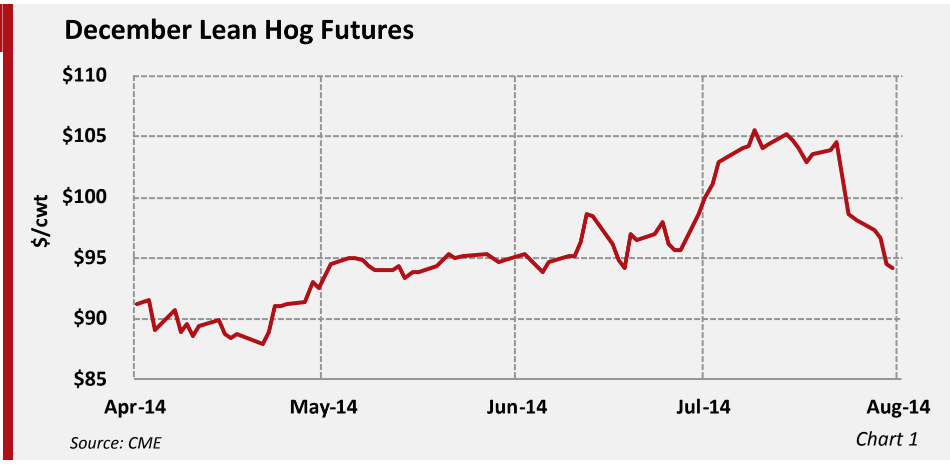

Chart 1

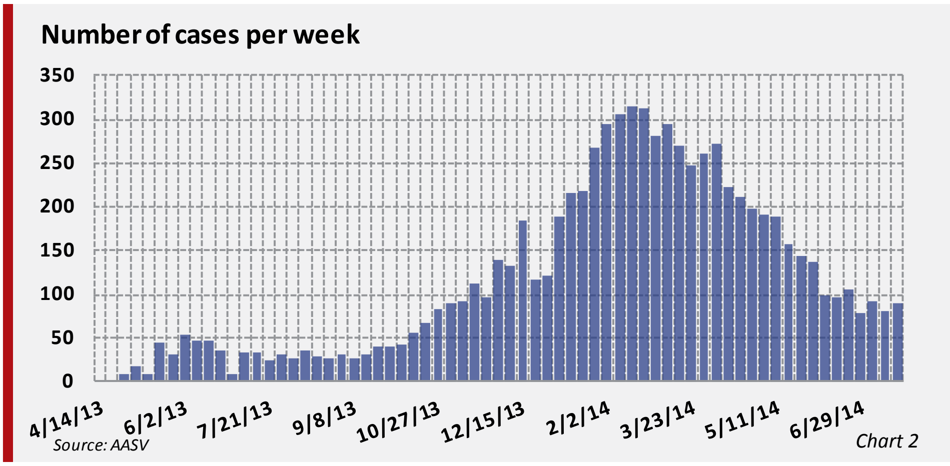

Chart 2

A titan in the import space ...

China: A billion mouths demand huge imports

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1.351 billion. That is the amount of mouths China has to feed, and the number continues to grow. With a population nearly 88 percent greater than that of the United States, food is a major concern for the evolving country. Grains, proteins and even water are huge considerations within China and experts are anticipating further growth in their imports of these goods. Accordingly, in a world of limited resources and finite arable land, other countries need to start considering the impact that a Chinese population with growing needs could have on global agriculture.

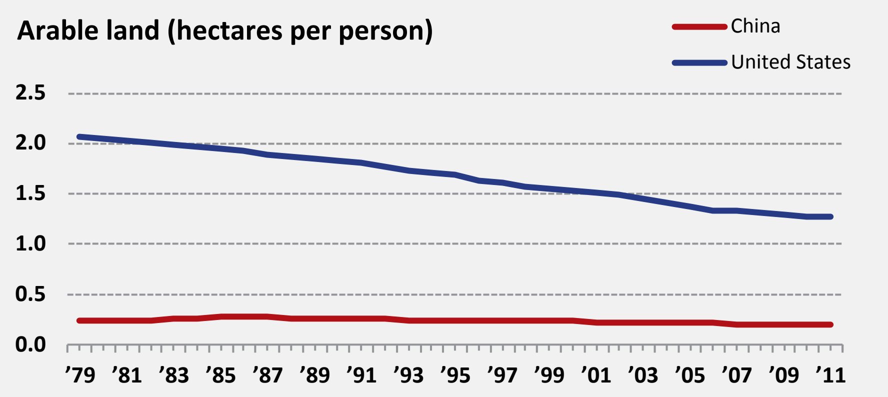
Quickly, let's examine from where the expanding demand for food and resources originates. The Food and Agriculture Organization's (FAO) definition of arable land is "land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow." According to research from the World Bank Group, about 12 percent of China's land is arable, compared to just over 17 percent in the United States. Yet, China's land mass is larger, being composed of 3.601 million square miles of land, compared to 3.532 million in the United States. This means that China has approximately 432,000 square miles of arable land compared to 600,000 in the United States. Now, consider the size of the Chinese population, because as it stands, the critical factor currently going against China is arable land per person. While China has approximately .2 acres of arable land per person, the United States has 1.26. When accounting for this, it becomes clear why China is a titan in the import space; they simply cannot create enough agriculture domestically to sustain their population.

According to the FAO, the population of mainland China consumes slightly over 3,000 calories per capita per day on average. When you multiply that by the population of 1.351 billion people, the people of China require a staggering 4.05 trillion calories a day or 1.48 quadrillion calories a year. If an average acre of land can produce 3.2 million calories worth of food a year, China would require 462,500,000 acres or 723,000 square miles of arable land. With only 432,000 square miles of arable land currently available, that deficit of 291,000 square miles is roughly the size of Chile!

So, how did a country who stated back in 1978 that they wanted to become self sufficient in food production become so dependent on food imports? To keep it simple, the answer likely lies within a consistent growth in gross domestic product (GDP). Studies have shown that with economic growth come higher wages, more disposable income and an increased propensity to spend money on additional food items (among other things). Since 1978, it is estimated that 260 million Chinese farmers have moved into cities as job and education opportunities improved. As a result, food production decreased and in 2013, China dropped their national self sufficiency goal.

The rural to urban transition is widely expected to continue, putting more emphasis on food imports. For example, the USDA's Economic Research Service projected that China's demand for corn will increase 41 percent by year 2023-24.

Expanding the amount of farmable land is easier said than done in China. One critical factor holding back China's agricultural growth is a lack of fresh water. According to the chief economist of China's Ministry of Agriculture, China has a shortage of 30 billion cubic meters (7.925 trillion gallons) per year and imported 148.6 billion cubic meters (39.25 trillion gallons) of water in 2013. As arguably the most important factor when growing produce or raising animals, the lack of readily available water is a significant hurdle for Chinese producers.



Source: World Bank

There are many factors not discussed that are contributing to China's demand for foodstuffs such as air and water pollution, disease and changing trade barriers. The bottom line however is that their growing population must eat and their improved economy allows for demand of an entire spectrum of nutrition. Barring a select few exceptions, whether you grow wheat or cattle, chicken or sugar, China appears to represent a promising and profitable customer for many years to come. Keep in mind however that the competition to secure that customer's business will be stiff. UB

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Sources: The World Bank, Food and Agriculture Organization of the United Nations, AG Professional, USDA

Burger amor!

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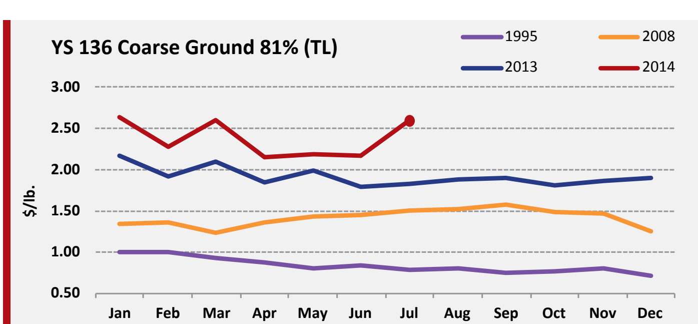
Ever wonder what America's favorite food is? Many would guess it to be something that originated in America, or perhaps pizza or maybe even a doughnut. Overwhelmingly, a number of responses would argue it to be the hamburger. Just what is so special about this beef patty that so many people in the United States are enamored with it? Is it taste? Cost? Convenience? Here we will try to decipher just what makes the American burger so beloved.

Whether you visit a local independent restaurant or diner, eat in a highly acclaimed "white tablecloth" establishment for either lunch or dinner, or you pull your car into one of the many fast food restaurants in your neighborhood, you will more than likely find the menu will feature many different options of America's favorite—the hamburger.

First, let's look at how the hamburger made its way to America. Folktales abound about its origins, yet the most commonly recited gives credit to the city of Hamburg, Germany as the burger's creator. Tales told usually state that as German immigrants came to the United States they brought with them the Hamburg steak (a forerunner to the hamburger). The "steak" became popular on the menus of many restaurants in the latter stages of the 19th century. In fact, in 1873 the Hamburg steak was priced at 11 cents on the menu at New York City's famous Delmonico's Restaurant—an amount considered "pricey" then. In reality it was two times as much as a "fillet of beef steak." The Hamburg steak was also offered as a breakfast item in the 19th century, and would invariably be served with a cooked egg on top.

Other stories as to how the Hamburg steak morphed into its place as a hamburger are readily believed. Some say the hamburger sandwich came to be with the Hamburg steak being placed between two slices of bread. Others cite carnival or fair vendors offering the "Hamburg sandwich," while still another tale relates the birth of the hamburger to a cook in a small town in Texas who put a ground beef steak on bread slices. The hamburger chain White Castle is credited by many to be the first company to market the sandwich to the mainstream public in the 1920s. McDonald's came into existence in the 1940s, and over the next eight decades developed into the global leader selling hamburgers. Nonetheless, the concept of offering the hamburger at "fast food restaurants" revolutionized the way Americans consumed what would ultimately become a favorite food. By the middle of the 20th century, the fascination with the hamburger spread across the globe, due largely to expansion of restaurant chains.



Source: Urner Barry

Fast forward to 2014 and it is easy to see how the hamburger fits into the daily life of most Americans. Clearly, convenience and the economical prowess of ground beef are two reasons that Americans include the hamburger so frequently in their diet routine. In fact, home consumption of ground beef increased as the economy in the U.S. faltered, and families opt to cook lower-priced meals using ground beef. Additionally, in the U.S. some fast food outlets and "quick service restaurants (QSRs)" became very popular offering "Dollar deals" on their menus where hamburgers were priced at 99 cents. Rough estimates have Americans consuming nearly 50 billion hamburgers during the year, which equates to approximately three burgers per person per week.

American's desire for ground beef over the decades has built to the point that the majority of product coming from the beef processing industry ends up as ground beef. Meta analysis data pulled from several consumer surveys reveals that nearly 55% of total beef production over the past decade winds up in the form of ground beef or hamburger patties. Currently stout demand for ground beef, whether in its raw form or in the form of patties has pushed prices sharply higher. Prices still remain on the low side when compared to other beef offerings such as steaks and roasts, and largely fit into the average American's budget. Not that you will find a Hamburg steak at a white-table cloth restaurant at 11 cents today, but the menu price of a hamburger tends to be the most attractive feature relative to other menu options.

Where has the wholesale pricing of ground beef gone over the past years and what has prompted its value to reach historically high levels? Certainly the demand for hamburgers is supportive of the level of pricing we now see, but we must also take into account the lack of available supply of cattle given the recent drought situation in the United States' cattle producing regions over the past few years.

Whether you look in the beef retail case at the ground beef packages, or you gaze at the menu in your local fast food, casual, or even some upper scale restaurants, it is not by chance that you will find the hamburger. Americans love and desire their favorite sandwich, and it has become a staple of American cuisine.UB

Article contributed by **Bruce Longo** | blongo@urnerbarry.com

Airline industry using food and other fees to turn profit

A series of bankruptcies have not only led to consolidation in the airline industry but to a fundamental change in the business model for many airlines, especially the ones based in the United States. While most of the revenue still comes from the primary function of transporting passengers, ancillary fees have grown from less than one-half of one percent of total revenue to almost six percent. This extra revenue has become an important part of the top-line and is often the difference between a profit and loss for the company.

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These fees include frequent flier programs, onboard food and retail, and baggage fees and have climbed to $42.6 billion dollars in 2013 from $36.1 billion in 2012 and only $2.5 billion just five years ago according to data from IdeaWorks Company, a consultant to the airline industry.

While the revenue cannot be ignored, there have been some drawbacks to charging for things that were free in the past. Passengers can pack fewer bags or choose not to eat on the plane. The latter could affect the industry as food purchases are estimated to be around 10% of these fees, or $4.26 billion for 2013. Despite higher fuel and food costs, the stock market likes how these extra fees have added to the bottom line, a good indication of the health of the industry. If we look at the big four (American, Delta, United, and Southwest) along with two regional carriers (JetBlue and Spirit) from the start of 2013, stock prices have appreciated between nearly 70 percent and 252.12 percent.

Airline industry executives believe we are not at the tipping point yet, as quicker boarding and more comfortable seat assignments are trumping consumer gripes at the moment. How the future plays out remains to be seen. But one thing is for sure, the industry has changed and will continue to evolve to meet consumer demands. UB

Article contributed by **Gary Morrison**
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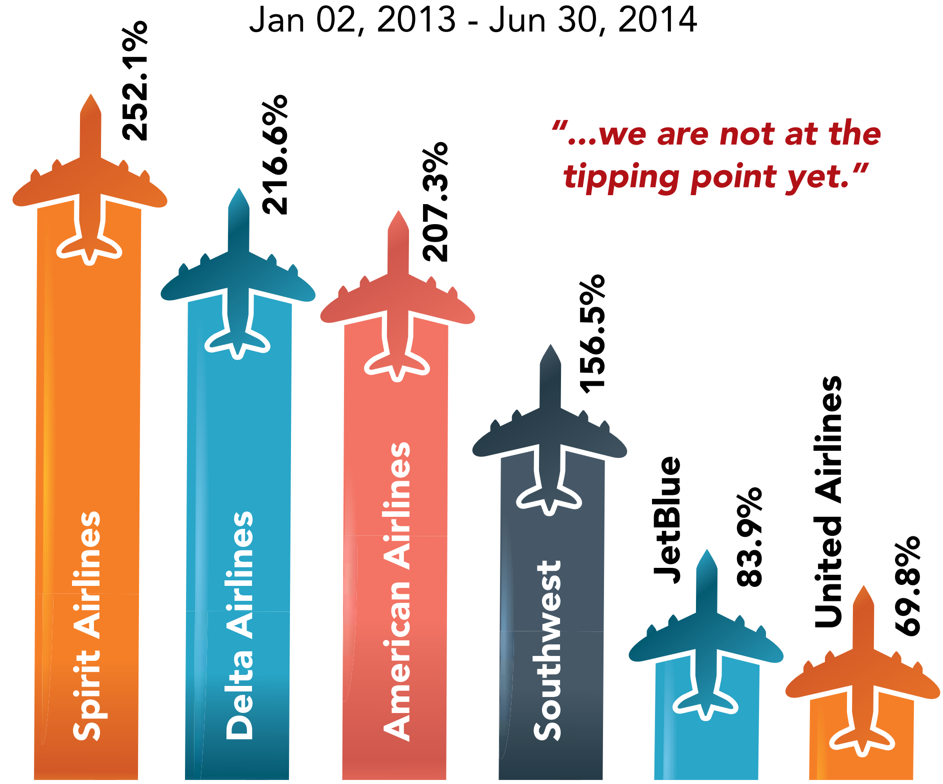
Airline stock price change

Jan 02, 2013 - Jun 30, 2014



Source: Urner Barry, Yahoo Finance

On the safe side with quality

Contributed by **Miranda Reiman**,
Certified Angus Beef

The insurance premium in the beef business has recently gotten cheaper.

Insurance? Sure, that's one way restaurateurs think of the premium paid for high-quality beef, because it helps ensure their customers will leave happy about their center-of-the-plate selections.

"The lower quality products have gotten more expensive at a faster rate than Certified Angus Beef," says the brand's president John Stika.

That's not to say any beef category has gone down in price. In fact, for the first seven months of the fiscal year starting last October, *Certified Angus Beef*® (CAB®) brand cutout was up 8.6%, from $203.02 for fiscal year 2013 to $220.46 for October to April. But that's a smaller price hike when compared to lower quality alternatives like commodity Choice, which went up 10.9%, or Select, up 12.5%. Select beef jumped from a 2013 seven-month average of $180.25 to $202.83 for those months this year.

Beef Price Overview

Cutout Value	FY-2013	FY-2014	Change
US-Select	$180.25	$202.83	+12.5 %
US-Choice	$190.44	$211.26	+10.9 %
CAB®	$203.02	$220.46	+8.6 %

Certified Angus Beef LLC (CAB) 2013 fiscal year compared to first 7 months of 2014 (October to April)

"There's no doubt a sticker-shock in a lot of items," says John DeBenedetti, president of Del Monte Meat Company and Ports Seafood, in San Francisco, Calif. The specialty meat distributor works with its customers to reduce portion sizes or introduce "value" cuts, rather than pulling beef off the menu or downgrading.

"We very much try to steer people away from trading down on the quality of their products," he says.

That's easier to do when the higher-grading beef is not much higher than commodity Choice.

John Stika, president Certified Angus Beef.

"It's not worth taking a chance on having a bad eating experience for 25 cents," DeBenedtti says. "It doesn't make sense. If you have one bad meal a night, and you have to comp that meal, then it pays for itself over and over again."

That's how Stika explains the 8.5% jump in the brand's foodservice sales compared to the same period during the 2013 fiscal year.

"Customers are saying, for these price points, I can step up to CAB for a few more bucks and I'll get a better product at a better value," he says.

John DeBenedetti, president of Del Monte Meat Company and Ports Seafood.

And today's pricing offers an opportunity for new accounts to get a taste of quality.

"Big spreads are great for a while, but you never get anyone to 'trade up' when it's really, really wide," Stika says.

Premium Choice has become the gold standard of the industry, DeBenedetti says.

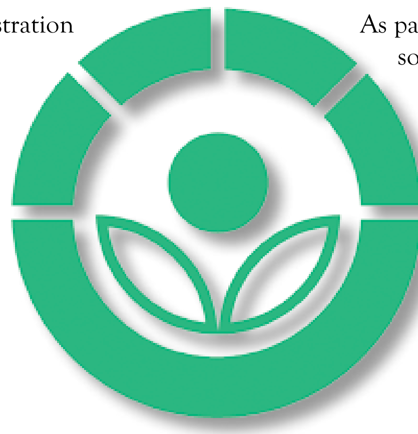
"When you look at the differentiation between CAB and Choice, there's no reason for that owner not to take that step up, especially when you know that the average person is not eating as much beef as they once did," he says.

These times call for insurance more than ever, says DeBenedetti, and today's prices make that a pretty convincing sell.

FDA allows ionizing radiation in crustaceans

In April 2014, the U.S. Food and Drug Administration (FDA) approved the use of ionizing radiation to control foodborne pathogens and extend the shelf life of crustaceans. This action, the result of a petition submitted by the National Fisheries Institute, applies to raw, frozen, cooked, partially cooked, shelled, or dried crustaceans. It also covers cooked, or ready-to-cook, crustaceans processed with spices or small amounts of other food ingredients.

Previously, federal officials approved the process for use on molluscan shellfish such as oysters, clams, mussels and scallops. Now, shrimp, crab, and lobster join the list of approved seafoods. The FDA said their evaluation also considered previous evaluations of the safety of irradiation of other foods including poultry, meat, molluscan shellfish, iceberg lettuce, and fresh spinach.



FDA requires that irradiated foods bear the international symbol for irradiation, the radura.

As part of their approval, the FDA requires that food so treated be labeled with the international symbol for irradiation (radura) and carry the statement "Treated with radiation" or "Treated by irradiation" on the food label.

Food irradiation is not something new, however, it is being used more often, and as a result is being more closely examined. Research on food irradiation began as early as 1905 *(see timeline)*.

