

Meat Industry **INSIGHTS** Newsletter

Weekly **FLASH**

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Hard Core Industry News Without the Fat

Beyond Burger Is a Plant-Based Burger That Bleeds Like Meat

(mynorthwest.com) - A company called Beyond Meat is making a 100 percent plant-based burger called Beyond Burger, and its most salacious quality is that it bleeds like real meat. Full disclosure: the "blood" is actually beet juice. But the really interesting thing about this burger is how it's made.

CEO Ethan Brown isn't interested in making yet another run-of-the-mill veggie burger. He has a team of scientists trying to emulate the taste and texture of meat with plants.

"We start with the composition of meats," Brown said. "It's amino acids, it's lipids, there are trace amounts of carbohydrates and minerals and then there's 60 to 70 percent water. We then look at the architecture of meat and how are those five elements put together. What we're doing is taking those five core pieces and we're taking them from non-animal sources, we're taking them primarily from the plant kingdom. We're taking the protein, the fat and the water and assembling it in the architecture of meat. We are essentially providing a piece of meat, but just meat that's bypassed the animal and come directly from plants."

What sort of plants can substitute for the protein, fats and amino acids found in meat?

"We use a particular type of yellow pea. We are beginning to use fava bean, rice protein, camelina, mustard seed, all of these have great sources of amino acids. So it's just finding crops that have a high concentration of amino acids in them and then extracting those. That's the work we're doing on the protein side. On the fat side, we rely on coconut fat quite a bit."

An environmentalist, Ethan used to work the alternative energy field, developing fuel cells, but he realized that beef production was a larger problem, and one closer to his heart as an animal lover and vegan.

"So if you look at really what's driving the emissions on the climate front it's not necessarily just transportation. It's predominately livestock and that was the big, eye opening moment for me to realize that. The number one contributor to greenhouse gas emissions was in fact livestock. So I asked a simple question which was: Do you need an animal to create a piece of meat? After doing a lot of research I realized you don't need one. So I started to work on that and connected with some academics who are doing terrific work on this at the University of Missouri and started the company."

Brown is trying to reach meat eaters, to encourage people who love meat to lay off of a product that is environmentally harmful, unsustainable and not always humane to animals.

"I don't see a day when consumers are not going to be consuming meat. But I very clearly see a day when consumers will be consuming meat that comes from plants in increasing percentages to the point where you may no longer need the animal to create meat. So you're not going to get that if you're just serving quinoa and bean burgers. This is for people who love meat, love the meat experience, want to celebrate all the traditions around meat, whether it's barbecue or Thanksgiving."



Of course, vegetarians are also welcome to the Beyond Burger, but not all of them will be so keen on the fake blood effect. Beyond Meat's scientists are working on making the burger taste and feel more and more like meat, and Brown anticipates it will only continue to improve. ■

Feedstuffs Meat Price Outlook: July 25, 2017

(feedstuffs.com) - The U.S. continues to produce more hogs and pork than ever before. Here's a quick outlook.

Beef: The U.S. Department of Agriculture's "Livestock Slaughter" report for June was released July 20 and confirmed another month of greater total beef production and disproportionately larger total cattle slaughter volumes. Federally inspected slaughter was up 5.7% year over year, while total beef production was up just 4% from 2016. Lighter carcass weights continue to be the catalyst to reductions in total beef production, coupled with larger exports of fed beef supplies, which are up 15% year to date (or 178.29 million lb.). This has pared total domestic fed beef supplies to just under 3% versus the 2016 level, while total fed beef production is running nearly 4.2% over a year ago through the first half of 2017. The monthly USDA "Cattle on Feed" report came in well over expectations, with placements up 116% and marketings up 104%, leaving an on-feed number 104% larger than a year ago. The largest placement increases came in Texas, Nebraska, Kansas and Colorado, which were up 18%, 16%, 13% and 19%, respectively. Larger supplies of market-ready cattle now extend well into the winter time frame, pressuring fed cattle prices lower into the \$104-106/cwt. area, down from initial expectations near \$110/cwt.