Food irradiation is a technology for controlling spoilage and eliminating foodborne pathogens, such as salmonella. The result is similar to conventional pasteurization and is often called "cold pasteurization" or "irradiation pasteurization." Like pasteurization, irradiation kills bacteria and other pathogens that could otherwise result

Chronology of Food Irradiation

1900 1910 1920 1930 1940 1950 1960 1970 1980 1990 2000

1905
Scientists receive patents for use of ionizing radiation to kill bacteria in food.

1921
U.S. patent is granted for a process to kill Trichinella in meat by using X-ray technology.

1963
FDA approves irradiation to control insects in wheat and flour.

1964
FDA approves irradiation to inhibit sprouting in white potatoes.

1985
FDA approves irradiation at specific doses to control Trichinella in pork.

1986
FDA approves irradiation of vegetables and spices. USDA permits gamma radiation to control Trichinella in fresh or previously frozen pork.

1990
FDA approves irradiation for poultry to control salmonella and other foodborne bacteria.

1992
USDA approves irradiation for poultry to control salmonella and other foodborne bacteria.

1997
FDA permits ionizing radiation to treat refrigerated or frozen uncooked meat, meat by-products, and certain food products to control foodborne pathogens and to extend shelf life.

2000
USDA allows the irradiation of refrigerated and frozen uncooked meat, meat by-products, and certain other meat food products to reduce the levels of foodborne pathogens and to extend shelf life. FDA permits the irradiation of fresh shell eggs to control salmonella.

"Like pasteurization, irradiation kills bacteria and other pathogens that could otherwise result in spoilage or food poisoning..."

in spoilage or food poisoning. The fundamental difference between the two methods is the source of the energy they rely on to destroy the microbes. While conventional pasteurization relies on heat, irradiation relies on the energy of ionizing radiation. This allows raw products treated with irradiation to maintain an uncooked appearance.

Irradiation can serve many purposes. It can be used to effectively eliminate organisms that cause foodborne illness, such as salmonella and E. coli. Irradiation can destroy or inactivate organisms that cause spoilage and decomposition and extend the shelf life of foods. It can be used to destroy insects in or on tropical fruits, and also decreases the need for other pest-control practices that may harm the fruit. Irradiation can inhibit sprouting (e.g., potatoes) and delay ripening of fruit to increase longevity. It can also be used to sterilize foods; useful in hospitals for patients with severely impaired immune systems.

There are several sources of radiation. In one system, food passes through a radiation chamber on a conveyor. The food does not come into contact with radioactive materials, but instead passes through a radiation beam, like a large flashlight. The type of food and the specific purpose of the irradiation determine the amount of radiation, or dose, necessary to process a particular product. The speed of the conveyer helps control the radiation dose delivered to the food by controlling the exposure time. When ionizing radiation strikes bacteria and other microbes, its high energy breaks chemical bonds in molecules that are vital for cell growth and integrity. As a result, the microbes die, or can no longer multiply causing illness or spoilage.

Irradiation does not make foods radioactive, compromise nutritional quality, or noticeably change the taste, texture, or appearance of food. In fact, any changes made by irradiation are so minimal that it is not easy to tell if a food has been irradiated. FDA has evaluated the safety of irradiated food for more than 30 years and has found the process to be safe. The World Health Organization (WHO), the Centers for Disease Control and Prevention (CDC) and the U.S. Department of Agriculture (USDA) have also endorsed the safety of irradiated food. UB

Article contributed by Jim Kenny
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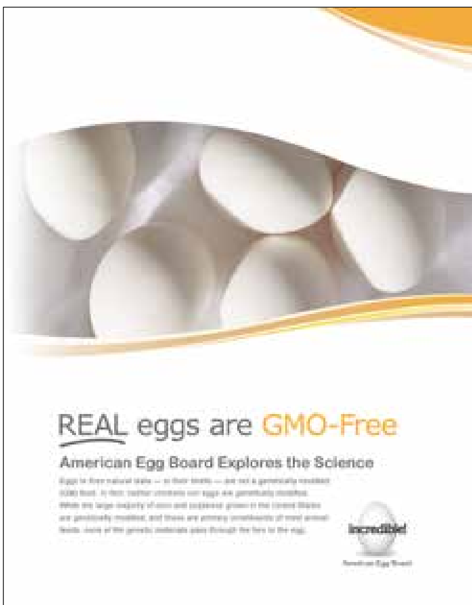
REAL eggs are GMO-free

Contributed by Joanne C. Ivy, CAE
President & CEO, American Egg Board

"Are eggs GMO-Free?" is a common question the American Egg Board (AEB) receives. According to USDA, eggs are not a genetically modified (GM) food.

Although a large majority of corn and soybeans are genetically modified, and both typically are major ingredients in animal feed, none of the genetic materials from the corn or soybeans pass through the hen to the egg. This includes shell eggs and eggs used for processed egg products.



To help educate a variety of audiences that eggs are not genetically modified, a two-sided white paper titled "REAL eggs are GMO-Free" is available by request or download at AEB.org/GMO-Free. In this white paper, AEB explores the science behind the fact that eggs in their natural state are not a genetically modified food. Multiple studies show no genetic material in the feed passes through to the egg; however, at this time, no GMO claims can appear on egg cartons, per FDA regulations.

Regardless of the type of feed the hen consumes, her digestive process breaks down the proteins and nucleic acids present. This remains true whether the feed is from traditional or genetically modified (transgenic) sources. There is no transfer of any transgenic protein or DNA from commercialized genetically engineered (GE) crops detected in milk, meat or eggs[1].

Stephen Taylor, Ph.D., is the cofounder and co-director of the Food Allergy Research and Resource Program and a professor in the Department of Food Science and Technology at the University of Nebraska-Lincoln. Dr. Taylor says that multiple studies have compared GM and conventional crops for nutritional performance in various animals, including cows, pigs, sheep and broiler chickens.

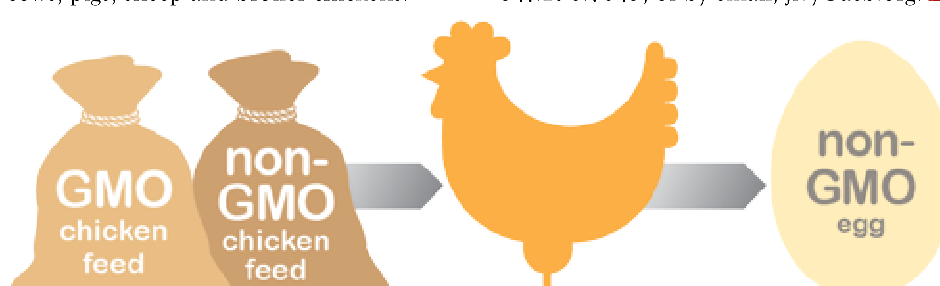
Egg products without added ingredients are GMO free.

Any manufacturer or formulator purchasing egg products should check with the individual egg supplier to ask about the GM status of other ingredients sometimes added to egg products to enhance functionality.

These studies find the GM DNA does not survive the intestinal tract in broilers[2], while other studies[3], including the most recent study conducted in 2013[4], do not detect any GM DNA in eggs; however, per the USDA National Organic Program, any eggs sold, represented or labeled as organic must come from hens that are not fed any GMO grains.

AEB is thrilled to share this incredible news in response GM-related questions because eggs are packed with a number of nutrients. One large egg has varying amounts of 13 essential vitamins and minerals all for 70 calories! For just 14 cents each, eggs are an affordable source of high-quality protein including all nine essential amino acids. In food manufacturing, REAL eggs provide 20+ functional benefits, such as aeration, binding and emulsification to name a few.

If you would like more information on AEB programs or recent results, please do not hesitate to contact me by phone, 847.296.7043, or by email, jivy@aeb.org.



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FDA urges pregnant women to eat more seafood


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A pregnant woman making a delicious seafood dinner for her family.

Contributed by **Rima Kleiner, MS, RD**
and **Jennifer McGuire, MS, RD**
Registered Dietitians with the
National Fisheries Institute

Decade-old seafood advice for pregnant and breastfeeding moms from the U.S. Food and Drug Administration (FDA) and U.S. Environmental Protection Agency (EPA) is on its way to getting a much-needed update. After years of focusing on a maximum amount of seafood women can safely eat, FDA and EPA are now saying "Go Fish" with newly proposed advice that encourages expectant and new moms to eat *no less* than 2-3 servings of fish and seafood each week.

This draft advice is based on several extensive reviews of seafood science including the 2010 Dietary Guidelines for Americans, a 2011 World Health Organization report, and a 2014 peer-reviewed FDA report. These reports and the hundreds of studies they're based on are clear that when pregnant moms eat a variety of seafood 2-3 times each week, they help meet their babies' needs for essential omega-3s without introducing concerns from traces of mercury.

While fish is packed with a number of good things for moms and babies like protein, iron, and B vitamins, seafood is particularly special because it is one of the only naturally-rich sources of omega-3s called DHA. DHA is a building block for baby's developing brain—the omega-3s found primarily in seafood comprise more than half of a newborn baby's brain. And, the amount of omega-3 DHA in a baby's brain triples during the first three months of life.

"Under this new recommendation, most moms-to-be will need to quadruple the amount of fish they eat."

The average American pregnant woman currently eats less than two ounces of seafood each week, not nearly enough to reap the health benefits of seafood. Under this new recommendation, most moms-to-be will need to quadruple the amount of fish they eat.

How can women and families meet the newly proposed recommendations and fit plenty of fish in their diets? Try these easy tips:

- Get fish on your grocery list. Scribble in a handful of recipes that you want to make over the course of the week and make a note of the groceries you'll need.
- In addition to hitting up the seafood counter, fill your cart with frozen, canned, and pouch fish, convenient options that are just as healthful as fresh seafood.
- Take recipes you already know and replace the usual protein with fish. It's as simple as turning beef burgers into salmon burgers, chicken tacos into tilapia tacos, and cheese quesadillas into canned tuna quesadillas.
- Think of seafood as not just a meal, but a satisfying snack. Try snacking on triangles of whole wheat pita and salmon, tuna, or crab salad with some of these creative and craveable mix-ins:
  - ✔ Avocados
  - ✔ Nonfat plain yogurt
  - ✔ Diced apples, grapes, celery, carrots or jalapeno
  - ✔ Balsamic vinegar
  - ✔ Dried fruit like cherries or cranberries UB

Global Aquaculture Alliance seeks

Contributed by
Global Aquaculture Alliance

Photo courtesy of Global Aquaculture Alliance

Like other major diseases that came before it, early mortality syndrome (EMS) has decimated shrimp farming in several regions and shifted international seafood markets.

In a condition also known as acute hepatopancreatic necrosis, the Vibrio bacteria that cause EMS colonize the stomachs of postlarval shrimp, where they produce a toxin that damages the hepatopancreas organs of the animals and results in death within days.

Fortunately, ongoing global research on EMS is making progress against the disease. In addition to finding the cause of EMS and examining how it affects shrimp, studies have identified likely avenues of disease transmission and other elements of EMS outbreaks. Now, what conditions and practices can be applied to reduce the impacts of EMS in the field?

EMS SURVEY

Building on earlier research, the Global Aquaculture Alliance has developed an online survey at www.gaalliance.org/survey/ to collect information on the EMS status of farms in affected areas, as well as the practices they use to combat the disease. By identifying the most effective methods applied to prevent or control EMS at farms in Asia and Latin America, the study will help lead to recommendations for better shrimp-farming practices throughout the global aquaculture community.

"EMS has become a huge problem that needs effective solutions," GAA President George Chamberlain said. "By surveying farmers in the East and the West, we

EMS solutions via online survey

expect to discover new approaches in fighting the disease, as well as gain a better understanding of how accepted practices applied to other diseases can also be applied to counter EMS."

Representatives of all shrimp farms affected or threatened by early mortality syndrome are invited to participate in the survey.

MULTIPLE LANGUAGES

The comprehensive survey—funded by the World Bank Allfish project, the Seafood Industry Research Fund of the National Fisheries Institute and C.P. Prima of Indonesia—can be found in English and several other languages on the GAA website. To encourage wider participation and reap more meaningful results, the survey questions are translated into Mandarin, Vietnamese, Thai, Malay, Spanish, Telugu and Tamil.

The online system allows users to log in to establish a profile before providing responses, then return to review or update them. In addition to Internet browser-based access, site visitors can download translated copies of the EMS survey as PDF files, which they can complete and return by e-mail.

"GAA would like to see as many responses as possible," Chamberlain said. "So we encourage interested parties to assist others in taking the survey."

To make this easier, multiple online surveys can be completed under a single user name. Also, several regional aquaculture associations are reaching out to members without Internet access to collect their responses.

ONGOING ADVANCES

Those looking at—and experiencing—the effects of EMS continue to note important observations. Although detection of EMS is improving, many shrimp mortalities due to other diseases are being blamed on EMS. Different strains of the causative bacteria vary in toxicity and resulting lethality. Notably, it appears the Vibrios have developed resistance to treatment with antibiotics.

> **"EMS has become a huge problem that needs effective solutions..."**

Clearly, basic tenets of biosecurity are required for the avoidance and/or maintenance of EMS situations. The establishment of stable, balanced microbial populations in pond water is another tool against EMS. Probiotics or feed additives may work to block the colonization of EMS bacteria within shrimp. Adjustments in pond size and construction, as well as culture intensity may also reduce EMS problems.

"Even if what works at one farm does not turn out to work at the next, we want to hear about it," Chamberlain said. "Through this collective effort by diverse facilities, GAA wants to collect workable ideas that can be reviewed by experts and then shared with the greater world of shrimp aquaculture."

ON-SITE FOLLOW-UP

The composite data assembled through the survey will be closely examined for standout responses. Based on these responses, a select number of farms will be chosen for in-depth site audits and diagnostic testing to clarify what practices are most effective in managing EMS.

In combination with the survey results, these findings will be distributed by GAA to help identify the common denominators of proper management and promote the adoption of better practices across the shrimp-farming industry. The survey results will also be summarized in a report presented at GAA's GOAL 2014 conference in Ho Chi Minh City, Vietnam, from October 7 to 10. UB

Acorn-fed Spanish ham among the

In the world of hams, when considering the extraordinary, one in particular comes to mind—the Jamón Ibérico de Bellota. Quite possibly the most expensive ham in the world, the Bellota is regarded as one of the most excellent delicacies exported from Spain. Retailing in the United States for as high as $80 per pound for a bone-in ham and up to $200 a pound for boneless, this ham is suited only for the finest, and wealthiest, of palates.

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Outlawed in the U.S. until 2005 due to a ban of Spanish pork, Jamón Ibérico has only been made available to the American public since 2007, but the luxury ham has been world-renowned for centuries. Famous for its incredible aroma and flavor, the Ibérico is one of the greatest treasures to come from Spain, and while the production process can be long and complex, with such a hefty price tag, producers certainly reap what they sow.

From its beginnings in the Spanish countryside, the Iberian pig leads a truly charmed life. After all, Ibéricos are not your average pig. They are large and black, with long, slender legs that are fat at the ham, and taper off as you travel down the leg, with an exquisite amount of marbling throughout. Sometimes called "pata negra," the Jamón Ibérico is famous for its black hoof that stays intact throughout the curing and aging process, which in some cases can take as long as four years. Traditionally, the hoof remains at the time of sale, but due to FDA regulations it must be removed before entering the United States.

Not all Spanish pigs are lucky enough to become Jamónes Ibéricos, however, and achieving "de Bellota" status is even more exclusive. Just a fraction of Spanish pigs are of the Ibérico breed, and even fewer are selected for the free-range, acorn-fed lifestyle that is required to earn "deBellota" designation; a title reserved solely for the most superior Spanish pork.

The Ibérico de Bellota process begins during the last three to four months of the pigs' lives. They are set free to roam the dehesas, oak groves that speckle the countryside of Western Spain, foraging for acorns, truffles, wild grass and herbs. The acorns are said to have remarkable antioxidant properties, and according to Fermín, the company responsible for their entrance into the U.S. market, the pigs can eat as much as eleven pounds per day during this time.

Once the pigs are fat enough for slaughter, they are "sacrificed," as locals often refer to it, and begin the long, intricate process of curing and aging the jamón. According to Jamon.com, a subsidiary of La Tienda, an importer and retailer of Spanish foods, the hams are salted for weeks after slaughter and the Bellotas are hung to age, exposed to the mountain air. They hang for several seasons as the fat drips off and the meat undergoes its metamorphosis, developing the instantly recognizable rich, nutty flavors of a Bellota.

Until recently, there were only very loose regulations on which pigs can be called "de Bellota," resulting in lower prices and consumer confusion, especially for outsiders that are not in the know. In

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The pigs are allowed to roam in pasture and oak groves to feed naturally on grass, herbs, acorns, and roots, until the slaughtering time approaches.

finest luxury food items in the world

January 2014, the Spanish government issued a royal decree detailing exactly which standards a pig must meet in order to achieve Bellota status and distinguish itself from the lower echelons of "Ibérico de cebo de campo" and "Ibérico de cebo," which both indicate a grain-fed Iberian pig that is held to lesser purity standards in terms of breed. In order to label a product "100% Ibérico de Bellota," the animal must be a purebred Iberian pig, and its ham must have been cured for a minimum of 600 days for hams weighing less than 7kg, or 730 days for hams weighing more. Producers of jamón are monitored regionally by the governments of local Autonomous Communities, and federally by this new legislation. Producers who violate these laws are subject to hefty fines and penalties.

These new regulations make it very clear that not all jamónes are created equal, a statement that is reinforced by their price tags. Price and quality vary greatly from brand to brand, factors that depend on every part of the intricate process right down to the location of the company's plant. According to Catalan Gourmet, another importer of Jamón Ibérico, a ham originating from a flat, hot region will have a very different taste from one that was cured in the cool, humid mountains.

Although they fetch a luxury price, Bellotas have certainly earned their place among the world's elite. Often called "olive trees with legs" due to their high levels of oleic acid and mono-unsaturated fats, the mahogany color and rich aroma of their jamón is instantly recognizable, setting these hams miles apart from pigs that do not get the dehesa experience and proving that in the world of Spanish pork, you truly are what you eat. UB

Article contributed by Evan Burdette
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Jamón Ibérico de Bellota is eaten in very thin slices.

Promoting chicken today and tomorrow

The current and future states of the broiler industry were covered thoroughly at this year's *Chicken Marketing Seminar 2014*. However, it may have been the speakers that touched on developing the industry's sales and marketing strategies that sparked most of the attendees' interests. During the meetings, there was a focus on promotional messaging and it became a sort of theme throughout.

Well over one hundred industry executives met in Greensboro, GA in late July for the three-day event hosted by the National Chicken Council in cooperation with the National Poultry & Food Distributors Association. Analyzed topics included "Supermarket Meat Department Sales," the "Outlook for Broilers," the "Outlook for Beef and Pork" and a "Supermarket and Foodservice Roundtable."

Sherry Frey, Vice President of Nielsen Perishables Group, presented her analysis of Supermarket Meat Department Sales. "Something I've noticed in my own shopping," she said, "is that chicken companies are promoting more of what isn't in their chicken, rather than what actually is." It was a well made point; a different perspective that not many people in the room may have shared. Why is it that the industry spends so much time, money and effort on promoting the have-nots instead of the haves? Could the reason be the overwhelming impact of the media?

We now live in a society where anything and everything is scrutinized to the nth degree. One false move, preventable or

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NATIONAL CHICKEN COUNCIL

NPFDA
National Poultry & Food Distributors Association
Get Connected

not, and the media is all over it. Every few months another company faces criticism and possible shut down because of a food safety issue or even in some cases, a social media bashing that may or may not have been deserved. So, what better way is there to defend one's self than to have a good offense?

What the industry is promoting today may not necessarily have been important to consumers years ago. "Humanely-raised," "No Hormones Added," "Antibiotic-Free," "Organic," "All Natural," "Free-Range," and "Cage-Free" are just a handful of marketing phrases that players in the industry must not only know today, but now they have to consider integrating it in their own business models in order to stay successful.

"What about promoting the healthy attributes?" Frey continued, "Chicken is a great source of lean, low fat protein, but very few brands promote that." Research has also found that chicken prevents bone loss and it's good for your heart.

Frey moved on, "if one category in the store is suffering, whether it is fresh or frozen, then the entire basket is suffering." She encouraged attendees to "consider reaching across the aisle to seek out alternative channel growth" or even implement "versatile cuts vs. planned occasional cuts."

Brett Naples, Account Manager at Yerecic Label, touched on a similar topic when it was his turn on stage. "Some of the promotions we're currently involved with highlight co-branded items such as featuring orange juice and chicken in the same ad, or even a Pillsbury product with chicken in another," Naples said. Cleary, there are plenty of ways for companies to market their chicken products; it's just eye-opening to see how promotional strategies have changed over the years.

One thing's for sure, people are eating more chicken and today's marketing strategies have a lot to do with it. Consumers' wants and needs change every day and the chicken industry has successfully learned how to adapt its marketing accordingly. That leaves us with only one question, "What's next?" No matter what the message becomes, if it's working for chicken, chances are they'll keep with what's stickin'.

Article contributed by **Terence Wells**
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"Chicken is a great source of lean, low fat protein, but very few brands promote that."

Seasonal beef cuts: Beef rib facts

109E
NAMP DESIGNATION
for a bone-in ribeye - commonly called an
EXPORT RIB

TOMAHAWK STEAK
bone-in ribeye steak with larger part of bone (Frenched) included - so called for its
RESEMBLANCE TO A TOMAHAWK


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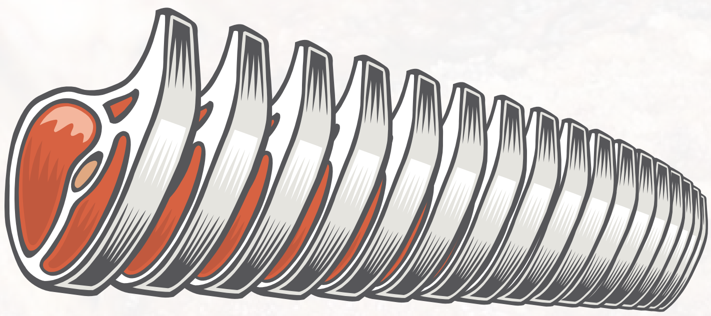
112A
NAMP DESIGNATION
for a
BONELESS RIBEYE

About
16
1" THICK STEAKS
CAN BE CUT FROM A
RIBEYE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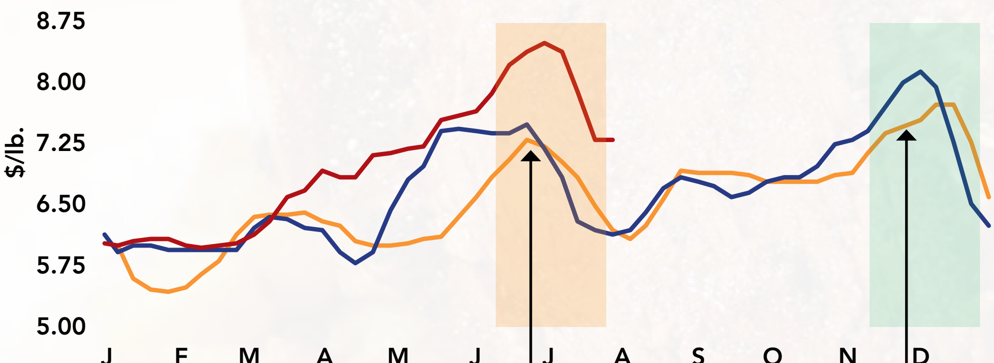
DELMONICO
A rib steak named after
DELMONICO RESTAURANT IN NYC

YS 112 3 Rib, Ribeye L-on CH (TL)

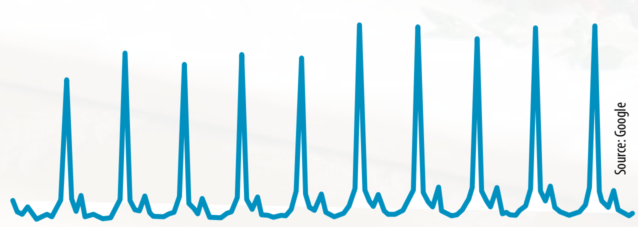


Source: Urner Barry

Rib prices commonly increase going into **GRILLING SEASON.**
Prices also advance for the **END OF THE YEAR HOLIDAYS**

The tender, outer part of the ribeye steak is called the
SPINALIS

GOOGLE SEARCHES FOR "RIB ROAST"
Note the peaks in searches around the holidays, presumably as consumers search for information on how to cook and prepare a rib roast. Another smaller peak in searches occurs right around Easter.



Source: Google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COWBOY STEAK
Common name for a
BONE-IN RIBEYE STEAK

Got record high milk prices?

It has been predicted that the milk industry could have a record year based on a number of positive factors expected in 2014 and 2015.

In March of this year, economist Daniel Basse was quoted in the *Journal Sentinel* in a recap of his keynote speech to dairy industry professionals at a conference in Madison, WI that this would be "the year of the cow," citing factors such as lower grain prices, high beef prices and a healthy export demand.

More than halfway through 2014, the dairy industry certainly has experienced prosperity so far and all things point to continued success into 2015. Following cutbacks in ethanol production, grain prices have dropped tremendously this year in the U.S., helped further by favorable growing conditions that has the industry expecting a bumper crop of corn in 2014.

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Corn futures have hit their lowest levels in years and with feed costs lower, the milk industry benefits greatly. The December corn futures contract, which is currently the most active, has experienced a steady 25.5% decline since early May of 2014, dropping nearly $1.50 per bushel in a matter of months.

With less input costs, dairy production has grown and dairy cow slaughter this year fell to its lowest levels since 2012, despite higher prices being paid in the cull cow market *(chart 1)*.

Beef cow prices have risen to new highs in 2014, due to a tighter than normal supply of slaughter ready cattle and record high beef prices. The rising demand for boneless beef is another contributing factor to higher prices being paid for marketable dairy cows *(chart 2)*.

In the July Livestock, Dairy and Poultry Outlook (LDP) report, the USDA stated that strong domestic and international demand along with continued moderation of feed costs should keep milk prices high and production advancing. Expansion efforts in the industry are also most likely contributing to the decline in slaughter levels this year, as record high prices for milk products are motivating producers to increase their production levels. According to the LDP report, the feed price outlook along with continued strong milk prices is expected to signal producers to increase cow numbers well into 2015.

June 2014 milk production was up 2% from year ago levels according to the USDA's July Milk Production report. Production per cow in the 23 major milk producing states averaged 1,888 lbs. in June, the highest production per cow figure for the month since it began recording in 2003. The number of milk cows on U.S. farms was also up 11,000 head from the previous month.

Total cheese output in May of this year was up 2.2% from year ago levels, and 1.3% above the previous month. Overall, futures contracts for Class III milk, which is primarily used for cheese production, have risen from the start of the year with the August contract having climbed 23% and the September contract up 18% at the time this article was written.

Consumers are also feeling the effects of the dairy industry's success as retail milk prices have been on the rise since September 2013. Whole milk retail prices were $3.63 per gallon in June, a 5% increase from a year ago. Reports on

"...with feed costs lower, the milk industry benefits greatly..."

dairy consumption in the U.S. are mixed, but a report from the USDA's Economic Research service believes fluid milk consumption has been declining since the 1970s. Alternative beverage options, such as milk substitutes made from soy and almonds are winning over some former milk drinkers through perceived health benefits and lower calories. International demand for U.S. dairy products is, however, quite healthy at present and largely driven by increased exports to China.

As we examine all sides of the industry it comes as no real surprise that the dairy business is faring well in 2014. With the approach of a new year, key annual cattle inventory reports will provide insight into expansion efforts and indicators for production in the next 12 months and, barring any unforeseen events, it's safe to say the dairy industry will be looking to ride this high well into 2015. UB

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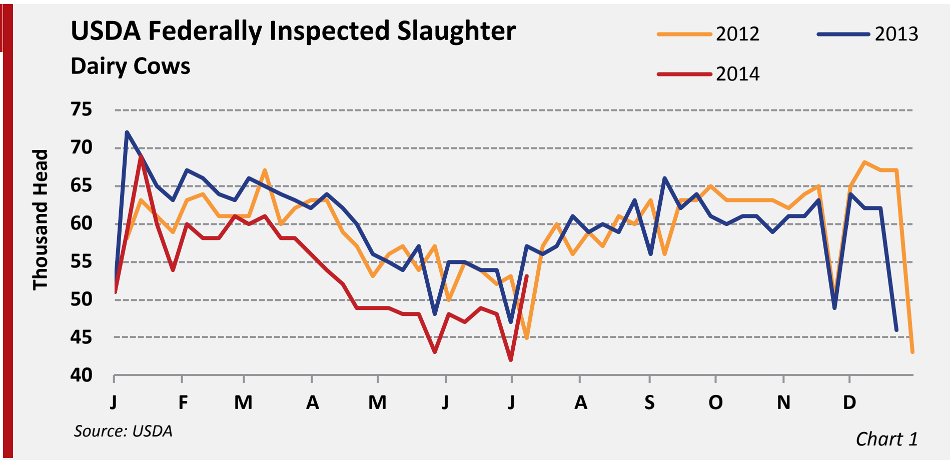

Chart 1

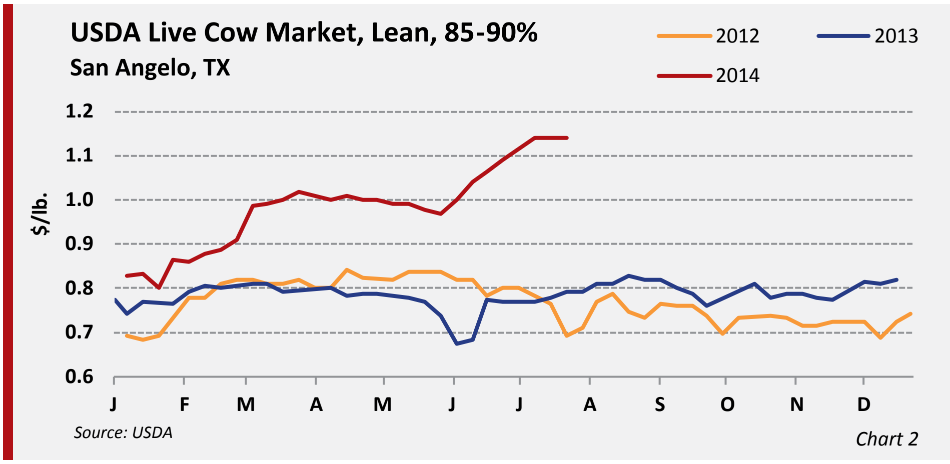

Chart 2

What's all the halal-bulloo?

Lately, it has happened to just about every one of us—we walk down the grocery aisle and see that some item is marked "Halal." As the global market for food products becomes more and more diversified, and populations in the developing world grow, the market for halal food products will be subject to continual and perhaps extraordinary change.

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The word "halal" in Arabic simply means "permissible," and refers to meat which meets the criteria for meat consumption defined under Sharia law. The process of slaughtering an animal in a manner that adheres to these guidelines is called Dhabihah (also spelled zabiha). For the purposes of this article, we can avoid defining exactly what makes food halal.

The popularity of halal in the U.S. is rising, as the number of native and converted Muslims continues to rise in some major states like Texas. As an example of the effects of this change, we need look no further than the market for lamb and goat in the region, which can be purchased both as boxed cuts in the store, or live for eventual slaughter during family celebrations. Globally, Islam is the world's second largest religion and many developing nations with high Muslim populations will be growing and developing dynamic marketplaces for halal products.

However, the future of halal in the West is uncertain. Most European governments require animals to be stunned, a practice which is forbidden under Dhabihah. Historically, exemptions have been granted to those who are adhering to religious traditions. The government of Denmark, however, has recently placed a ban on the slaughter practice, citing animal rights as the issue. In the United Kingdom, a movement has built up for a similar ban.

Muslims living in the region and other opponents of the ban say that the law impinges upon religious freedom, but that hasn't been enough to stop these movements. John Blackwell, who will take the reins as President of the British Veterinary Association in September of 2014, says that animals should be "imperceptible to pain as death supervenes," something which halal slaughter cannot at the moment guarantee. Halal slaughter methods fail to stun the animal in between 9 and 31 percent of cases according to various European animal welfare organizations, but proponents of these methods still assert that they are more humane.

Debate on the subject of how much pain an animal feels and for how long they feel it will continue for as long as animals are unable to speak, but adherers to halal may be forced either to relocate or to change their diets drastically if these laws continue to be penned. UB

Article contributed by **Adam Sharkey**
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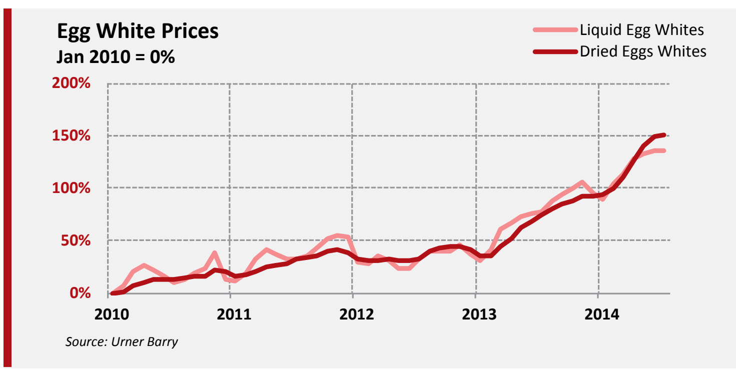
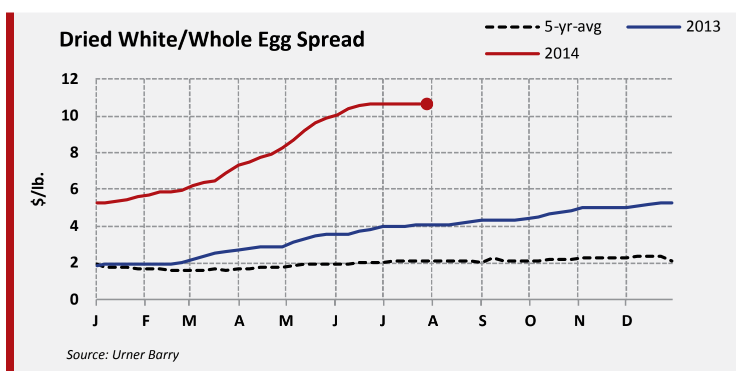
"...adherers to Halal may be forced either to relocate or to change their diets drastically..."

Health, wellness, protein, and egg whites

In case you haven't noticed by monitoring the menus at many of your favorite fast food or restaurant chains, health and wellness trends have carved a place in the food industry since the end of the most recent recessionary period. Major players in the space experimented with offerings from hot cereals to yogurts and fruit. However, consumer demand for protein had innovators further tweaking their menus. Egg whites became a natural fit, filling the better-for-you call and yielding high-quality protein. When the industry saw the success of McDonald's Egg White Delight, the landscape for egg whites shifted, potentially forever.

What was once the by-product of yolk production became the shining star of the U.S. egg industry. Companies began adding egg white offerings or using egg whites as an ingredient in their products to clean up their labels and add protein to their nutritional fact lists.





Egg whites are more traditionally used for their whipping properties, showing up in high rising cakes. According to the American Egg Board, "When you beat egg white vigorously, it foams and increases in volume six to eight times. Egg foams are essential for making meringues, puffy omelets, soufflés, angel food and sponge cakes." Egg whites are also used in candies and as a filler or textural ingredient in non meat proteins. More recently egg whites have been showing up in protein shake powders, gluten free products, and even potato chips. This marketing has also boosted sales of retail products like Egg Beaters, as consumers brought the above mentioned trends home.

From the beginning of 2013, Urner Barry's liquid egg white quotations have steadily gained, rising from $0.43 a pound to record levels above $1.25, where they hover today. These price trends and steady liquid demand forced processors to pull from dried inventories, reducing them to record lows in May. Unwilling to rebuild stocks given the high input costs of raw liquid, and fielding unprecedented demand, UB's dried albumen prices hit a record high of $14.65 per pound at the end of June and traded well above $15.00 in scattered sales through the second quarter.

These unexpected levels hit users of egg whites in their bottom lines, with publicly traded companies pointing to these costs in their earnings reports. European processors took advantage of these conditions internationally, filling the void left by U.S. market participants. EU albumen prices went from having a $0.10 per pound disadvantage in the proceeding 5 year average to having nearly a $9.00 per pound advantage on U.S. prices through the end of July. Export destinations previously filled by U.S. whites, became opportune targets for other international players. EU processors have also attempted to ship eggs into the States, but struggled to complete deals, even after plants were approved.

Back in the States, prices have forced end users to analyze their recipes and pursue alternatives to high-priced whites wherever possible. Some were able to use whole egg in their mixes, which would equate to more than a $5.00 per pound average savings since the beginning of 2013 and $10.65 per pound at the time of this writing when comparing UB's dried egg quotations. Some small shops have even halted the production of low margin items relying heavily on egg whites, unable to profitably produce their goods or increase asking prices without deteriorating demand.

Others have simply absorbed the high cost or have passed them along to the consumer, citing the health attributes and functionality of the egg white in their recipes. This is especially important for those marketing the "better-for-you" or clean label aspects of their goods, unwilling to increase choleric levels or add other artificial ingredients that mimic functionality, something that may not have been as important in years past when other gum or binders may have been used.

Inventories have slowly begun to show signs of rebounding, but it took more than six months to reestablish average levels from higher lows in the past. The demand landscape for egg whites seems to have undergone a fundamental shift as well. Not only are foodservice chains putting them on their menus, but end product users are finding reasons to add or keep them in their ingredient lists for marketing and functionality purposes. One thing is for sure though, consumer trends have made egg whites one of the hottest menu items in the last year, pushing prices to levels most lifelong industry members never expected. UB

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

Expansion goes full throttle …

Preferred Freezer races to the front of the cold storage industry

Preferred Freezer building in San Leandro

"…driver JR Hildebrand piloted Preferred Freezer's No. 21 Chevrolet to a top ten finish at the 98th running of the Indianapolis 500."

Coast-to-coast expansion and a top ten finish at this year's Indianapolis 500 have highlighted quite a year for Preferred Freezer Services.

The New Jersey-based cold storage behemoth enjoyed success in 2014, growing its domestic business to 13 locations nationwide for a total of 34 warehouses across the U.S, Vietnam and China.

In June 2014, Preferred expanded its West Coast presence opening a 250,000 square foot state-of-the-art facility in San Leandro, California. This marked the company's seventh warehouse in the Golden State.

The facility features 15 million cubic feet of storage capacity, an oversized truck yard space, 23 dock doors with levelers, and Preferred Freezer Services online information system. The warehouse also offers three different temperature zones providing cold chain distributors the opportunity to store a wide range of products under one roof. Temperature compartments include a cooler at 34˚F to 50˚F degrees, a freezer at 0˚F, and a low-temperature freezer at -20˚F capable of handling ice cream.

"Our existing and new customer demand in the San Francisco Bay Area for additional cold storage space has continued to grow over the last three years and we are thrilled to finally be able to meet those requests," said John Galiher, Chief Executive Officer of Preferred Freezer Services.

Shortly after bolstering its Bay Area presence, Preferred took to Miami, FL in July where it opened its fourth facility in that state. The new South Florida facility features nine million cubic feet of storage capacity, a 20,000 square foot dock for loading and unloading, 12 dock doors, an oversized truck yard space and the company's online information system.

Preferred's U.S. expansion isn't over, the company already broke ground on another

John Galiher, Founder and CEO on the left, driver JR Hildebrand, and the pit crew.

state-of-the-art facility back in hometown New Jersey, has an expansion project in the works in Houston, as well as a facility in Richland, Washington.

The future NJ 190,000-square-foot facility will be based close to the Jersey Turnpike in Woodbridge putting the company "in a position to excel in the market by taking advantage of this key location and the ample amenities that its new facility will provide" according to Peter Cocoziello, president of Advance Realty, a co-developer of the project along with F. Greek Development.