Pork: Year-over-year pork production increases have been the story for the last 16 months. The U.S. continues to produce and process more hogs and pork than any other time in history, while the industry continues to think that prices will be forced lower as supply economics should be driving it downward. With the rising prices completely taking many by surprise, the rationale invariably leads to a theory of stronger demand. In reality, the situation has a lot to do with near-term supplies that are tighter versus the prior year than three months ago. Third-quarter supplies may be above the prior year by only less than 2%, with the next few weeks being possibly very tight. The production increases are set to continue increasing, but not until after August.

Poultry: There is no doubt, when looking at the production side of the broiler industry, that analysts' expectations have not been met in terms of the advancement of supplies throughout the first six months of 2017. In recent weeks, integrators have been faulting hatchability of leading supply hatchery operations, and for the most part, the notion is conceivable, believable and deemed representative of a real issue that will place the industry at a disadvantage compared to the rather robust hatchability rates the industry has enjoyed in recent years. In view of the relationship between the number of chicks placed into supply flocks as a percent of eggs placed in incubators, the three weeks prior averaged 81.5% during the first quarter and 81.6% during the second quarter. Industry observers are hearing more and more that the issues will be resolved by the fall period. It appears that the top five broiler chick producers are currently advancing placements roughly 2.1% versus a year ago. It is yet to be seen if this trend will continue through the remainder of the summer. ■

Amazon Meets With Ranchers to Expand Organic Meat Distribution

(Reuters) - Amazon (AMZN) plans to meet with a dozen U.S. ranchers, seeking to expand distribution of organic and grass-fed meats as it takes over Whole Foods (WFM), according to the meeting's organizer.

Analysts and investors have speculated that Amazon is aiming to combine its expertise in order fulfillment with the grocer's facilities to build out delivery of fresh food, but the online retailer has not yet detailed its plans.

Amazon visited Georgia grass-fed meat producer White Oak Pastures in March, 2-1/2 months before announcing the \$13.7 billion Whole Foods takeover, to discuss a possible distribution deal, White Oak owner Will Harris told Reuters.

The retailer later asked the farmer to invite other U.S. livestock producers to discuss distribution of organic and grass-fed meat, Harris said.

Amazon declined to comment.

"We are excited about exploring possibilities with them," Harris said. "It suggests that this niche in the market is becoming mainstream enough that they feel their delivery system might have traction with it."

U.S. sales of organic meat and poultry, worth \$991 million, climbed 17% last year, marking its fastest-ever annual growth, according to the Organic Trade Association (OTA).

White Oak and some of the other meat producers invited to the Atlanta meeting already sell to Whole Foods, Harris said.

The meeting between producers and Amazon was confirmed by Carrie Balkcom, executive director of the

American Grassfed Association.

White Oak workers pack frozen beef, duck and lamb into boxes at the Bluffton, Georgia ranch for couriers to pick up twice a day.

"I'm just certain that Amazon is better at it than us," Harris said. "I'm a farmer and they're logistics people."

The ranch sells about \$2 million worth of meat online annually, making up its fastest-growing segment and 10% of total revenues.

"I sell a very niche product," Harris said. "I think Amazon will add a whole other dimension."

Amazon's expansion in organic products through Whole Foods bodes well for the sector, said Nate Lewis, farm policy director at OTA.

"If Amazon can apply its efficiencies of scale to the Whole Foods Market segment, and pass along those savings (to consumers), I would not be surprised to see more growth in the protein side," Lewis said.

But some organic farmers worry that Whole Foods under Amazon might import meat from lower-cost producers rather than buy U.S. supplies. "It could be as bad as shutting us out or as good as expanding the market," said Mark Smith, whose Aspen Island Ranch is not involved in the meeting. Smith's ranch is part of a Montana co-operative that sells organic grass-fed beef to Whole Foods through a third party. ■

America's Lust For Bacon Isn't Letting Up, Pushing Pork Belly Prices Up 80%

(marketwatch.com) - A national craving for bacon is pushing U.S. pork-belly prices to record highs.

Prices for the part of a hog used to make bacon have risen around 80% this year, while frozen reserves are at a six-decade low. Americans bought around 14% more bacon at stores in 2016 than in 2013, according to market-research firm Nielsen.

"The consumer has simply woken up to the joy of having bacon on more and more things," said Arlan Suderman, chief commodities economist at INTL FCStone in Kansas City, Mo.

Once considered a more unhealthy byproduct of a hog compared with prized cuts like pork chops and tenderloin, bacon has become a guilty pleasure amid a broader embrace of fatty meats. In the past decade, bacon has popped up on menus far from BLT's and breakfast specials. The craze has gained pace this year.

Fast-food chain Arby's Inc. last month introduced a series of "triple thick" bacon sandwiches. Brooklyn-based eatery Landhaus serves maple bacon on a stick. And bacon-themed summer festivals have sprung up in cities across the country. ■

Kansas State University Meat Scientists Looking at New Ways to Preserve Bacon

MANHATTAN, Kan. (Nebraska Rural Radio Association) – Can a simple antioxidant bring more sizzle to American's love affair with bacon?

Kansas State University researchers think so, and they're setting off on a project to figure it all out.

Meat scientists have known for a long time that meat develops an off flavor the longer it sits, even if you have it refrigerated. Kansas State University meat scientist Terry Houser said the fat in meat deteriorates over time, a process called oxidation because it is caused by the interaction of oxygen with the meat product.

"We know that bacon has a problem with oxidation over time," Houser said. "So what we're trying to do is look at classes of antioxidants that we can use to stabilize that fat."

Bacon purchased in a grocery store is less susceptible to oxidation because retail meat often is vacuum packaged. However, Houser and his colleagues are looking specifically at bacon that is packaged for the food industry.

"If you're a local restaurant owner, you would most likely buy bacon in what we call an HRI, or hotel/restaurant/institutional form of bacon," he said. "The slices of bacon are laid flat on a single sheet of paper and stacked in a box, with no vacuum packaging. They usually arrive to the store frozen in 5- or 10-pound boxes."

The challenge, Houser said, is to add antioxidants to the frozen products so that they last longer and yet maintain the flavor that customers so desire.

"Anytime we have to throw product out of the freezer is a bad deal," Houser said. "You increase your plate costs in a restaurant scenario. We really want to minimize those losses in the bacon area."

Kansas State's work will focus on adding natural antioxidants found in smoke and plant extracts that can be most effective in preventing oxidation in bacon. Then, Houser said, they will determine how long the antioxi-

dants work and what concentrations are optimal.

In thinking of a pork product, Houser likened bacon to the ribeye steak in a beef carcass, in terms of the value it carries in the carcass.

"So it would seem that we would want to do our very best to make sure our customers come back and eat bacon time after time," he said.

The university's research is funded by the National Pork Board. ■

Meat of the Matter: How Sweet it's Not

(cattlenetwork.com) - Is there a single artifact of modern society more demonized than fast food?

Not counting "fake news," of course.

Nutritionists decry our love affair with burgers and fries, judging them to be too fat, too salty, too calorie-laden for anything other than occasional (meaning, almost never) consumption by consumers.

Consumer groups condemn both the ingredients and the system of production that makes it possible for burger chains to offer "cheap" (and unhealthy) food to the masses, although these days, the notion of an inexpensive fast food meal is something of an endangered species.

Animal activists, of course, hate the fact that millions of people on any given day are wolfing down hamburgers, cheeseburgers, double and triple burgers, bacon burgers, bacon cheeseburgers, bacon double cheese burgers, jalapeno double cheese burgers, Whoppers, Big Macs and Grand Macs.