Expansion aside, iconic polar bear mascot caught national attention Memorial Day weekend when IndyCar series driver JR Hildebrand piloted Preferred Freezer's No. 21 Chevrolet to a top ten finish at the 98th running of the Indianapolis 500.

The car sponsored by Preferred and part of the Ed Carpenter Racing team spent most of the day in the top ten, climbing to as high as 3rd place in the 200-lap event.

The 350′ mural painted on the side of the San Leandro building.

The 2011 Indy 500 Rookie of the Year added that Preferred's car was fast, a pleasure to drive and could have competed with the leaders were it not for a tire issue.

"Any day that you are not sitting in victory lane and drinking the milk, it's a disappointment," said Hildebrand after the race. "For us, the Preferred Freezer Service Chevy team, it's frustrating because we had a really good car. We had an issue with a tire that got us out of the pit sequence. The car got bad with the tire issue. I had to pit or I was going to crash. But the car was fast. We passed a ton of guys."

Preferred Freezer building in Miami.

While Preferred may not have scored a win at the Greatest Spectacle in Racing, the company's aggressive expansion paired with a bold marketing strategy and its "We Get It Done" approach to business certainly has it competing for the winner's circle among the cold storage industry. UB

Article contributed by Michael Ramsingh
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Chicken popularity: beefin' up

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Beef burgers have been a fan favorite in the American diet for years, but are they overcooked from the time they've spent in the spotlight?

According to the USDA, per capita chicken consumption continues to grow at a steady pace. It seems that at nearly the same rate, beef prices have skyrocketed. With that said, it's not surprising to see that food chains are reacting the way they are by featuring more chicken on their menus. However, is the reason we're seeing more chicken because of the increased profit margins and yields, consumer taste preferences, or is it just because chicken's healthier than beef?

See if you can think back to how many limited-service restaurant chains have introduced and marketed new chicken offerings over the last couple of years. It's a lot! Aside from the more traditional chicken chains, such as Chik-fil-A, KFC, and Popeyes, who according to Technomic have already reaped the rewards of a 4 percent YoY increase in U.S. sales; companies like Burger King, Domino's and McDonald's are also trying to jump on the chicken bandwagon.

Earlier this year Burger King introduced its Chicken Big King sandwich, a chicken version of its double-decker Big King burger, after U.S. sales fell slightly in 2013. Domino's CMO, Russell Weiner, recently stated, "We are proud to be known as a pizza company, but Specialty Chicken shows we are not afraid to step out of our comfort zone." McDonald's, better known for its hamburgers and fries, took a chance when debuting its bone-in chicken Mighty Wings. Even though this particular campaign wasn't all that successful, other chicken menu offerings performed well beyond what was expected of them, such as McDonald's line of Premium McWraps. So, clearly chicken has become a more popular item to feature. In fact, at the very time this article was written, McDonald's website was advertising a Bacon Clubhouse Chicken Sandwich on its homepage. After visiting another site, we found that nearly half of the items on Domino's homepage were chicken menu offerings as well.

Is it because it's less costly than beef? That's a possibility. Beef supply shortages have forced wholesale prices higher; where as chicken prices have been slightly less volatile. Or is it a shift in public preference? Maybe it is the health aspects of chicken, or is it because we as a people like having more options, and chicken is just another menu item to offer? Whatever it is, there's no hiding the fact that chicken is what's "hot" right now and it's because of this that chicken chains are thriving. UB

Article contributed by **Terence Wells**
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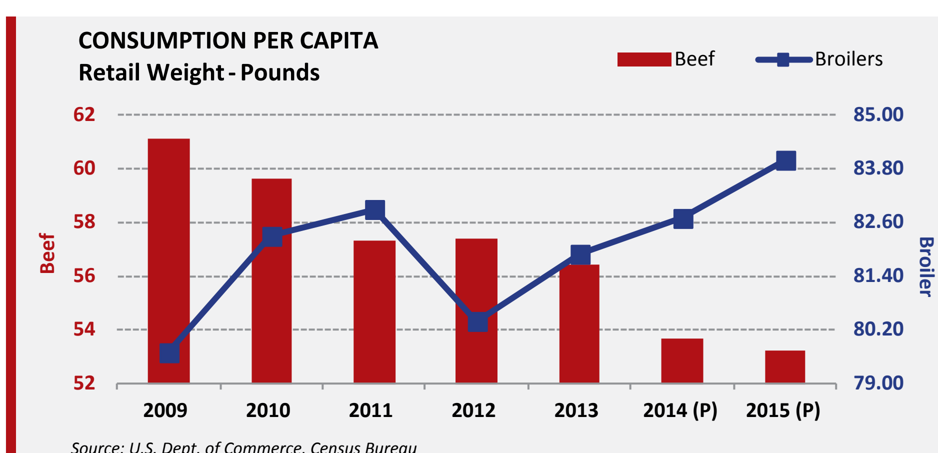


Per capita chicken consumption is on the rise and has been for years, while beef consumption continues to decline.

Pangasius imports shoot up …

U.S. welcomes summer surge in swai shipments

Uncertainty at the start of the year surrounding duty rates for pangasius shipments coming into the U.S. pushed replacement costs to two-year highs, which drove monthly U.S. pangasius fillet imports past the EU for just the second time ever in the first quarter.

According to importers, industry-wide ambiguity on how the Department of Commerce would rule in its first quarter anti-dumping duty rate review for Vietnamese pangasius drove importers to prepare for potentially higher rates and increased replacement fees which spurred cost increases beginning in January. By May, replacements hit a two-year high, with costs at $1.50 per pound.

Industry expectations for higher replacement costs triggered a counter-seasonal trend in first-quarter imports. For the quarter, U.S. pangasius imports shot up 47.5 percent from 2013 to about 65 million pounds as importers tried to pad their supplies ahead of the duty rate revisions. In other words, U.S. importers expecting higher duty rates on product later in the year stocked up to avoid the added costs down the road.

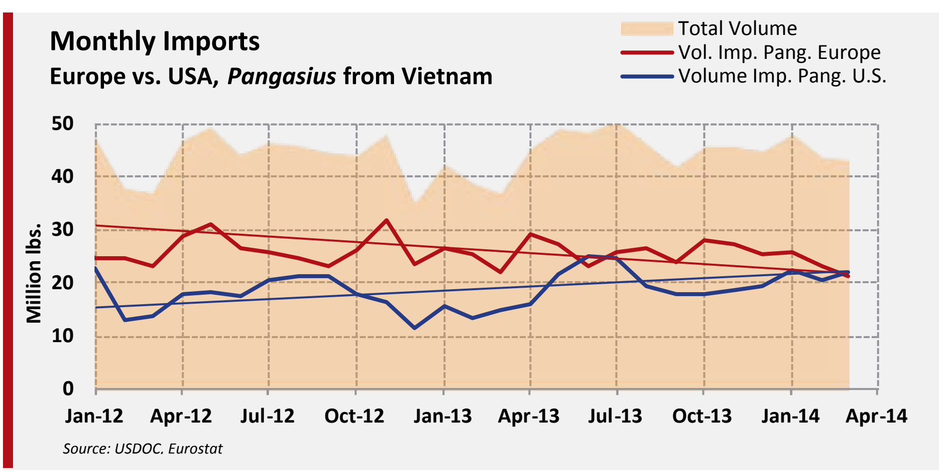
It was this first quarter run on shipments that drove Vietnamese exports to the U.S. higher over the EU for just the second time ever. Traditionally speaking, the U.S. is second to the EU for Vietnamese pangasius. The first time this happened was last June when the U.S. imported an all-time record high in fillets from Vietnam that topped EU shipments. At the time, demand from cash-strapped EU consumers fell while U.S. shipments went on an unprecedented run.

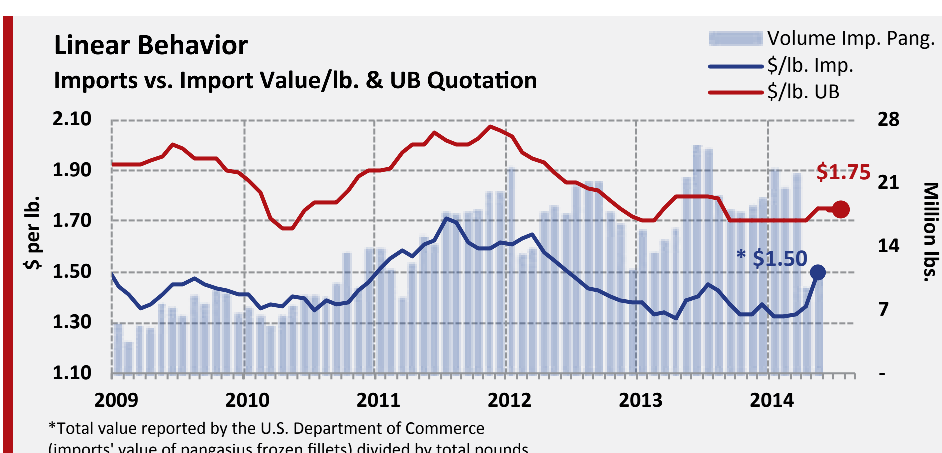
Meanwhile, Commerce's ninth administrative review and a later amended version did end up raising a majority of duty rates for most Vietnamese pangasius exporters, save for major U.S. supplier Vinh Hoan, who was assessed no duty rate.

As for the market, higher replacement costs did result in a slight, mid-summer uptick in wholesale prices in July. Average Urner Barry frozen fillet prices for the month were up about three percent from the start of the year.

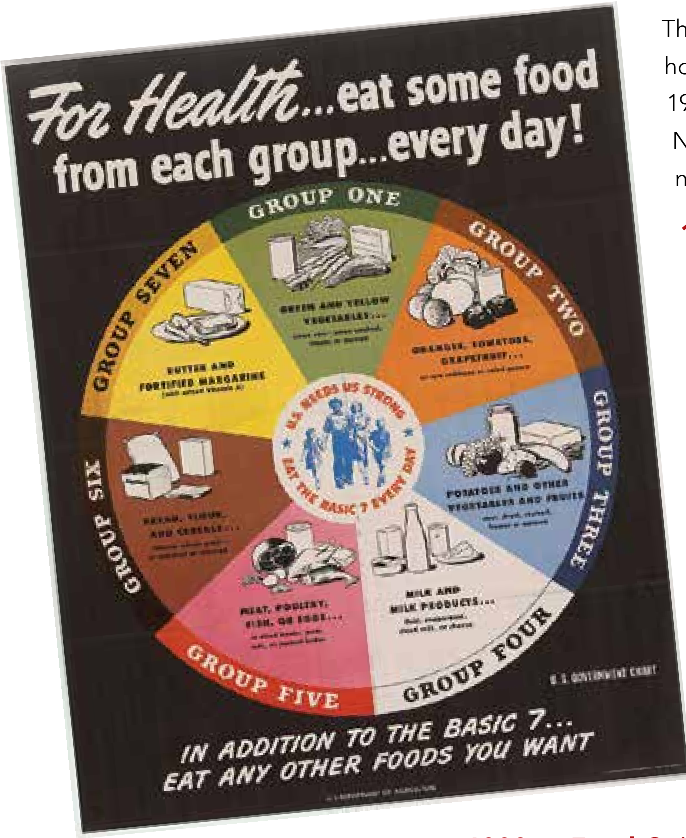
Commerce preliminarily revised duty rates down in its tenth administrative review that assessed imports from August 2012 to July 2013. Final results are pending past this story's deadline, but indications are that duty rates will once again change to benefit Vietnamese exporters as the market uncertainty may just come full circle. UB

Article contributed by **Michael Ramsingh** | mramsingh@urnerbarry.com





History of USDA food guides



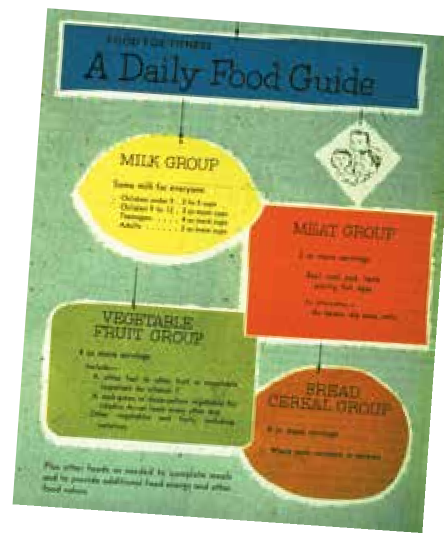
The USDA has been giving nutrition advice for more than 100 years; however, it wasn't until 1917 that the first USDA food guide appeared, and 1943 when the first graphical representation was presented in the National Nutrition Guide. We thought it would be interesting to look how the nutrition guide has evolved over 68 years from the Basic 7 to MyPlate.

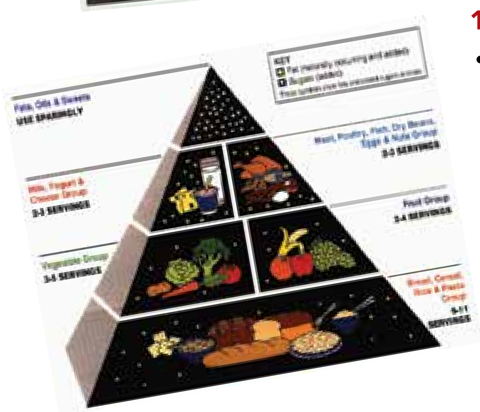
1943 — A Guide to Good Eating (Basic Seven)

- Foundation diet for nutrient adequacy
- Included daily number of servings needed from each of seven food groups
- Lacked specific serving sizes
- Considered complex

1956 — Food for Fitness, A Daily Food Guide (Basic Four)

- Foundation diet approach—goals for nutrient adequacy
- Specified amounts from four food groups
- Did not include guidance on appropriate fats, sugars, and calorie intake





1992 — Food Guide Pyramid

- Total diet approach—goals for both nutrient adequacy and moderation
- Developed using consumer research, to bring awareness to the new food patterns
- Illustration focused on concepts of variety, moderation, and proportion
- Included visualization of added fats and sugars throughout five food groups and in the tip
- Included range for daily amounts of food across three calorie levels

2005 — MyPyramid Food Guidance System

- Introduced along with updating of Food Guide Pyramid food patterns for the 2005 Dietary Guidelines for Americans, including daily amounts of food at 12 calorie levels
- Continued "pyramid" concept, based on consumer research, but simplified illustration. Detailed information provided on website "MyPyramid.gov"
- Added a band for oils and the concept of physical activity
- Illustration could be used to describe concepts of variety, moderation, and proportion

2011 — MyPlate

- Introduced along with updating of USDA food patterns for the 2010 Dietary Guidelines for Americans
- Different shape to help grab consumers' attention with a new visual cue
- Icon that serves as a reminder for healthy eating, not intended to provide specific messages
- Visual is linked to food and is a familiar mealtime symbol in consumers' minds, as identified through testing
- "My" continues the personalization approach from MyPyramid

U.S. cattle supply to remain tight

Based on cattle slaughter rates so far this summer along with recent on-feed and midyear inventory reports, cattle supplies are expected to remain well short of a year ago in the coming months.

In its mid-year cattle inventory data, USDA reported the herd as of July 1 at 95.0 million head, compared with 97.8 million in 2012—down nearly 3%. USDA did not compile the report in 2013 due to federal budget constraints nor did it provide data for 2013 in this latest report.

In the latest report, the cattle herd was shown to be the smallest for the midyear series dating back to its origin in 1973. Other data suggest the herd at midyear was probably the smallest since 1951, which was the same for the January first inventory, analysts said.

What's more, conditions are ripe for herd rebuilding, but for farmers and ranchers to be able to produce more cattle means they have to first hold back additional heifers and add them to the breeding herd. Therefore, fewer heifers will be sent to feedyards for fattening and slaughter, which should lead to even tighter supplies of slaughter-ready cattle for late 2014 and into 2015.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"…the cattle herd was shown to be the smallest for the midyear series dating back to its origin in 1973."

The U.S. Department of Agriculture in its July World Supply and Demand report projected 2014 U.S. production to be down 4.6% from 2013 and for 2015 output to dip another 0.7%. Beef imports are expected to rise though, making up for the shortfall in domestic production.

Cheaper corn prices compared with a year ago and less than half the price of the record highs hit in 2012, along with significantly improved pasture conditions across the Plains and parts of the Southwest and a profitable outlook for cattle ranchers are expected to help drive the herd rebuilding.

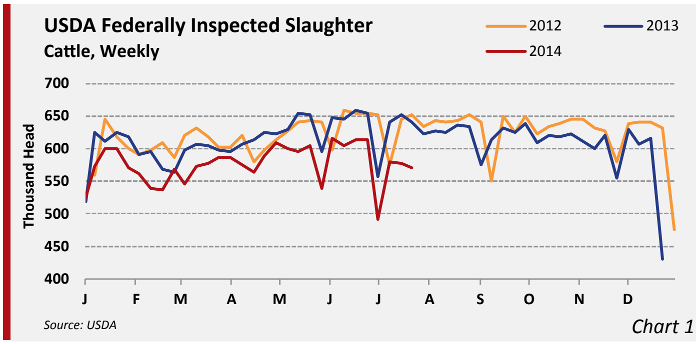

Chart 1

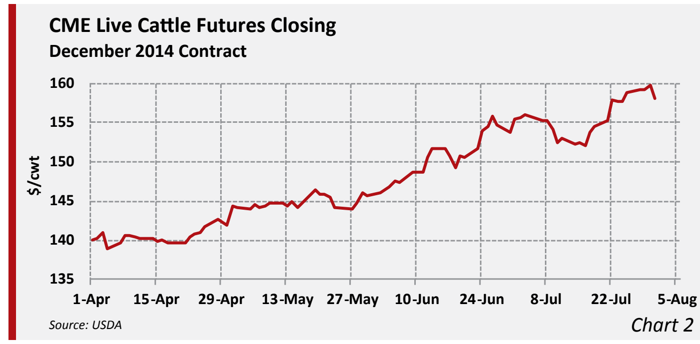

Chart 2

Year-to-date cattle slaughter as of late July, the latest data available at the time this article was written, stood at 6.9% below a year ago. Weekly slaughters for July averaged nearly 10% below a year ago *(chart 1)*.

Cattle slaughter is made up mainly of steers and heifers from the feedyards and from culled dairy and beef cows, which are typically used for producing ground beef. Beef cow slaughter for the year through mid July was down more than 15% from a year ago and total cow slaughter was down about 13.2%, according to USDA data.

During May and June, increased rainfall occurred in the Plains and parts of the Southwest, and more than normal amounts of precipitation fell in several areas, boosting annual totals and improving pasture conditions significantly. Cash cattle prices along with futures and wholesale beef prices soared in late June and July to a series of new highs. In late July, futures were projecting cattle prices for August through December to be $159 to $160 per cwt. But, nearby futures prices are carrying a discount of about $6 per cwt to the cash markets. During the month of July, December futures traded in a range from $150.825 to $160.20, indicating that predicting a market can carry significant risk *(chart 2)*. UB

Article contributed by **Curt Thacker**
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Hurry, get them while they're soft ...

Soft shell crabs:

A tasteful window of opportunity

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Seafood connoisseurs love the savory flavor of a deep fried, soft shell crab smothered with tartar sauce, especially when nestled between a flaky Kaiser roll. Restaurants spanning the shoreline during summer months are a haven for outdoor diners who bask in the sun on a wooden picnic table satisfying their craving for this crispy crustacean.

So where does soft shell crab come from? How is it possible to eat the entire crab, shell and all? Soft shell crabs are caught during their molting stage. As crabs grow they shed their outer shells to be able to expand in size. In doing so, they reveal their soft, vulnerable bodies. Although they look exactly the same as their hard-bodied counterparts, to the touch, a soft shell feels like a sponge. There is a very short window of time in which a soft shell crab is truly soft. Within a 24 hour period, the shell begins to firm. Crabs that are caught toward the end of the soft shell cycle are commonly referred to as "leather-backs," a term so called because the shell is tougher, yet still soft enough to eat. During this soft shell period, the entire crustacean becomes edible once dressed—meaning the eyes and mouth are clipped and the gills are removed from under the shell.

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Deep fried soft shell crab with garlic and pepper.

Although some soft shell crab is blue crab which comes from the East Coast of the U.S., growing demand has increased the amount of imported product consumed here. Indonesia and Thailand are currently the leading exporters of soft shell crab to the U.S. market. *Urner Barry's Reporter* spoke to a U.S. importer of soft shell crab to get a better understanding of imported supply and the difference between natural-molt crabs and forced-molt crabs and was told that crabs are raised in cages and fed until they molt. When crabs molt, they are harvested as soft shell crabs. This process is considered a natural molt. Other crabs are clipped or cracked which forces the crab to molt. This process is known as a forced-molt and gives harvesters a more predictable supply. Most soft shell crab exported to the United States is frozen. Some product comes to the U.S. as frozen and breaded. UB

Article contributed by **MaryAnn Zicarelli**
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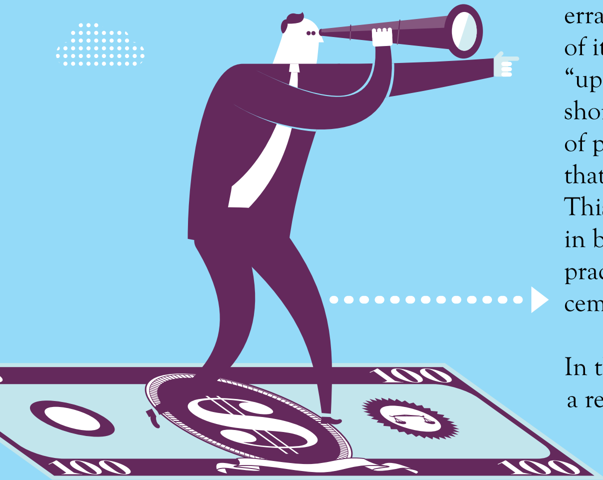
What happened to buying pork out front?



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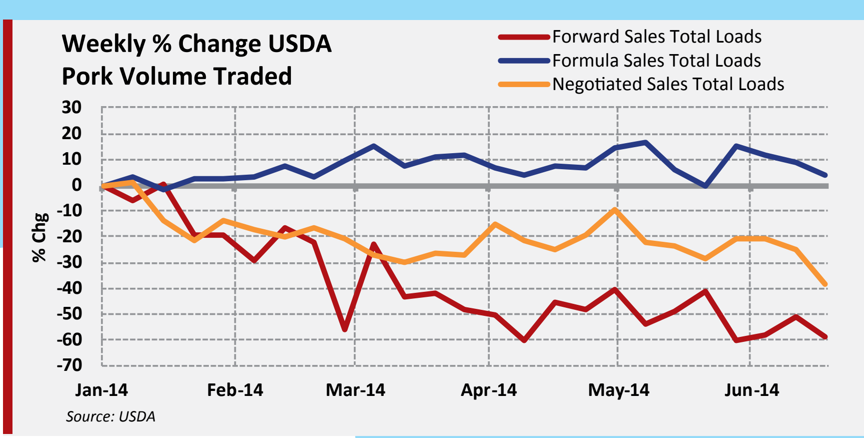
The pork industry has seen some highly erratic price movement this year, with most of it being composed of varying degrees of "up." From the onset of 2014, fears over a shortage of pork due to PEDv led to a wave of panic buying and limited hog offerings that sent many pork cuts to all time highs. This behavior resulted in dramatic shifts in buying and selling mentalities and practices that have only become more cemented as the year has progressed.

In the beginning of what would become a record-breaking rise, participants largely attempted business as usual. This included writing forward deals. However, with prices rising upwards of 5-8% a day at one point in the first quarter, sellers began to realize that it was nearly impossible to lock in a price for weeks out that would not appear too cheap in a matter of days after the deal had been written.

"Sellers began to realize that it was nearly impossible to lock in a price for weeks out that would not appear too cheap in a matter of days…"

For instance, in the span of the first quarter, the price of heavy hams gained 55 percent, Boston butts appreciated by 61 percent and bone-in loins ripped higher by almost 68 percent. Gains like that were impossible to predict and indeed they caused much heartache as they were happening. Sellers, who one would assume benefited the most from rising prices, had difficulty making their sales look good as they were out priced seemingly overnight.



In response to various factors, not the least of which being purely high prices, buyers began to act with caution as well. With credit lines quickly becoming strained, buyers were forced to purchase pork on a more immediate need basis. This hand-to-mouth behavior became one of larger nails in the forward sales coffin. By mid June, the amount of loads of pork sold weekly on a forward basis had declined by between 50 and 60 percent.

Somewhat surprisingly, the lack of forward sales did not translate to a greater amount of negotiated trade, which can be a more flexible option in turbulent times. Haggling over spot transactions in a market as volatile as the one we saw earlier in the year became just as unappealing for a number of participants. In fact, while the amount of tonnage traded on a forward basis declined by 50 to 60 percent from January through June, negotiated volume declined by nearly 40 percent over the same period. By the end of the first half of 2014, a strong majority of reported volume had moved to formulated pricing (roughly 55 percent in June). Some highly volatile items, such as bellies, saw the proportion of formulated transactions rise to over 80 percent by June.

It is impossible to know when these trends will turn and revert to more normal levels, because it would require more typical trading conditions. The recent price action in pork has damaged confidence among both buyers and sellers and the effects of PEDv are expected to be felt well into the fall. Adding to the uncertainty is the possibility that after the bulk of the virus' wake has passed, the industry may very well find itself at lofty levels without the primary factor that got it there. UB

Article contributed by **Russell Barton**
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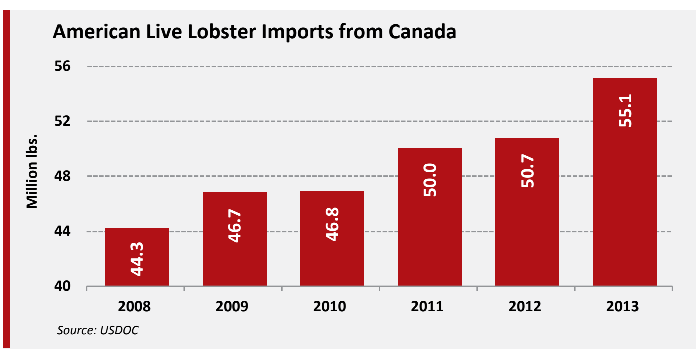
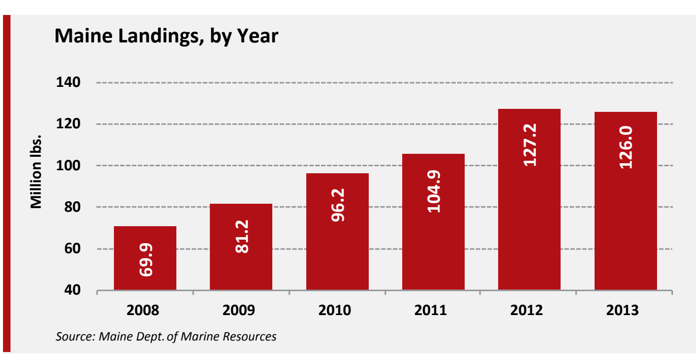
Lobster: A crustacean of many varieties

Lobsters are age-old crustaceans (which some scientists say) have been crawling ocean floors since prehistoric times. Many a restaurant goer has gazed in fascination at these arthropods to watch their dark bluish-black shells and big, banded claws crawl around display tanks. They seem to have a mystic or enthralling appeal.

Not only are they captivating to watch, they are enticing to the palate and are considered by some to be a treat or a delicacy. Traditionally, lobsters are steamed and served whole or their tails are paired with a premium cut of beef, like filet mignon. If you happen to be in New England, lobster rolls and lobster bisque soup are two very popular dishes commonly served.

Since 2008, the supply of lobster from Maine has nearly doubled. Total landings then were 69.9 million pounds, in 2013 that figure stood at 126 million pounds. Our neighboring producer of lobster, Canada, of which the U.S. imported 44.3 million pounds in 2008 and 55.1 million pounds in 2013, also contributed to the growing supply of American Live Lobster *(Homarus americanus)*.





The increased supply may have contributed to the explosion of uses for lobster. In fact, it could be considered a staple or even an ingredient for retailers and restaurants. *Urner Barry's Reporter* took a look at some area restaurants and retailers and found the variety of items containing lobster meat was astounding.

Restaurants and retailers commonly offer the traditional choices, whole, steamed lobster, tails, lobster bisque and a growing number of menus are offering lobster rolls. In addition to the conventional uses, other choices are appearing—such as lobster

Lobster Avocado Sandwich – A favorite menu item at Harpoon Willy's, Manasquan, NJ.

pizza and flatbread, lobster macaroni and cheese, lobster ravioli and even one of Oprah's favorites, lobster pot pie. In fact, you can order "Oprah and Gayle's Favorite" online at Maine Lobster Pot Pie and they will deliver to your door. http://mainelobsterpotpie.com/shop/oprahs-gayles-favorites/. The kit includes everything you need to make two (2) lobster white truffle pizzas and two (2) lobster pot pies and costs $110.

Pasta Prima, Joseph's Pasta and Trader Joe's all package lobster ravioli. Trader Joe's first ingredient is lobster meat and Pasta Prima labels their ravioli as wild caught, North American lobster while Joseph's Pasta reads North Atlantic lobster meat. The *Reporter* talked to crew member, Joey at Trader Joe's in Shrewsbury, NJ. He confirmed that the lobster meat used in the ravioli is North American Lobster and said it's been in the store for about a year. He could not comment on the demand for the item but did say "it is a good sign when items are not discontinued."

The *Reporter* also found that Lobsteranywhere.com will ship to your home overnight lobster roll kits. For $129, which includes shipping, they send two pounds of premium lobster meat, rolls, and some authentic Maine salt water taffy. Their website states that the lobster meat is frozen and that it is shipped in a dry pack with no water or brine added. They also offer a "Dockside BBQ which contains ribs and lobster mac & cheese for $89.95 which serves two.

Dean & Deluca offers lobster mac & cheese for $60. They label their lobster as succulent chunks of sweet Maine lobster and they come ready-to-bake in reusable ramekins. They also offer lobster flatbread for two at the same price.

Wegman's Seafood Manager, John, said he gets many more requests from customers for lobster meat. They are mostly interested in making lobster mac and cheese and lobster salad at home. They sell pre-packaged, frozen lobster meat (Cozy Harbor) and they occasionally will hand pick and pack meat fresh and sell it in approximately half-pound containers. They also have a prepared lobster salad in their seafood case.

Looking at the table below, the Shipwreck Grill's head chef and owner, Terry told the *Reporter* that all of the lobster served is sourced as live lobster and steamed and cooked on the premises. Jim, Owner and Manager of Harpoon Willy's also told the *Reporter* that he sources all the lobster locally and it is hand-picked in the restaurant. Owner Marilyn Schlossbach of Langosta Lounge, Asbury Park, NJ as well as several other area restaurants said they are "all about lobster." She said the demand for lobster is so great that she opened Libby's (another restaurant next door) to concentrate and meet the demand for lobster.

With the increase landings of American Live Lobster, restaurants and retailers have become creative and continue to find interesting ways to entice customers to indulge in crustacean creations. UB

Article contributed by **MaryAnn Zicarelli** | maryann@urnerbarry.com

The *Reporter* checked out some local (Monmouth and Ocean County, New Jersey) restaurant menus and found many choices for lobster lovers. Among the growing list were:

RESTAURANT	LOCATION	ITEM	PRICE
709	Point Pleasant	Lobster Rolls	$18.00
Langosta Lounge	Asbury Park	Lobster Sliders	$15.00
		Lobster Mac and Cheese	Market Price
		Lobster Carbonara Pizza	$16.00
Harpoon Willy's	Manasquan	Lobster Fennel Salad	$13.00
		Lobster Avocado Wrap	$12.50
Shipwreck Grill	Brielle	Endive, Radicchio & Arugula Salad with Chopped Lobster	$10.00

The Turkease cuts cooking times in half

While researching Urner Barry's new online directory, *Prospector*, I discovered a product that piqued my interest, Turkease. As someone who truly enjoys cooking and eating turkey throughout the year, not just an annual family obligation, I wanted to know more about this portmanteau pun. What has been done to make this turkey so easy? Has Turkease finally solved the host of holiday stressors, for example, must we begin cooking before daybreak, is baking, roasting or deep-frying better, to stuff or not to stuff?

Roasting the *Turkease*

1 C butter, softened
½ C fresh sage, chopped
2 lbs carrots, cut into thirds
4 ribs of celery, cut into thirds
1 large onion, diced
½ C port wine
1 17 lb *Turkease* turkey

1. Pre-heat oven to 425°F.
2. Simmer the giblets and neck with chicken stock (to cover) and ½ cup of port wine.
3. Mix butter with chopped sage.
4. Salt, pepper and roast vegetables in oven until soft.
5. Generously rub turkey cavity with salt & pepper.
6. Stuff *Turkease* cavity with the Prune & Port Wine Stuffing *(see recipe on next page).*
7. Place *Turkease* on top of the roasted vegetables.
8. Coat *Turkease* with the butter/sage mixture.
9. Liberally salt and pepper skin.
10. Roast *Turkease* at 425°F for 15 minutes and then reduce the temperature to 325°F.
11. Roast 12 minutes per pound at 325°F including the stuffing in the final weight.
12. Baste turkey with the giblet stock every 20 minutes. Roast until stuffing and thickest part of meat reaches an internal temperature of 165°F.
13. Gently move *Turkease* to platter to rest 30 min.

Miller Foods, a fourth-generation family-owned and operated business based in Avon, Connecticut created the seemingly magical holiday helper, Turkease, a deboned, all-natural turkey that cooks in one-third of the time it takes to roast a traditional turkey. Although turkey was once considered de rigueur for the holidays it has more and more become a mainstay of the American dinner table. According to the University of Illinois, in 1970 50% of all turkey was consumed during the holidays, but now with more turkey being eaten year-round that number has dropped to 29%. Turkey is a highly popular protein choice as it is lean, protein-rich and low in fat.

Upon contacting Miller Foods to inquire about Turkease, I spoke with Miller family, CEO Cal Miller-Stevens, who was as enthusiastic about the product as I soon would be. Miller Foods began in 1954 with Earl and Margaret Miller, husband and wife, selling eggs door-to-door and raising turkeys on their six-acre property. By 1972 the company had grown into a wholesale distributor supplying turkeys for holiday tables. As part of their competitive business evolution Miller Foods has developed two pet food concerns—Oma's Pride, which produces all-natural USDA inspected raw pet food, and O'Paws, which makes all-natural freeze-dried pet treats.

Turkease, which has been offered by Miller Foods for more than 20 years, is hand-carved by master butchers. As Miller-Stevens says, "Our master carvers use their knives like Norman Rockwell used his brushes." Boneless, except for the drumsticks, the turkey is trussed where the carvers make their incision to remove the bones, which makes stuffing easy and carving simple. Without bones the Turkease is more elastic; stuffing is highly encouraged by the Millers. I found it was very easy to fit more stuffing in the Turkease than in a traditional turkey.

Miller Foods sent me two of their Turkease products, one weighing eight pounds and another weighing a hefty 17 pounds. I planned to grill the smaller bird at home as my own test then gather a select group of fellow Urner Barry egg, meat, poultry, and seafood experts to taste the larger, roasted turkey. Seeing the thawed Turkease brought to mind the classic comedy prop rubber chicken or even a turkey hand puppet. Yet, encouraged by the enthusiasm of Cal Miller-Stevens, I was emboldened to overcome my food snobbery. I stuffed the smaller turkey with apple, orange, onion, and sage then followed the grilling directions, 12 minutes per pound including the weight of the stuffing. In just over one-and-a-half hours the Turkease was completely grilled, perfectly moist and

"Our master carvers use their knives like Norman Rockwell used his brushes."

delicious. By comparison a fully-boned turkey this size would have taken double the time, at least three hours. The Turkease carved well with little waste. I was now ready to move onto to roasting the larger bird.

At holidays I had become used to waking before the crack of dawn to ensure that I had ample time to prepare the stuffing, stuff the turkey, and get it into the oven so that it would be done roasting by midday, have time to rest and finish preparing the family feast. My goal was to have the Turkease roasted and rested by lunchtime for my fellow Urner Barry meat experts to test. I woke before dawn as I have always done when preparing a turkey, even though I was confident it would be roasted within half the normal cooking time. The Turkease had already thawed for two days per instructions in the refrigerator so that at six A.M. I was ready to complete my family-famous prune and port wine stuffing (being an ex-food service professional I had finessed this recipe years ago; the recipe follows), which I had prepared the previous night. Before stuffing I examined the Turkease and pondered whether or not to remove the string where it had been trussed after the deboning. Wisely, I decided not to as it had created the perfect pocket for stuffing. The lack of bones gives the Turkease an elasticity that allowed me to include all the stuffing I had prepared. Usually I would put the extra stuffing into an oven-safe dish then bake it along with a turkey. The Turkease, 20 pounds after stuffing, was in the oven by 6:30 A.M. At 10:30 A.M. the roasted Turkease was resting in glistening gloriousness, a full two-hours less than it would have taken with a bone-in turkey.

Along with the stuffing I had also made mashed potatoes and gravy (recipe also included) to give my co-workers an option in their Turkease tasting. As with the grilled test Turkease, this one was moist and flavorful and carved like a dream. All that was left at the end of the day was one drumstick and some scraps of dark meat. Remarkably, the independent minded, seasoned, and highly critical Urner Barry reporters unanimously praised the Turkease.

Miller Foods also sends a plastic wishbone with every Turkease so you won't miss out on that age-old tradition. I'm saving mine to wish for another Turkease next Thanksgiving.

Article, turkey, stuffing and all the trimmings contributed by
Jamie Patterson | jpatterson@urnerbarry.com
Photographs by **Caroline Bober**

Prune & Port Wine Stuffing

1 large loaf day old French or Italian bread cut into ¾ inch cubes
2 eggs
1 C milk
4 Tbs butter
3 ribs celery, diced
1 large sweet onion, diced
1 Granny Smith Apple, peeled & diced
2 C roughly chopped prunes
1 C apricots, diced
1 C dried cranberries
1 C port wine
1 tsp poultry seasoning

1. In a large mixing bowl, whisk eggs and milk. Add bread, stirring well. Set aside.
2. In a large skillet, over medium heat, melt butter. Add celery, onion, and apple. Add salt and pepper liberally. Cook until softened (about 10 minutes).
3. Add dried fruit. Mix well.
4. Add port wine, stir well and allow to reduce until just moist.
5. Stir in poultry seasoning.
6. Add the fruit & vegetable mixture to the bread mixture and stir well. If too dry, add additional port wine.

Port Wine Gravy

2 C water or broth
½ C Port Wine
1 med. sweet onion, finely minced
1 C cold water mixed with 2 Tbs of cornstarch

1. Separate fat from stock in roasting pan. Discard fat.
2. Bring stock to low boil in pan.
3. Place roasted veggies in a wire mesh sieve and whisk to force soft solids through. Add strained solids to roasting pan. Discard solids remaining in strainer.
4. Add minced onion and port wine to roasting pan and simmer until wine is reduced, about 10 minutes.
5. Add approx. 1C water and 1C cup of giblet stock, stirring well. Let reduce for about 10 minutes and then slowly stir in the water/cornstarch until you get the consistency you desire. Add more stock/thickening agent as needed.

Social responsibility while expanding ...

The state-of-the-art facility is owned and operated by Grupo Gusi, one of the main beef producers/exporters in Mexico.

Building packing plants and communities

Not long ago a leading beef packer in Mexico began construction on what would become one of the largest and most modern packing plants in Latin America. Today, this packing facility is fully operational and has the capacity to process 1,200 head of cattle every eight hours. The state-of-the-art facility is owned and operated by Grupo Gusi, one of the main beef producers/ exporters in Mexico.

Grupo Gusi was founded in 1992 in the state of San Luis Potosi in central Mexico. This area is one of the richest regions for natural resources in Mexico and is incredibly favorable for agriculture and raising livestock. Currently the company has approximately 70,000 head of cattle in feedlots. Due to its great location, climate, and access to grasslands, the livestock can move easily from one area to another in the same region. The company is 100% vertically integrated and can produce from dressed carcasses and boxed beef, to value-added products and burger patties in the same location. The intention of building the packing plant at this location was to be able to take advantage of the valuable resources available in the region as well as to provide job opportunities for the people in local communities. At the moment the company provides 1,400 employment opportunities.