There are even environmental advocates who specialize in attacking fast-food operators, bashing on the existence of drive-thrus, the amount of food waste and the (allegedly) excessive leading chains' consumption of energy and resources. This includes one ironically titled group from the '90s called WARPED (Warriors Against Ridiculous Packaging and Environmental Destruction), whose members would collect fast-food containers, wrappers and cups that ended up as litter, then drag a big plastic bag of the stuff into a local outlet and beat a hasty retreat.

The fast-food industry is truly an equal opportunity offender as far as many advocacy types are concerned. But maybe they've been picking on the wrong culprits on the menu board.

A Cascade of Effects

According to a new study, although it's hardly new information, consuming a sugar-sweetened beverage with a high-protein meal creates a plethora of negative effects, including disrupted energy balance, altered food preferences and accelerated conversion of simple carbohydrates into adipose tissue.

In other words, you end up consuming excess calories, developing a craving for sugar and packing on extra body fat you don't need.

The study, titled, "Postprandial energy metabolism and substrate oxidation in response to the inclusion of a sugar- or non-nutritive sweetened beverage with meals differing in protein content," and published in the journal BMC Nutrition, was conducted by Dr. Shanon Casperson from USDA's Agricultural Research Service-Grand Forks Human Nutrition Research Center.

"We found that about a third of the additional calories provided by the sugar-sweetened drinks were not expended, fat metabolism was reduced, and it took less energy to metabolize the meals, Casperson said in a report published on the Medical Xpress website. "This decreased metabolic efficiency may 'prime the body' to store more fat."

Ya think?

Casperson and the research team found that drinking a sugar-sweetened beverage increased the amount of energy used to metabolize the meal, and the increased expenditure did not even out the consumption of additional calories from the drink.

"We were surprised by the impact that the sugar-sweetened drinks had on metabolism when they were paired with higher-protein meals," Casperson said.

I'm not.

Sucking down soda is the single worst dietary habit in existence. It most certainly affects caloric balance, distorts taste sensitivity and apparently has a surprising effect on metabolism.

Not to mention that if you're a fast-food hater, you really should be taking your ire out on the soft drinks, not the sandwiches.

Because also not surprising: That's where they make their money. Most of the profit in running a quick-service restaurant is selling sucker-- uh, I mean patrons -- those giant cups of sugar-sweetened beverages. The old adage about the cups costing more than the drinks is still true, so filling up on soft drinks not only packs unwanted pounds on the customer, it puts unnecessary profits into the pockets of the franchise owners.

What's worse, Casperson noted that the study was conducted among "healthy weight adults" only. If you're overweight, your results may differ.

Editor's Note: The opinions in this commentary are those of Dan Murphy a veteran journalist and commentator. ■

JBS Renegotiates Bank Debts

SÃO PAULO, Brazil (meatpoultry.com) – JBS SA has reached an agreement with lenders to preserve credit lines representing R\$20.5 billion of debt, or 93 percent of the principal amount that JBS acquired from financial institutions in Brazil and abroad.

During a period of 12 months, JBS Brazil will continue paying interest incurred under the terms of the original contracts, as well as four installments of 2.5 percent of the principal owed, with the first installment due upon initiation of the agreement and the remaining in 90, 180 and 270 days, respectively.

"If certain liquidity events occur, such as the sale of equity interests, with the exception of the sale of the beef operations in Argentina, Paraguay and Uruguay announced to the market on June 6, 2017, JBS Brazil will amortize the indebtedness underlying such Agreement in an amount equivalent to 80 percent of the net proceeds from such liquidity events," the company said in a securities filing.

Additionally, JBS reached an agreement with Itaú Unibanco Group that provides for the renegotiation of R\$1.2 billion of debt. Forty percent of the total debt will be paid as originally contracted and the remaining 60 percent will be renewed, under original conditions, for 12 months from the originally stipulated maturities, JBS said.

"The terms of the Agreements will ensure the financial liquidity and regularity of JBS' operations, as they allow for the stabilization of short-term indebtedness and the preservation of the bank's agreements in their original conditions, which is necessary to ensure the stability of JBS' financial profile," the company explained. ■

Animal Welfare Groups Protest HIMP in Pork Plants

WASHINGTON (meatpoultry.com) – Animal welfare organizations urged the US Dept. of Agriculture not to adopt the Hazard Analysis and Critical Control Point (HACCP) Inspection Models Project (HIMP) for pork processing.

The Animal Welfare Institute (AWI) and the American Society for the Prevention of Cruelty to Animals (ASPCA) condemned the program as detrimental to the welfare of pigs. "While the food safety effects of the proposed change have been publicly debated for some time, the impact of HIMP on the pigs themselves has received far less attention," the organizations said in a joint statement. "The ASPCA and AWI oppose HIMP due to the negative impacts of higher slaughter speeds on animal welfare."

The groups said HIMP jeopardizes pig welfare in three ways:

Under the demands of the proposed rule, plant workers may be pressured to move animals at a faster rate, from the time the pigs arrive at the slaughterhouse to the time they are slaughtered.

The proposed rule would shorten the length of the stun used to render pigs insensible to pain before slaughter. The proposed rule would prevent plant workers and government inspectors from being able to identify pigs who have not been adequately stunned and are still conscious on the processing line.

The program already is available for poultry processors. Employees at slaughter plants would be responsible for checking carcasses for visual defects and sorting out those that are unlikely to pass federal inspection. A federal inspector would be stationed at the end of the line to conduct a final visual inspection.

Meanwhile, other USDA personnel work off the line to ensure that the plant is meeting pathogen reduction targets and its HACCP program.

HIMP allows processors to run their evisceration lines at higher speeds. The animal welfare groups said under this model, line speeds in pork plants would rise to 1,300 pigs slaughtered per hour from 1,000. But USDA has said HIMP will reduce the risk of foodborne illness by allowing FSIS personnel to focus on food safety testing and other activities related to foodborne illness prevention. ■

Hormel Launches Snack Packs With Meat, Cheeses And Nuts

(Star Tribune) - Hormel Foods has rolled out a new snack, a meat-cheese-and-sweet item under its Natural Choice meats brand.

The Austin, Minn.-based company branched off into snacking — a hot consumer trend — in 2013 with sandwiches and wraps, and followed that up in 2015 with peanut butter snacks under the Skippy label.

Hormel formally unveiled its Natural Choice snacks last week, though they have been in some stores since May. Hormel's preservative-free Natural Choice line, which debuted in 2005, includes deli meats, bacon and Canadian bacon.

The Natural Choice snacks come in four varieties, each in 2-ounce packs containing ham, turkey or chicken paired with white Cheddar cheese and either pretzels, almonds or blueberries covered in chocolate. Their retail price is \$1.50 to \$2.00.

Andrew Quinn, a Hormel brand manager, said the new Natural Choice snack line is "complementary" to Hormel's Rev snacks, which are meat and cheese sandwiches and wraps. About a year ago, Hormel also launched Rev Bites, mini-sandwiches that come four to a pack.

"Rev has been a great line for us and we felt that, based on consumer trends, Natural is a great expansion line," Quinn said.

Hormel also seems to have done well with Skippy P.B. Bites. However, Spam Snacks, a dried, bite-sized version of its classic Spam, survived less than a year. ■

Why Google Wants Everyone to Eat Less Meat

(Men's Health newsletter) - Google has already made their commitment to sustainability a top priority. If you look at their website, you'll see projects that tackle illegal fishing, air pollution, and deforestation to name a few. But the company wants to decrease their carbon footprint even more by changing the way their employees think about one food in particular: meat.

Google's Sunnyvale campus has 14 different employee cafes that are each doing their part to decrease the amount of meat they serve on a daily basis. Research shows that raising livestock for meat, dairy, and eggs is responsible for 14.5 percent of global emissions. Additionally, since beef has the highest carbon footprint of any meat, Fast Company reports that Google is trying to reduce the amount of beef each employee consumes over other types of meat.