Founded in the Mexican state of San Luis Potosi, Grupo Gusi's new facility location is one of the richest regions for natural resources in Mexico.

As sales grow domestically and abroad, the economic spillover is expected to benefit the above mentioned local communities—something of paramount concern for the company. No doubt this will happen as Grupo Gusi moves further up the ladder in Mexico's beef production. As one of Mexico's largest exporters, Grupo Gusi's plant is certified to send products to the U.S., Japan, Hong Kong, Vietnam, Puerto Rico, Congo, Angola and recently Canada and China. Also, this facility is certified by NSF International (FSSC 22000) as a highly responsible company on animal welfare as well as E.Coli O157 H7 free. Additionally, Grupo Gusi is a member of the Mexican Beef Exporters Association.

Grupo Gusi was founded in 1992 in the state of San Luis Potosi in central Mexico. This area is one of the richest regions for natural resources in Mexico and is incredibly favorable for agriculture and raising livestock.

Miguel Gutierrez Mendoza, CEO and Director of Grupo Gusi, believes that truthful commitments to the local communities are of the utmost importance. The company strongly adheres to its commitment of working hard and contributing to the prosperity of the local community, the region and Mexican society. Without a doubt, this region is bound to enjoy the success and economic spillover benefits of Grupo Gusi's expansion. The plant has been fully operational for about one year. UB

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"This area...is incredibly favorable for agriculture and raising livestock."

Health/nutrition and taste as top reasons for uptick …

Chicken consumption up 17 percent in the United States

Contributed by the **National Chicken Council**

More chickens are crossing the road and on to consumers' plates, according to new research presented at the National Chicken Council's Chicken Marketing Seminar in Greensboro, Georgia late July 2014.

Overall, the average number of meals or snacks that contained chicken eaten by survey respondents in the two weeks prior to the survey was 6.1. This is up from 5.2, or 17 percent, from the 2012 findings. Millennial respondents (18-34) remain the most likely to eat chicken meals or snacks frequently (7.7).

"With the tight supplies in the cattle and hog herds, and accompanying record beef and pork prices, it's not surprising to see a double digit increase in chicken consumption this year," said National Chicken Council Vice President of Communications Tom Super. "What is surprising to me," Super noted, "is that health and nutrition and taste both topped cost as the reason consumers are turning more to the original white meat."

The survey was commissioned by the National Chicken Council and conducted online by PKS Research Partners May 29—June 1, 2014 among 1,019 adults. Funding was provided by WATT Poultry USA and Elanco.

In 1998 and 2006 respondents were asked if they are likely to eat more, less or about the same amount of chicken. In 2014 they were asked more specifically about likely changes in chicken consumption from a grocery store and likely change in behavior regarding a food service establishment.

The 12 month outlook for the grocery segment looks promising with a net of 24 percent saying they will be eating more chicken. This is more than three times the proportion previously noted.

The primary reasons for eating more chicken from a grocery store are health/nutrition (34 percent) and taste (32 percent). These are trailed by cost (17 percent). Women are somewhat more concerned than men about both health/nutrition and cost.

Turning to eating out, one in five (20 percent) respondents are likely to buy more chicken at restaurants and other food service establishments. This indicates a net gain in purchasing among 9 percent of the population.

The primary reasons for eating more chicken at restaurants are taste (25 percent) and health/nutrition (24 percent).


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Predictably, men are more focused on the taste while women are more focused on the health/nutrition aspect.

Overall, among the total sample, nine out of ten respondents had eaten a meal or snack that contained chicken in the two weeks prior to the survey; this is in line with the 2012 survey. Other highlights:

Chicken consumption does not differ significantly by gender.

Midwesterners ate the lowest number of meals or snacks that contained chicken in the two week period prior to the survey. It is the only region where the rate of consumption did not increase since 2012.

Men, younger adults and those with at least three people in the household are more likely than counterparts in increase their consumption of chicken. UB

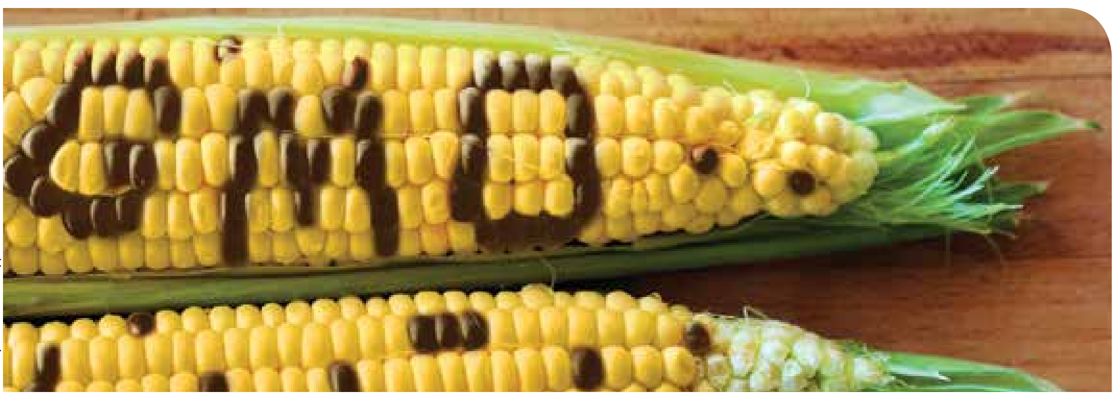
What's so OMG about GMOs?

GMOs, or "genetically modified organisms," are all over the news in the food industry, with talk of everything from insect-resistant strains of your favorite fruits and vegetables to a hamburger grown in a lab. But what exactly are GMOs, and why are they the source of sudden controversy?

Merriam-Webster defines a GMO as "an organism whose genome has been altered in order to favor the expression of desired physiological traits or the output of desired biological products." By this definition, many everyday foods we might consider natural are actually GMOs, for example broccoli and Brussels sprouts. Over generations, these plants were created based on the breeding of desirable traits of the kale plant.

But in the 21st century, we have the ability to do things more precisely and often on a cellular level, rather than relying on the tedious breeding techniques used in previous centuries. This process seems complicated and has been the subject of debate recently, but we often take for granted some of the benefits we get from GMOs.

The creation of plants which are resistant to pests and disease have so far increased acreage yields, and, in a world which is slated to reach a population of 8 billion before 2025, it will continue to be of significant importance to have an efficient production system for our food. Foods with extended lives also make it easier to ship crops nationally and internationally, simplifying global commerce and reducing waste.



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Many concerns about GMOs include those related to the health risks of eating some of these crops. Since these "frankenfoods" are unnatural and many in the industry are treading cautiously, either taking a wait-and-see approach or moving forth with an outright ban. For example, Whole Foods announced in December of 2013 that they will no longer carry Chobani yogurt because the cows used to produce the necessary dairy inputs are fed genetically modified corn and soy, and will require all products in their stores which contain GMOs to be labeled by 2018.

Overall, the discussion about the health risks of GMOs will continue for quite some time, as they are a relatively new phenomenon. The United States only first approved GMOs for consumption in 1995, and long-term health hazards have yet to be conclusively distinguished, as various studies have been conducted with the data supporting both sides of the discussion. Only time will tell the direction that the industry and the law take with regard to GMOs. UB

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Impacting the restaurant industry …

At midyear, Technomic sees six trends emerging

Adapted from a story which originally appeared on Foodmarket.com on July 3, 2014

FOODMARKET.COM News from the Center of the Plate

Technomic, the nation's leading foodservice research and consulting firm, has identified trends emerging for the second half of 2014, including hot peppers and sauces beyond Sriracha, barbecue flavors in QSR handhelds, and classic snack brands incorporated into new menu offerings.

Backed up by qualitative data from Technomic's extensive Digital Resource Library and quantitative data from its vast MenuMonitor database. Here's what Technomic experts see emerging:

1. THE NEXT SRIRACHA

Thailand's take-the-top-off-your-head chile-and-vinegar condiment is the new chipotle. Now, customers are seeking newer and even bolder taste sensations imparted by peppers and sauces from Asia, Latin America and North Africa: habanero, serrano, harissa, shishito, togarashi, sweet chili, ghost pepper and spicy mayos and aïolis.

2. BARBECUE LOVE

Authentic regional interpretations of slow-cooked barbecue continue to have broad appeal, but the latest trend is the application of barbecue sauces and flavors to handheld offerings like sandwiches and pizza, often with barbecue pulled pork as the core protein. Even conventional barbecue chains have rolled out nontraditional barbecue-inspired handhelds, such as the BBQ Chicken Lettuce Wrap LTO at Lucille's Smokehouse Bar-B-Que.

3. NAME THAT SNACK

Classic snacks are being incorporated into novelty foods that capture attention with over-the-top indulgence, like Subway's Fritos Chicken Enchilada Melt, Crumbs Bake Shop's Girl Scout Cookie cupcakes or Dunkin' Donuts' iced coffee flavors inspired by Baskin-Robbins ice creams.

4. ASIAN-STYLE SMALL PLATES

Asian-influenced bites include Lazy Dog Café's Dim Sum Dumplings and the Chicken Sriracha Bites served with ranch dressing at bd's Mongolian Grill, but even fine-dining restaurants are incorporating dim sum-style service.

5. BEVERAGES BUBBLING UP

Specialty teas; lemonade-and-iced-tea blends; restaurant originals such as housemade sodas; smoothies beyond fruit, featuring surprising ingredients ranging from kale to peanut butter—all are seeing increases in menu incidence. Fast casuals lead the way: Pret A Manger added Beet Beautiful Juice with apple, carrot, beet and ginger; Grand Traverse Pie Company unveiled a Pie Smoothie; and Panda Express is testing an in-store tea bar. When it comes to adult beverage trends, hops rule; IPAs and other hoppy craft beers are proliferating in many incarnations.

6. SHRINKING MENUS

Across all mealparts, casual-dining chains are reducing menus. Operations can slow down when menus get too big; a less-is-more approach can create a more user-friendly customer experience. Will the success of narrowly focused fast casuals lead to more menu and operational simplification in full service? UB

Lowest costs are in urban South, costs highest in urban Northeast …

USDA report: Parents projected to spend

In August 2014, the U.S. Department of Agriculture (USDA) released its annual report, Expenditures on Children and Families, also known as the Cost of Raising a Child. The report shows that a middle-income family with a child born in 2013 can expect to spend about $245,340 ($304,480 adjusted for projected inflation*) for food, housing, childcare and education, and other child-rearing expenses up to age 18. Costs associated with pregnancy or expenses occurred after age 18, such as higher education, are not included.

While this represents an overall 1.8 percent increase from 2012, the percentages spent on each expenditure category remain the same. As in the past, the costs by location are lower in the urban South ($230,610) and rural ($193,590) regions of the country. Families in the urban Northeast incurred the highest costs to raise a child ($282,480).

> **"Food is among the top three expenses in raising children…"**

"In today's economy, it's important to be prepared with as much information as possible when planning for the future," said USDA Food, Nutrition and Consumer Services Under Secretary Kevin Concannon. "In addition to giving families with children an indication of expenses they might want to be prepared for, the report is a critical resource for state governments in determining child support guidelines and foster care payments."

The report, issued annually, is based on data from the federal government's Consumer Expenditure Survey, the most comprehensive source of information available on household expenditures. For the year 2013, annual child-rearing expenses per child for a middle-income, two-parent family ranged from $12,800 to $14,970, depending on the age of the child.

The report, developed by the USDA Center for Nutrition Policy and Promotion (CNPP), notes that family income affects child-rearing costs. A family earning less than $61,530 per year can expect to spend a total of $176,550 (in 2013 dollars) on a child from birth up to age 18. Middle-income** parents with an income between $61,530 and $106,540 can expect to spend $245,340; and a family earning more than $106,540 can expect to spend $407,820.

"Food is among the top three expenses in raising children," said CNPP Executive Director Angela Tagtow. "Parents have the challenge of providing food that is not only healthful and delicious, but

$245,340 to raise a child born in 2013

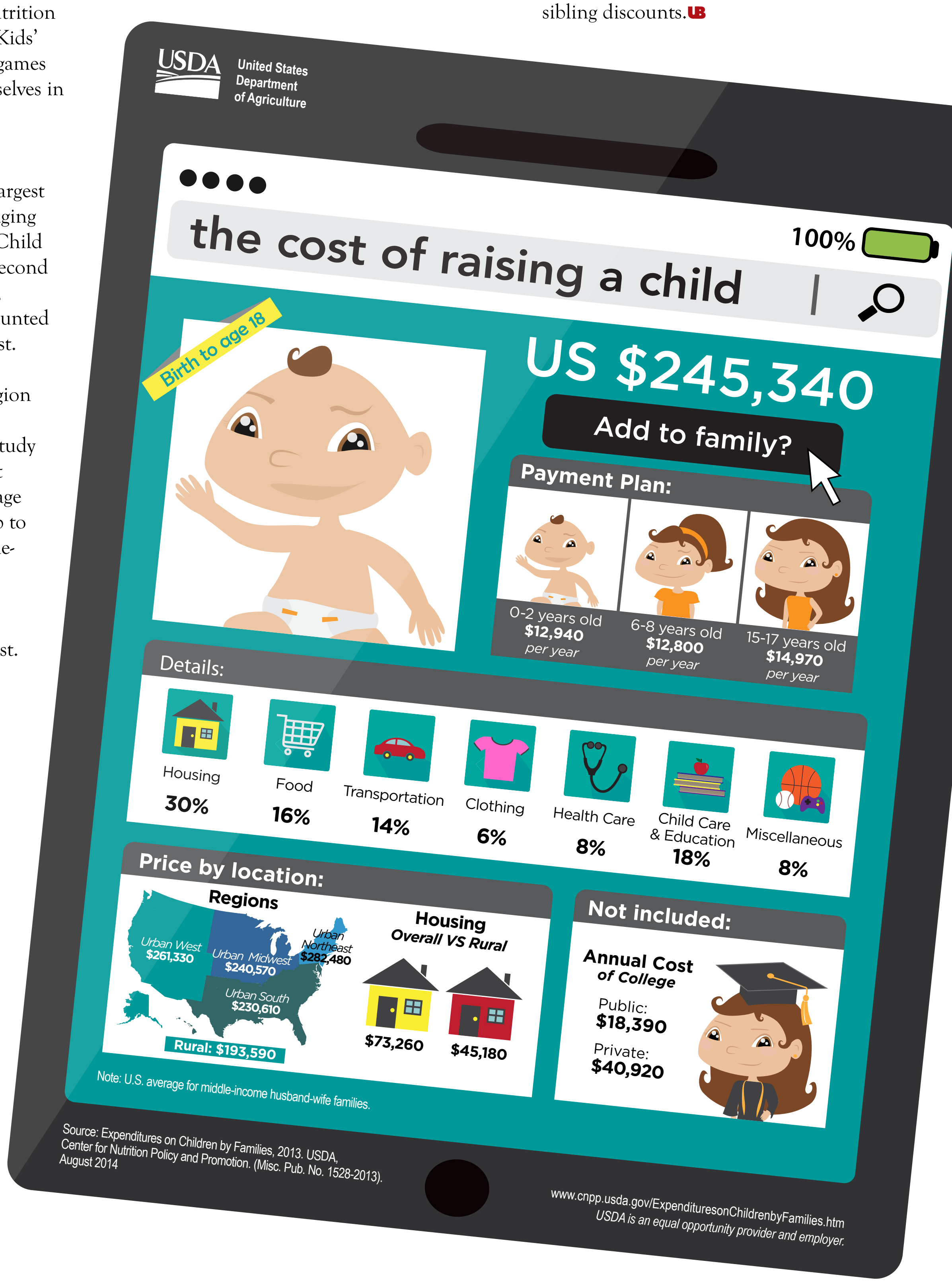
also affordable. We have great resources such as ChooseMyPlate.gov that features tips to help families serve nutritious and affordable meals. I encourage parents to check out our Healthy Eating On a Budget resources, 10-Tips Nutrition Series, recipes, and MyPlate Kids' Place, which features digital games for kids to get engaged themselves in healthy eating."

For middle-income families, housing costs are the single largest expenditure on a child, averaging 30 percent of the total cost. Child care and education was the second largest expense at 18 percent, followed by food, which accounted for 16 percent of the total cost.

"Variations by geographic region are marked when we look at housing, for example," said study author and CNPP economist Mark Lino, Ph.D. "The average cost of housing for a child up to age 18 is $87,840 for a middle-income family in the urban West, compared to $66,240 in the urban South, and $70,200 in the urban Midwest. It's interesting to note that other studies are showing that families are increasingly moving to these areas of the country with lower housing cost."

In 1960, the first year the report was issued, a middle-income family could have expected to spend $25,230 ($198,560 in 2013 dollars) to raise a child until the age of 18. Housing was the largest child-rearing expense both then and now. Health care expenses for a child have doubled as a percentage of total child-rearing costs during that time. In addition, some common current-day costs, such as child care, were negligible in 1960.

Expenses per child decrease as a family has more children. Families with three or more children spend 22 percent less per child than families with two children. As families have more children, the children can share bedrooms, clothing and toys can be handed down to younger children, food can be purchased in larger and more economical quantities, and private schools or child care centers may offer sibling discounts. UB



Rich, robust and versatile fowl

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For the typical American consumer, the word "foul" is almost always associated with a ball that has been hit out of bounds during America's favorite pastime more so than it is the focus of an "out of the ballpark" recipe. However, for those in the food industry, "fowl' are known as older hens (about 1 ½ years) that spend their productive lives laying eggs. The eggs they lay may be for the table, the kind a consumer buys in a store, or they might be hatching eggs, which are fertile eggs that hatch into chicks and 42 days (more or less) later are brought to slaughter for their meat. The industry term "light" fowl applies to table egg layers while "heavy" fowl represent birds laying eggs for broilers or "meat" birds.

Although popular enough in the United States, a household word fowl is not. That's largely because fowl meat is almost always sold further processed or value added. In general there are two main ways fowl meat is sold—cooked and diced or deboned and canned. At this point foodservice providers takeover providing diced meat at salad bars, soups, chicken salad, pocket sandwiches and a host of other items to the consumer.

Because the bird is much older than a broiler, the meat is less tender but also has a richer and more robust flavor. To compensate for the "tougher" consistency, the meat is cooked longer to tenderize it. In the consumer sector, whole fowl is known by the term "stewing" or "baking" hen which in itself is suggestive that slow or longer term cooking is required. Unlike with young chickens or "broilers", if you try to bake or roast fowl, the meat will be tough. It is better suited by far when used in moist applications such as stewing or for creating soup stock. Josh Fisher, General Manager of B & B Poultry a fowl specialist in southern New Jersey, feels that "stock derived from fowl, especially light fowl, is superior to that which is derived from broilers or roasters".

OH, CANADA

Perhaps one of the biggest reasons the U.S. consumer isn't as familiar with fowl as she could be is because just to our north is one of the greatest consuming nations of fowl meat on the planet. To help understand why, it's important to know a little about the Canadian import system which relies on "metered" imports to allow production controls and stable pricing for the Canadian farmer. Under this supply management scenario, there are strict measures in place for chicken but "spent fowl" are exempt. This allows producers and importers alike to "play the system" which at times can be to the detriment of the domestic Canadian producer. But it does allow for cheaper meat imports which further processors can then use to their advantage and garner a greater return on their investment as compared to the equivalent scenario with chicken. But cheaper meat also benefits Canadian citizens. Robert de Valk, general manager at the Further Poultry Processors Association of Canada (FPPAC) was quoted as noting that less expensive fowl meat is "... used to provide consumers and restaurants with lower-cost nuggets and patties. It has a legitimate and important place in the Canadian market."

But fowl meat is not only popular in Canada because it flies under the import tariff radar and is comparatively inexpensive; it is also a favorite among the country's Asian population. Although Canada's census classification system is not easily compared to what is used in the United States, a blog by Frances Wooley on the Worthwhile Canadian Initiative website helps compare apples to apples. The result is that Canada's population consists of nearly twice as many "Asians" as in the United States; nearly 13%. Why is this noteworthy? Because Asians have always prized the moist, more richly flavored leg meat with which regional sauces and spices meld perfectly.