However, animal-protein is a complete source, containing the correct amount of essential amino acids our bodies can't synthesize on their own.

"It's possible to build complete protein from plant-based foods by combining legumes, nuts, and grains at one meal or over the course of a day. But you'll need to consume 20 to 25 percent more plant-based protein to reap the benefits that animal-derived sources provide," Mark Tarnopolsky, M.D., Ph.D., told Men's Health. "And beans and legumes have carbs that make it harder to lose weight."

Google isn't trying to guilt-trip staffers into going for vegan options right away—the company understands that few people are willing to make the jump from beef burgers to mushroom burgers right away.

"It's moving people along a continuum, whether people are eating red meat every day and you ask them to start eating a little more white meat, or they're already on a white meat kick and it's a little bit more seafood, or moving even further along to alternative proteins or produce," Scott Giambastiani, Google's global food program chef and operations manager, told Fast Company.

So in an effort to get people thinking about what they're eating, Google began developing plant-based "power dishes" back in January. The most popular recipe? A vegan taco that was taste-tested and approved by the company's employees.

The tortilla, made from quinoa and broccoli, is filled with kimchi and Korean-spiced sautéed mushrooms, then topped with an avocado-cashew cream. It even won the grand prize at a competition on June 28, where dishes were judged based off its nutritional value, low greenhouse gas emissions, and overall taste.

And for non-Googlers who would like to give it a try, the winning taco recipe—along with other dishes from the competition—will be available on World Resources Institute's website in September. ■

United States Cattle on Feed Up 4 Percent

(USDA NASS | July 21, 2017) - Cattle and calves on feed for the slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.8 million head on July 1, 2017. The inventory was 4 percent above July 1, 2016. The inventory included 6.96 million steers and steer calves, up 1 percent from the previous year. This group accounted for 64 percent of the total inventory. Heifers and heifer calves accounted for 3.86 million head, up 11 percent from 2016.

Placements in feedlots during June totaled 1.77 million head, 16 percent above 2016. Net placements were 1.71 million head. During June, placements of cattle and calves weighing less than 600 pounds were 375,000

head, 600-699 pounds were 315,000 head, 700-799 pounds were 430,000 head, 800-899 pounds were 385,000 head, 900-999 pounds were 170,000 head, and 1,000 pounds and greater were 95,000 head.

Marketings of fed cattle during June totaled 1.99 million head, 4 percent above 2016. Other disappearance totaled 56,000 head during June, 8 percent below 2016. United States All Cattle on Feed Up 6 Percent from 2015.

Cattle and calves on feed for the slaughter market in the United States for all feedlots totaled 12.8 million head on July 1, 2017. The inventory was up 6 percent from the July 1, 2015 total of 12.1 million head. Cattle on feed in feedlots with capacity of 1,000 or more head, accounted for 84.5 percent of the total cattle on feed on July 1, 2017. This is down 0.1 percent from 2015. ■

KFC Won't Let Franchisees Serve Halal Meat, and Now One is Suing

A KFC franchisee in Chicago is suing the chain after being told he cannot serve halal buckets of chicken.

Afzal Lokhandwala owns and operates eight KFC stores in the Chicago area, and says he's been serving certified halal chicken for more than a decade, according to Courthouse News. Now, however, KFC is enforcing a policy the company says it's had in place since 2009, which prohibits franchisees from making religious claims about the chain's food.

But Afzal claims KFC failed to include notice of such a policy in its franchisee agreement; he says it wasn't until 2016 that the company notified him he was in violation of the policy, at which point KFC had been knowingly allowing him to serve halal chicken for 14 years, even assisting him in locating halal meat distributors.

For meat to be considered halal, it must not come from a forbidden animal (such as a pig), must be slaughtered in a particular way (involving a cut to the throat), and all the blood must be drained from the carcass.