FOR WHAT IT'S WORTH

Besides being great tasting, highly versatile, cost efficient and prized in its own right, today's Millennials may be pleased to know that heavy fowl, from which most fowl meat is derived, are not kept in cages but allowed to roam freely in chicken houses. While it's true that depending on where they are producing eggs, light fowl may not be kept in cages, most of the meat being harvested from fowl comes from heavy birds.

ALL'S FAIR IN FOWL

Fowl meat is a great compliment to more familiar chicken and turkey products and

"...Asians have always prized the moist, more richly flavored leg meat with which regional sauces and spices meld perfectly."

enjoys a unique role in certain cultures and regions. It is a cost efficient option for consumer's needing one and adapts nicely too many traditional chicken applications. Its inherent flavor profile makes it a favorite among those seeking a more robust, full-bodied taste and its adaptability to Asian cuisine's sauces and spices makes it popular worldwide. As ethnicity continues to diversify in the United States, what is now a niche market is forecast for expansion. With animal welfare issues taking a larger share of the media spotlight, fowl also has potential to attract additional consumer demand rooted in animal welfare concerns. So whether in chicken salad or part of a delicious stew, there is no "foul" to be found in fowl. UB

Article contributed by **Russell W. Whitman**
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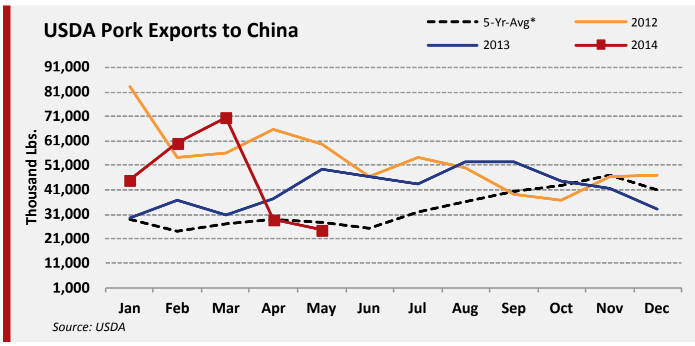
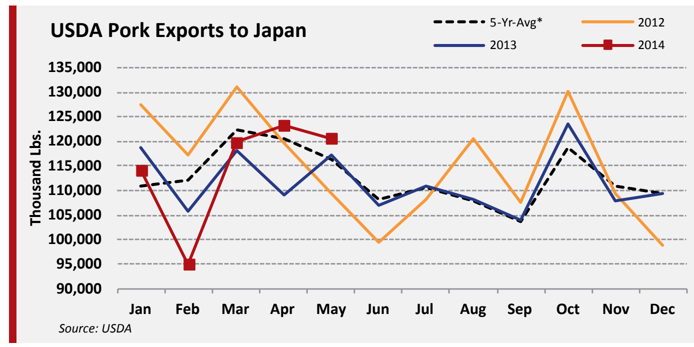
A look at 2014 pork exports

USDA Pork Exports China (Mainland)



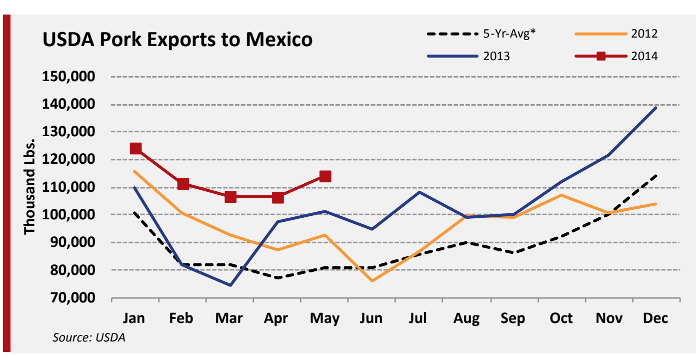
Excessive corn prices in China, at least partially due to their restrictions from importing genetically modified corn, have forced hog producers to liquidate some of their sows, trimming the herds. In doing so, large amounts of pork have hit the market, driving down their domestic pork prices and greatly reducing their reliance on pork imports. This combined with regulations that ban the import of pork containing Ractopamine, has caused the country's pork imports from the United States to plummet over 50 percent below last year in May. If corn prices stay between $10 and $11 per bushel in China and they maintain their ban of Ractopamine, it is likely that pork exports to China will stay light through 2014. However, liquidation tends to be a short term reactionary approach that eventually results in the need to rebuild supplies after the current stocks are depleted, which makes for an uncertain 2015 and beyond.

USDA Pork Exports Japan



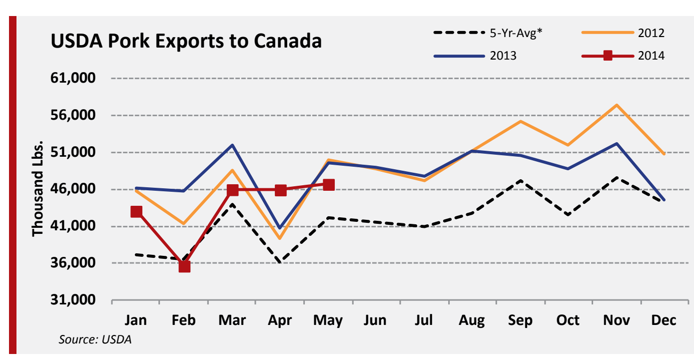
Japan was also inflicted with PEDv, reportedly reducing pork production by up to 5% and forcing them deeper into an export market featuring record breaking prices. Unlike Mexico, Japan tends to import pork items of greater value. This factor alone makes the year over year increase in volume exported to Japan noteworthy. In April, Japan surpassed their previous value record of pork imports, purchasing $193.9 million worth of pork and pork products during the month. In general, Japan does not have a peak import period, but rather gyrates in their orders within a 20-30 million pound range throughout the year while maintaining the position of top destination for U.S. pork in terms of both volume and value. This trend looks likely to continue while the year over year increase is less certain as Japan explores import opportunities from other countries like Canada, Mexico and the EU.

USDA Pork Exports Mexico



Porcine Epidemic Diarrhea virus (PEDv) was not just contained within the United States. Mexico was also affected this year, resulting in a lack of one of their staple protein sources. As it is typically a volume over value based importer, Mexico tends to accept a large amount of traditionally more affordable cuts like bone-in hams. This year however, with prices in the U.S. reaching record levels on nearly all pork cuts, Mexico found itself forced to purchase more hams than last year, at prices nearly double that of 2013. In addition, with Canadian pork prices at close to the same level as the U.S., Mexico is lacking a cheaper alternative trade partner. In May, exports to Mexico were 13 percent greater than last year and 40 percent over the 5 year average. Exports tend to generally increase into the winter as the country prepares for the holidays and that trend, along with the year over year increase, could stay on track for the rest of 2014 if the current set of circumstances stays intact.

USDA Pork Exports Canada



Exports to Canada have also been lower than the past few years. In May, compared to 2013 and 2012, exports were down 5.7 and 6.7 percent respectively. In April however, exports were 13 and 16.9 percent above 2013 and 2012 respectively. In general, because it shares many of the same holidays as the United States, Canada imports a large amount of hams prior to Easter and again during a long period of building up stocks ahead of the winter holiday season. Canada has been able to reinforce its relationships with some export destinations that have been difficult for the U.S., such as Russia. As Canada grows its own export business, it is likely that Canada will continue to purchase U.S. pork close to historical trends in order to satisfy additional domestic and potentially international needs.

Article contributed by **Russell Barton**
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Umami: A savory desire for protein

Trends, fads, marketing and media greatly contribute to food choices. From Atkins, Paleo, vegan, vegetarian, gluten free and countless other diet choices or restrictions we have to ask: Are eating patterns strictly driven by environment or does our genetic make-up contribute to our food choices?

Studies show that genetics play a part in determining the foods we eat. Taste has been linked to our genes. For example, the herb cilantro, which is commonly used in Mexican cuisine, can taste extremely different depending on one's genetic make-up. Some people actually describe the flavor as being "soapy" while others find the flavor to be uniquely pleasing to the palate. Some studies show that genetics have a greater tie to protein choices than other foods such as carbohydrates.

Most of us have come to agree with the ancient philosophers' conclusions that there are four taste profiles—sweet, bitter, sour and salty. The general populous was pleased with this for many years until a Japanese chemist and food lover, Kikunae Ikeda, sensed that he was tasting something beyond those four categories as he enjoyed a bowl of dashi, a classic Japanese soup made from seaweed. Being a chemist, Ikeda knew he could indeed find out. He knew what he was tasting was, as he wrote, "common to asparagus, tomatoes, cheese and meat but… not one of the four well-known tastes." Ikeda went into his lab and found the secret ingredient. He wrote in a journal for the Chemical Society of Tokyo that it was glutamic acid, but he decided to rename it. He called it "umami," which means "delicious" or "yummy" in Japanese.

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Food icons ©iStockphoto.com/ma_rish

Just what is glutamic acid? Glutamate is found in most living things, but when they die, when organic matter breaks down, the glutamate molecule breaks apart. This can happen when you cook meat or age cheese. At this point, the molecule L-glutamate is released…and that is when things get "delicious." L-glutamate is what is known as umami or the savory flavor.

The recognition of umami or savory flavor has even made its way to a popular burger chain with 4 locations in California and its newest location in New York City, Umami Burger. A word that was hardly known to western civilization is now bannered as a trendy burger joint promoting savory flavor!

So if you are a lover of umami or that savory flavor of cooked meat, aged cheese, or anchovies, remember it's your genetic make-up that has a lot to do with your choice. UB

Source: International Glutamate Organization (www.glutamate.org)

Article contributed by **MaryAnn Zicarelli**
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Oyster bar craze – keeping it safe

The popularity of oyster bars is exploding. Epicures are frequent visitors of these trendy establishments. Just like fine wine experts, discriminating palates of oyster bar patrons command only the finest flavors. Although it takes an extremely trained eye to identify an oyster by its appearance, the flavors do vary and the more experienced clientele notice the subtleties amongst the varieties.

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Along with the growing demand for shell oysters comes the concern of safety. Because oysters are bivalve mollusks, their bodies, or meat, are filters which can carry bacteria. Vibrio vulnificus is the most common virus found in oysters. The industry has developed safety precautions to minimize the chances of infected oysters reaching the table.

Regulations begin at the harvest stage with strict vessel requirements in place. Harvesters of shell oysters that are not going to go through any further processing must be "White Tagged." White tagged oysters are just that, labeled with a white tag certifying they have been refrigerated on board and kept at 45 degrees or below and must be refrigerated within a certain time frame depending on the time of year *(See specific details below)*. They are used for raw consumption. Studies have shown that keeping oysters at a certain temperature greatly reduces the chance of carrying Vibrio bacteria.

Green tagged oysters, which have restricted uses, can also make their way into the live shell market. On board refrigeration is not required, however, they MUST go through some further processing to be sold into the live shell market. Freezing, low heat pasteurization, high pressure treatment or radiation are used in processing plants to reduce Vibrio bacteria to non-detectable levels and in all processes the oyster remains alive. Most of the green tagged oysters are shucked and sold as meat.

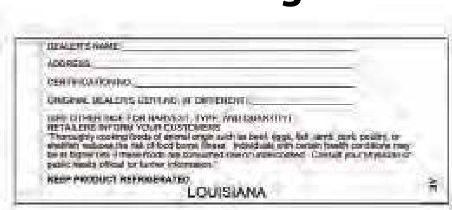
White and green tag restrictive guidelines have been set by Louisiana Department of Wildlife and Fisheries with strict enforcement. As recent as June 13, 2014 the guidelines have been modified so no vessel is able to carry both white and green tagged oysters. All vessels carrying white tagged oysters are restricted to harvesting and meeting the requirements for white tagged oysters only. The same guidelines hold true for green tagged oyster vessels so there is no crossover on board any one boat.

A growing number of connoisseurs are indulging with confidence. Enforced guidelines and restrictions help to reduce the risk of Vibrio outbreaks. UB

Article contributed by **MaryAnn Zicarelli** | maryann@urnerbarry.com

"Regulations begin at the harvest stage with strict vessel requirements in place."

White Tag



Description & Use
For raw consumption.

Refrigeration Air Temperature
Less than or equal to 45° F.

Requirements

Months	Hours Until Refrigeration	Internal Meat Temperature
Dec, Jan, Feb	36	10 hrs to 55° F
Mar, Apr, Nov	8	10 hrs to 55° F
May to October	1	6 hrs to 55° F

Source: Louisiana Department of wildlife and Fisheries

Green Tag

Description & Use
Must be consumed fully cooked. For shucking or Post-Harvest Processing (PHP) ONLY.

Refrigeration Air Temperature
Must be less than or equal to 45° F.

Requirements

Months	Hours Until Refrigeration	Internal Meat Temperature
Dec, Jan, Feb	24 hours	Can't ship until internal temp. is 50° F or less, unless trip is under 4 hours. If temp. is not met, shipment can occure with a time / temp monitoring device.
Mar - May & Oct - Nov	18 Hours	
June - Sept	12 Hours	

Social media meets supper time …

Foodservice industry faces

©iStockphoto.com/Robert Churchill

Did you “like” that selfie of you and your pals at the game on Facebook? How about favoriting that tweet where your company was “@ mentioned” in a news story?

A few years ago those questions would make little sense.

But that would also be before Facebook’s CEO Mark Zuckerberg wasn’t worth more than the guys who founded Google.

The point is, social media is dominating the web. Online traffic ratings from Quantcast have four social media sites in the top ten alone. YouTube is second to Google; Facebook is third; Twitter sixth and Yelp at number nine.

For this foodservice audience, that last ranking might be of some greater interest as it offers a slight glimpse at how social media has become deeply rooted in the foodservice industry.

Yelp’s business-ranking service operates as a go-to tool for consumers across the globe to plan out their weekend meals. From zero to five stars, users can log in to Yelp’s service to get user-generated reviews on their dining experiences. From the server’s greeting all the way to how promptly the check was issued and everything in between a restaurant’s reputation can hang in the balance on Yelp.

And consumers are hitting Yelp and many other social media sites hard when it comes to engaging with the foodservice industry.

A report from Technomic back in May found 62 percent of diners use Facebook to follow, friend or find information about restaurants. Twitter was second at 22 percent of consumers followed by Groupon, Youtube and Google+.

The survey also revealed 45 percent of customers look up restaurant menus on their computers while another 19 percent use a smartphone.

Restaurants, their suppliers and other foodservice industry participants have taken

new frontier in social media

"Online traffic ratings from Quantcast have four social media sites in the top ten alone."

the cue from their customers and they too have increased their presence online.

"Our use of social media, especially Facebook, has been successful to not only highlight promotions and specials, but to promote the M.Slavin & Sons brand, to monitor trends, to share recipes and to get to know customer needs and hopefully generate new leads," said Joe Calderone, a PR rep for Fulton Market seafood distributor M. Slavin & Sons. "We believe it is important to keep up with the social media trends because it is much more than just a passing fad, it's an opportunity to present your brand to an ever-growing audience and to have the ability to reach out to them as customers and/or potential customers."

But Calderone's client isn't the only one to realize the importance of social media and technological trends in the industry.

According to the National Fisheries Institute's (NFI) Communications Manager, Lynsee Fowler, a number of NFI's member companies are harnessing the power of social media. New product announcements, company developments and nutrition trends are topics ripe for discussion in the social media sphere and seafood companies are taking advantage of the medium, including NFI itself, says Fowler.

"Social media helps NFI in our efforts to ensure the seafood community has a voice in the media," Fowler said. "It has enabled us to be a resource for outlets or individuals that may not have found us otherwise."

So as developers in Silicon Valley continue to evolve and grow their social media communities some expect to see participants in the foodservice industry increasingly log on to "join the conversation." UB

Article contributed by Michael Ramsingh
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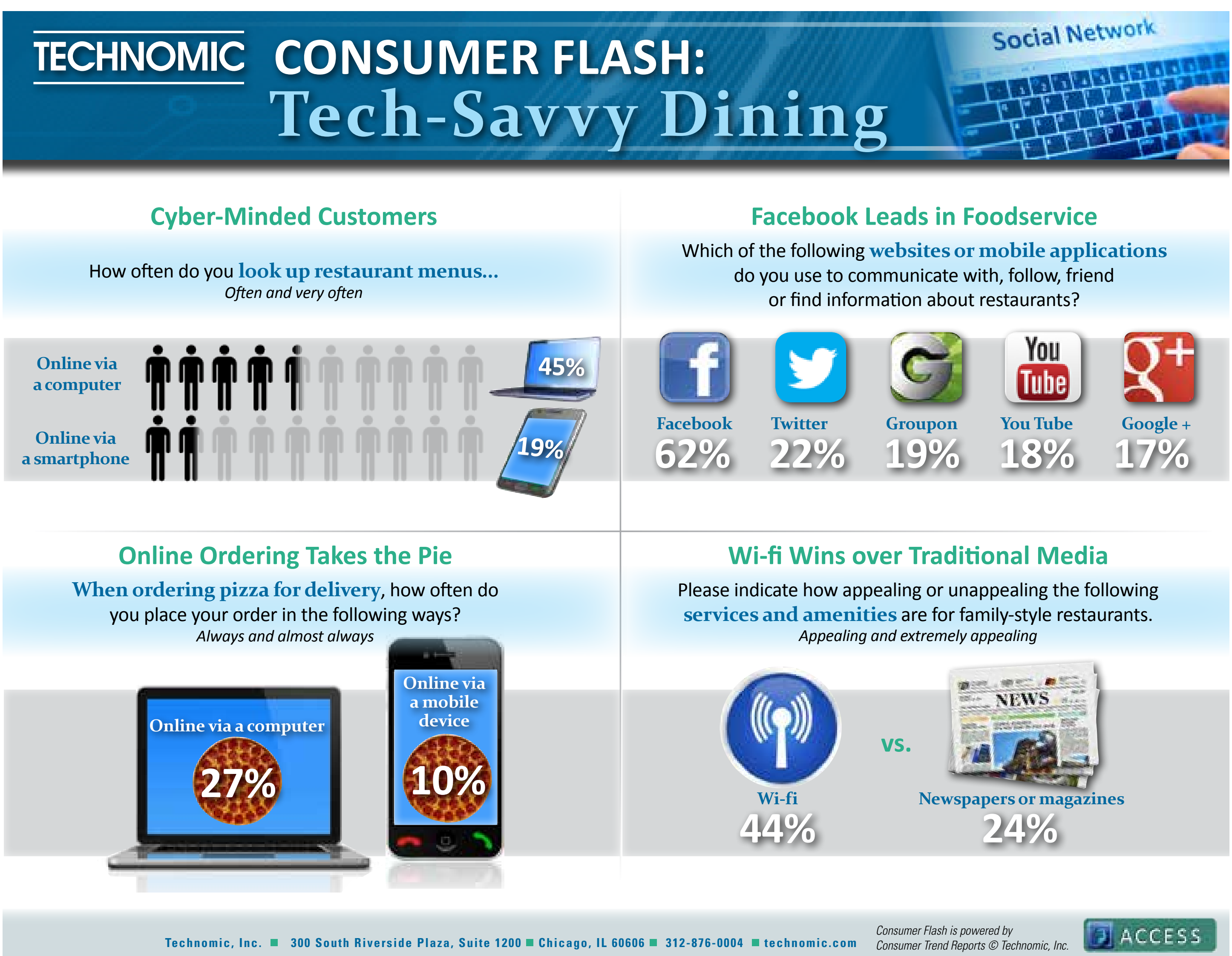


Tough times for Thai shrimp ...

Labor abuse allegations deal another

Adapted from an article by **John Sackton** which originally appeared on Seafoodnews.com on June 9, 2014.

As if disease were not enough to keep Thailand's shrimp producers up at night the past year or so, a damning media report about slave labor in the industry this past summer, followed up by a critical response from the U.S. State Department may push exporters to take their few remaining supplies to other markets.