"Thousands of Muslims within the Chicago metropolitan area eat at Plaintiffs' restaurants because they know Afzal is Muslim and the restaurants sell Halal chicken," the lawsuit states. Afzal says that if he's no longer allowed to serve certified halal chicken, he'll lose his Muslim customer base and will likely be forced to close four of his eight locations, putting as many as 80 people out of jobs.

Reached for comment via email, a spokesperson for KFC provided the following statement:

"While we cannot comment on the specifics on ongoing litigation, KFC values its customers and franchisees of different faiths. We recognize that many of our valued customers have specific dietary requirements associated with their religious beliefs. Unfortunately, we are not able to make religious claims, such as Halal or Kosher, about KFC products at this time. There are two barriers that we are not able to overcome. First, there are different interpretations of these terms within the same religious faith. Second, KFC cannot certify that in-restaurant preparation and cooking processes meet religious guidelines, for example restricting contact with non-Halal or non-Kosher food." ■

Survey Shows That Most Americans Want Origin Information Back On Meat Labels

(consumeraffairs.com) - Shoppers are becoming increasingly conscious about what ingredients are in the foods they buy and where the products come from, and now it seems that many are pushing for even more information.

According to a survey conducted by the Consumer Federation of America (CFA), 89% of Americans are either strongly or somewhat in favor of requirements that would force food sellers to indicate the country of origin on fresh meat labels. Additionally, 88% of respondents said they'd like to see more specific information on where the animals were born, raised, and processed.

"These results demonstrate that U.S. consumers continue to strongly support country of origin labeling," said Thomas Gremillion, Director of the Food Policy Institute at Consumer Federation of America.

More information

Country of origin labels (COOL) have had a checkered past in the U.S. In 2002, Congress mandated that certain meats, poultry, vegetables, fruits, and nuts have the information on their labels. Those same rules were expanded in by the USDA in 2008, but other countries did not look at them so favorably.

Both Canada and Mexico challenged the COOL law at the World Trade Organization (WTO), arguing that the law was a barrier to trade. WTO eventually upheld the U.S.' right to require country of origin labeling, but it found that the existing regulations imposed too much of a cost on imported livestock and meat.

The USDA crafted new regulations in response to the ruling, but WTO said that they still acted as unlawful trade barriers. Finally, in 2015, congressional leaders voted to repeal the regulations. However, the results of this

latest survey indicate that the majority of Americans want them reinstated.

"We urge the Administration to include country-of-origin labeling in its renegotiation of the North American Free Trade Agreement," said Gremillion. "Canada and Mexico should agree to withdraw their lawsuit in the WTO and allow USDA to once again require food sellers to provide this information."

The survey was conducted by ORC International between July 20 and July 23 and had a margin of error of plus or minus 3%. The full results can be seen here. ■

Drought Forces South Dakota Ranchers to Buy Hay or Sell Cattle

BLACK HILLS, SD (Black Hills Pioneer) - The drought that has been drying out the pastures in north-central and western South Dakota is forcing some ranchers to bring their cattle to auction early this year. Ranchers are looking for ways to compensate for the lack of good grazing areas and for many, the choice has come down to either providing feed for their cattle, which is usually not necessary in a normal summer, or selling them.

Thor Roseth of the Belle Fourche Livestock Auction said he's been seeing an increase in the total numbers of cattle being sold over the past month.

Is there a connection between the higher numbers of cattle going through the sale ring and the drought? "Absolutely," said Roseth.

The effect that Roseth said he is seeing is that many cattle producers are bringing their cattle to market early.

"Cattle that normally have been sold in September are now being sold in June and July," said Roseth.

In addition, the drought has been causing an increase in the price of hay.

Hay prices are directly following the drought, said Roseth. Good alfalfa hay is now selling for about \$150 to \$160 a ton. That's an increase from what it usually is in some areas. Good hay is also getting harder to find. Some cattlemen have been going as far as Nebraska to find sources for hay.