In June 2014, U.S. Secretary of State John Kerry announced that Thailand was downgraded to Tier 3 status in the annual State Department Trafficking in persons report. For Thailand that meant the country joined 21 others that the U.S. believes condones exploitative labor conditions and forced servitude, including Saudi Arabia, Kuwait, Papua New Guinea and Russia, as well as well known repressive countries like North Korea.

Thailand's potential downgrade has been the focus of intense interest in the seafood industry because the State Dept. has singled out exploitative labor on Thai fishing vessels as one of the principal sources of trafficking.

Thailand has had two years of waivers on the Tier 2 watch list, and was not eligible for a third year of waivers. Either it had to improve, or it would face an automatic downgrade.

According to the report, "the majority of the trafficking victims within Thailand—tens of thousands of victims by conservative estimates—are migrants from Thailand's neighboring countries who are forced, coerced or defrauded into labor or exploited in the sex trade. A significant portion of labor trafficking victims within Thailand are exploited in commercial fishing, fishing-related industries, low-end garment production factories and domestic work."

The report also cites "reports of corrupt officials on both sides of the border who facilitate the smuggling of undocumented migrants between Thailand and neighboring countries including Laos, Burma, and Cambodia; many of these migrants subsequently become trafficking victims."

Further, the report charges that the Thai government did not hold ship owners, captains, or complicit government officials criminally accountable for labor trafficking in the commercial fishing industry.

The report also acknowledged Thailand's efforts to correct the situation, but said that despite progress these efforts were insufficient.

The U.S., however, said that many victims, particularly undocumented migrants who feared legal consequences from interacting with authorities, were hesitant to identify themselves as victims, and front line officials were not adequately trained to identify indicators of trafficking when victims did not self-identify.

In some provinces, the government used multidisciplinary teams consisting of social workers and law enforcement officers to identify and rescue victims, but only law enforcement officials were able to make the final determination to certify an individual as a trafficking victim.

Despite the October 2013 ratification of the 2000 UN TIP Protocol by Thailand and the spending of approximately $6.1 million to conduct anti-trafficking efforts a contributing factor to the downgrade included prosecutions of whistleblowers.

The report said, "The use of criminal defamation laws to prosecute individuals for researching or reporting on human trafficking may have discouraged efforts to combat trafficking."

The shrimp industry in Thailand is a highly visible export industry, and as a result NGO's have tried to tie the shrimp industry directly to trafficking violations wherever possible.

This has led to a crackdown, and improvement, in the use of undocumented workers in peeling sheds and shrimp factories, and this type of labor was not cited in this year's report.

Instead, the report focused on forced labor aboard fishing vessels. The only tie between fishing vessels and the farmed shrimp industry is that some of the fishmeal used in shrimp feed contains a small proportion of fish from the local Thai fishing industry. The allegations that this is tainting shrimp processors is prompting many of them to move away from use of this fishmeal as rapidly as possible, as the majority of fishmeal used in shrimp feed in Thailand already comes from processing byproducts.

Given the visibility of Thailand, this will have a potential impact on some

Countries where domestic trafficking was detected, 2007-2010

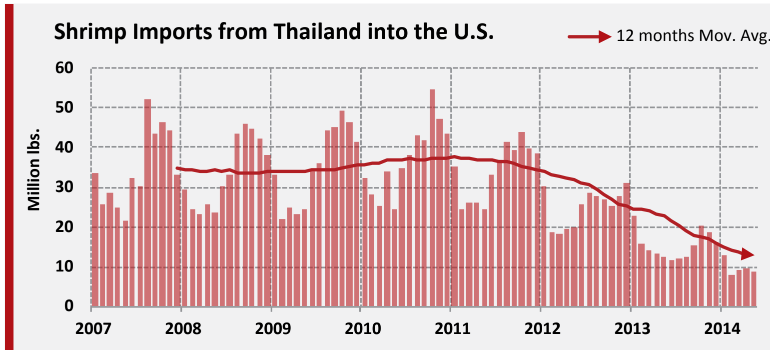
Source: UNODC

blow to Thailand's shrimp industry

buyers who have been 100% committed to Thai shrimp. Since the report, retailers in the EU and one in the U.S. balked on shrimp from major Thai producer CP Foods after it was singled out as using fishmeal linked to one of the accused vessels in its farming operations.

However, since the report's release in early June, the Thai Frozen Food Foods Association (TFFA), along with retailers in the U.S. and EU have been proactive in assessing and reporting on improvements made in labor conditions across Thailand's shrimp supply chain.

Just two weeks after the downgrade, Thailand's Fishery Department approved a master plan to tackle illegal labor aboard trawlers. The plan set guidelines for good labor practices and laid out regulations for Thai fishing trawlers prohibiting violations of fishing laws and human trafficking.



Source: USDOC

In July, Costco was satisfied with the condition of its Thai supplier's facility and according to the TFFA the major retailer said it would continue sourcing its shrimp from the country. Also during the month, EU retailers Tesco and Morrisons were invited by CP Foods to check out the labor conditions across its shrimp production operations. CP said it would work with retailers to develop a globally recognized shrimp supply chain benchmark.

The fact that this downgrade comes on the heels of severe production declines due to EMS means that there is already market realignments occurring. For example, India has surpassed Thailand and even Ecuador in some months to be the largest single supplier of shrimp to the U.S.

The downgrade will likely accelerate the efforts of some Thai companies to diversify into other markets in Asia, and reduce their dependence on the U.S. market. UB

Food fight: The growing trend of consolidation in the industry

Adapted from an Urner Barry Newswires story which originally appeared on Comtell and Foodmarket.com on June 5, 2014

URNER BARRY NEWSWIRES

Business in the food industry is a battlefield as of late, with several organizations poised to take over assets including companies, brands and production facilities. Expansion, opportunity, and trends are all primary drivers. In an industry this unique and diverse, competition is key for continued growth and quality output.

A few recent and notable mergers and acquisitions fueling the fire are Sysco and U.S. Foods, WH Group's (formerly Shuanghui International) purchase of Smithfield Foods, and food distributor Spartan Store's merger with Nash Finch.

House of Raeford Farms most recently announced its plan to acquire Filet of Chicken.

Still, none have been more talked about than the latest acquisition excitement which began in May when Hillshire Brands announced it would acquire Pinnacle Foods. Shortly thereafter, Pilgrim's Pride made a move to acquire Hillshire–the start to a bidding war that would soon include Tyson Foods, which placed an unsolicited bid the following day. Hillshire announced it would fully review and consider new and enhanced offers from each company. Then Tyson Foods, Inc. and The Hillshire Brands Company announced in early July that they entered into a definitive agreement under which Tyson Foods would acquire all outstanding shares of Hillshire Brands for $63 per share.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Consolidation is a trend we've watched unfold over the past few years, and it has never been more evident than right now. The reason, in part, is simply self-preservation. Rising input costs, drought, and diseases like PEDv are all factors making it increasingly difficult to sustain a growing profitable business in the protein sector. Buying companies upstream help these food companies mitigate volatile commodity inputs. Downstream purchases are usually driven by the ability to reach a greater consumer base. Smaller firms that are unable to keep their head above water are being opportunistically swallowed up by bigger food companies that can better utilize established brand names and facilities in an often times difficult business environment.

The second reason is the opportunity to grow and diversify their business during a period that may be the best time to acquire companies. The food industry is mature and stable and absent of a major change in diet; acquiring a company with a different product line or customers is the main way to increase sales. Company borrowing costs are near all-time lows and the economy is getting better, driving valuations higher.

Shareholders seem to be the biggest winners during the latest round of negotiations. But as companies expand, getting larger and further away from their core businesses could shift them away from their strengths. In addition, an ever present fear is that a more consolidated the industry could drive prices higher for the consumer. It's going to take some time to see if these deals are beneficial for everyone including the companies, consumers, shareholders and the industry overall. UB

Contributed by
Jamie Chadwick and **Gary Morrison**
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"Consolidation is a trend we've watched unfold over the past few years, and it has never been more evident than right now."

COMTELL® Spotlight

COMTELL® Spotlights highlight record setting levels, volatile price trends, market moving news, and other key happenings you need to be kept aware of when formulating market strategy.

Here's a look at **record setting ribeye prices**:

"After a slow start to the summer, pent up consumer demand to grill finally made a market impact through the 4th of July holiday. One of the most popular foodservice and consumer cuts, the ribeye steak, saw typical price trends at higher levels in 2014. Our quotations hit record highs due to tight availability on below average cattle supplies and reduced slaughter schedules."

COMTELL® Spotlights are sent right to subscribers via email. Each featured commodity is linked directly to the product's quotation page or to relevant news as a sure way to stay informed.

If you would like to receive COMTELL® Spotlights in the future, e-mail **sales@urnerbarry.com** or **call 800-932-0617.**

Some products that are derived from

From snout to tail there are numerous uses for porcine products. Below is a small sampling of some of the many items used on a daily basis that come from some area of the pig.

Beer: Gelatin used as a clarifying agent. Reacts with bitter substances and tannins to absorb cloudy elements leaving clear drinks.

Fertilizer: Made from processed pig hair.

Insulin: Taken from the pancreas, as closest to human in chemical structure.

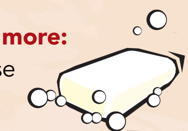
Fireworks: Stearic acid is one of many fatty acids that occur naturally in various plants and animal derivatives, is present in the production of fireworks.

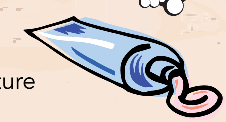
Car and bike tires: Stearic acid helps the rubber in tires hold shape.

Art supplies: Fatty acids are used as a hardening agent in crayons, chalks, paints, adhesives and more.

Candles: Fatty acids from both ruminant and porcine animals are used to stiffen the wax and raise the candle's melting point.

Soaps, toothpastes, shampoo, conditioners and more: Glycerin from bone fat is used to give many of these products their texture.





Sweets: Porcine gelatin used as a binding and gelling agent and to ensure the right texture is found in the finished product.

Photographic film: Bone gelatin acts as a bonding agent on a film sheet.

Lard: Fat from pigs is used in shaving creams, soaps, make-up, baked goods and other foods.

porcine by-products might surprise you

From fatty acids and glycerine...
- Insecticides
- Weed killers
- Lubricants
- Oil polishes
- Cosmetics
- Antifreeze
- Plastics
- Cellophane
- Floor waxes
- Crayons
- Chalk

From Hair...
- Artist's brushes
- Insulation
- Upholstery

From bones...
- Glue
- Buttons
- Bone China
- Bone Meal
- Minerals for feed
- Fertilizer
- Glass
- Water filters

From brain...
- Cholesterol
- Other medicines

From blood...
- Medicines
- Sticking agent
- Leather treating agent
- Plywood adhesive
- Protein source in feeds

From Internal Organs...
- Isulin
- A variety of medicines
- Surgical sutures
- Heart valves

From skin...
- Gelatin
- Footballs
- Porcine Burn Dressings
- Luggage, purses
- Gloves and shoes
- Drumheads

Brisket

Continued from page 1

only shaped sales for the restaurant chain but increased promotion of barbecue by multiple QSR chains has altered the landscape for briskets *(chart 1)*.

There are a few factors that have come together all at once that have contributed to the meteoric rise in prices especially prevalent in 2014. First, years of drought in cattle producing regions of the country tightened supplies to the lowest level since 1951 according to the January 1, 2014 Cattle on Feed report. This has led to an overall increase in beef prices across the board. Next, there is a growing popularity of barbecue concepts and tastes across the country. But it was the trend in increased barbecue offerings by quick service restaurants that explain why brisket prices outpaced the rest of the beef complex. Brisket prices are 57.86% higher than they were to start 2013, clearly more than the 14.81% to 37.89% range seen on the main rib, chuck, round and loin primal *(chart 2)*.

Brisket prices have advanced at a faster pace than other beef items for a number of reasons. Mainly responsible were these new product offerings and innovative ways to market them to the consumer. The success of this trend should not be ignored. UB

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

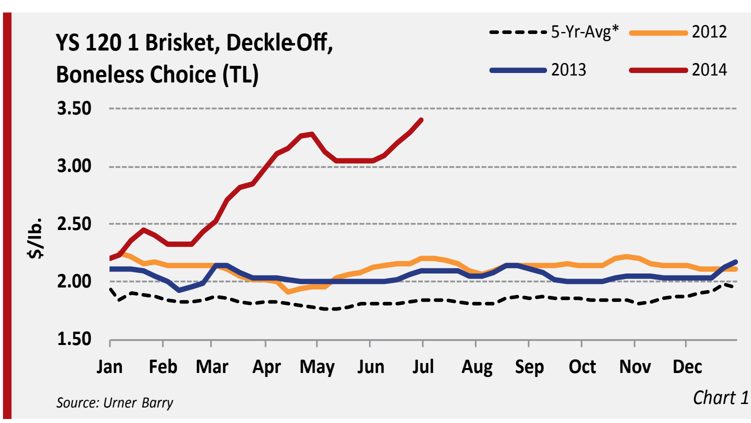


Chart 1

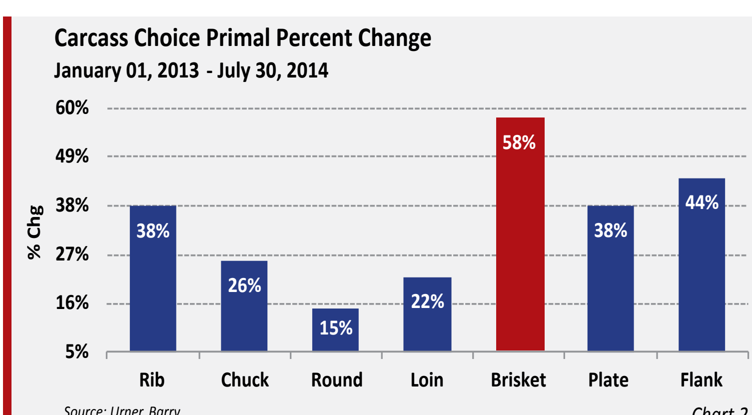


Chart 2

Food security

Continued from page 1

contaminants if a rigorous protocol of food safety practices is implemented from the farm to the center of the plate.

GROUND ZERO

Ground zero is at the farm. This is where it all begins and animal health is of upmost importance. Todd Hurst, Corporate Food Safety Manager, Farbest Foods, says it's important to understand the relationships that exist between animal health and food safety. To start, there are potential hazards present on the farm such as sharp wood or metal shards, glass or even wire from fencing or plastic from feeders can make their way into the processing process. Other than physical hazards, poultry can be vulnerable to chemical-based dangers such as pesticides, rodent baits, and cleaners as well as naturally occurring additives (mycotoxins) to feed which can put the birds' health at risk. Good farm management will minimize the chance of contamination and optimize bird health.

The use of in-process carcass sprays and inside/outside bird washers like the one shown here, can significantly impact the levels of bacteria on bird carcasses.
Photo courtesy of Farbest Foods.

The majority of on-farm production practices and controls are directed toward the health, welfare and economic performance of the animal. The control of pathogens happens to be a positive by-product of bird health initiatives. In the more vertically integrated processing operations, these best management practices may begin with animal genetics. Helen Wojcinski, Hybrid Turkeys' Science and Sustainability Manager told the National Turkey Federation's Leadership Conference in July that the selection of superior breeding stock is a key component in the process. By breeding the turkeys with the most stress and disease resistance for instance, the birds' own immune systems can provide additional safeguards against contamination. Also, introducing scientifically formulated feed designed to promote and maintain the health of the bird's immune system throughout grow-out helps control instances of pathogens colonizing in the bird's digestive track.

TRANSPORTATION CONTROLS

So, prevention begins at the farm; that much is clear. But what are processors doing to control contamination once the bird enters the plant for slaughter? Here, food safety programs tend to address what incoming influences or hazards associated with the process exist and minimize them to meet company, governmental (regulatory) and public health expectations.

First the live birds must be delivered to the processor. Here, transportation controls for the proper transfer of chickens and turkeys between farm and plant are important. One of the more common precautionary methods to help ease the transition of the birds between farm and processing facility is to provide transport that is as comfortable and stress free as possible. High levels of stress cause poultry to shed more salmonella through fecal material. During trucking the threat of cross-contamination multiplies so the goal is to keep hauls as short as possible. Stopping feed prior to catching and hauling birds helps by reducing gut contents and therefore the chance of cross-contamination through soiling. It's also said that this diminishes the chance for any contaminants to be present during slaughter and evisceration. Loading at night when the weather is cooler and when there is less light is also practiced and helps to keep the stress levels of the bird to a minimum.

HURDLE APPROACH

During processing, in addressing microbial hazards (pathogens) in particular, most poultry processors employ the "hurdle approach." This involves the use of multiple control steps and interventions located throughout the process. The premise is based on the fact that each hurdle reduces the levels of the organism of concern, and after passing over many hurdles, the organism is less likely to be present. Through the years, several steps have been identified as being particularly effective in controlling microbial hazards during slaughter and processing. They include but are not limited to:

- ✔ Limiting cross-contamination during the primary processing of the live animal, particularly during scalding, de-feathering and evisceration. Scalding is one of the most important processing steps with regard to controlling the prevalence of pathogens such as salmonella.

- ✔ Proper hygiene of employees and proper sanitation of equipment, surfaces and the environment during slaughter, fabrication and further processing of poultry and poultry products.

- ✔ The use of in-process sanitizers on belts and equipment, carcass sprays and inside/outside bird washers can significantly impact the levels of bacteria on carcasses and further processed products.

"The control of pathogens happens to be a positive by-product of bird health initiatives."

✔ Less obvious factors are nevertheless influences on the success of anti-microbial programs and sanitizing efforts. Water temperature and flow rates, along with PH levels or the type and size of the spray nozzle all influence the final outcome.

SHARING RESPONSIBILITY

Ensuring the safety of poultry, no matter where it comes from, is a responsibility shared by all industry stakeholders. The simple fact is that consumers cannot discern the safety of their food before buying it. But there is also more agreement than ever that food safety must be practiced at home. Outbreaks of food borne illness in poultry products are often the result of inadequate cooking, mishandling, or contamination in the home kitchen. Mr. Hurst explains that during the farm to table process sometimes all the protocol, diligence and money spent on ensuring food safety at the plant level, can be lost if the consumer doesn't play her role. "In the farm to the table process, the "table" is sometimes left out in my eyes. The beginning and middle of the process are severely scrutinized but rarely does it follow all the way to the consumer table." Eliminating risk at home is essential. A new consumer research study done by the University of California-Davis reveals that even where consumers consider themselves to be well-informed on food safety, many safe food preparation practices are overlooked. It was found that Americans rarely wash their hands (65 percent) and often under cook chicken (40 percent). The need for increased consumer food safety education is paramount. But that's for another story.

Any way you slice it, the consumer is counting on producers and processors to ensure the safety of their food. Only through strict adherence to regulations and salmonella performance standards, along with a strict protocol of inspection and preventive measures, will pathogen reduction and control be maintained. The poultry industry must stay ahead of the game and keep leading the charge in safeguarding the food we eat against harmful pathogens as the worldwide consumption of chicken and turkey continues to grow. UB

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USDA finalizes poultry inspection modernization rule

Revised modernization effort includes new preventative measures and re-focused inspection activities

On July 31, 2014 the U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS) added another hurdle in the pathogen reduction track. New requirements were mandated that poultry companies will have to meet to control salmonella and campylobacter. This New Poultry Inspection System (NPIS) is an updated science-based inspection system that positions food safety inspectors throughout poultry facilities in a smarter way.

"The United States has been relying on a poultry inspection model that dates back to 1957, while rates of foodborne illness due to *salmonella* and *campylobacter* remain stubbornly high. The system we are announcing today imposes stricter requirements on the poultry industry and places our trained inspectors where they can better ensure food is being processed safely. These improvements make use of sound science to modernize food safety procedures and prevent thousands of illnesses each year," Agriculture Secretary Tom Vilsack said.

FSIS will now require that all poultry companies take measures to prevent salmonella and campylobacter contamination, rather than addressing contamination after it occurs. Also for the first time ever, all poultry facilities will be required to perform their own microbiological testing at two points in their production process to show that they are controlling salmonella and campylobacter. These requirements are in addition to FSIS' own testing, which the agency will continue to perform.

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