Wade Chapman has been grazing cattle near Bison. He said it's possible to get hay out of Nebraska, but the cost of shipping hay for hundreds of miles adds to the already high price. Chapman said he hasn't been forced to sell any cattle yet, but it may become necessary soon.

"I have some neighbors who have been selling," said Chapman.

The pressure on ranchers to sell begins to build when the grass gets short and cattle begin to lose weight.

"I might have to sell some of them if it stays dry," said Chapman.

Some ranchers are selling off marginal livestock such as older cows first, and trying to hang on to younger cows and weaned calves as long as they can. But some are selling cow-calf pairs. Usually the sale barns see almost no cow-calf pairs this time of the year.

At the end of last month, the U.S. Department of Agriculture authorized emergency grazing on conservation land in Montana and the Dakotas. Unless conditions improve, that authorization will stay in effect until the end of September.

Also last month, Gov. Dennis Daugaard issued an emergency drought declaration and activated the state Drought Task Force to monitor drought conditions in the state. The task force will also exchange information on the extent of the drought and its impact on economic sectors such as agriculture. Daugaard also authorized the cutting of state highway ditch grass by farmers and ranchers for use as hay.

State Climatologist Laura Edwards said she doesn't expect conditions to improve much in the near term.

South Dakota Fire Meteorologist Darren Clabo said the outlook for July is moderate to severe drought conditions spreading across the region. Soil conditions are very dry, he said, and pasture conditions in the drought-affected areas are largely poor to very poor in north-central and northwestern South Dakota.

According to the U.S. Drought Monitor July 11 update, 72 percent of South Dakota is seeing moderate drought conditions or worse. Nearly 11 percent of the state is experiencing extreme drought conditions. That area of extreme drought now extends from McPherson County in the east to the edge of Harding County in the west, and from the North Dakota border nearly as far south as Pierre. The area of severe drought is now affecting 42 percent of the state and covers most of the central and northwestern portions, including most of Meade County, nearly half of Butte County, and all of Harding County. ■

Market Highlights: Dog Days Not Hurting Cattle Prices

(University of Tennessee: July 17, 2017) - Fed cattle traded \$2 higher on a live basis compared to last week. Prices on a live basis were mainly \$119 to \$121 while dressed trade was mainly \$189 to \$191.

The 5-area weighted average prices on July 13 were \$119.48 live, up \$1.96 from the previous week and \$190.08 dressed, down \$2.21 from a week earlier. A year ago prices were \$117.00 live and \$187.42 dressed.

With a shock of good fortune feedlot managers were able to get a few more dollars out of cattle last week. It would be an overstatement to say the price increase this week was a surprise, but a steady price compared to last week was the more likely expectation.

The dog days of summer generally result in fed cattle prices softening during late summer, but the market may be indicating the rapid decline in prices the past few weeks was a little overzealous. Traders in the futures market have no clue where prices are going as most contracts from August through April have been trading within a dollar of each other. Live cattle prices could see further softening, but downside risk is minimal. Prices will firm in late fall and heading into winter.

BEEF CUTOUT: In mid-July, the Choice cutout was \$209.25 down \$0.60 from earlier in the month and down \$8.73 from the previous week. The Select cutout was \$195.40 down \$1.86 from a week ago and down \$8.16 in two weeks. The Choice Select spread was \$13.85.

The softening of wholesale beef prices continued this week as middle meats continue to collapse following the major summer grilling holidays. Wholesale middle meat prices have declined 25 to 30 percent since their summer peak price. The seasonal trend is for middle meat prices to continue losing ground through the summer and early fall months.

Alternatively, end meats have been less of a detriment to wholesale beef prices. Most end meat cuts have lost ground relative to early summer prices, but they are a primary source of support for wholesale prices. The Choice cutout price has declined \$40 in four weeks while the Select cutout price has declined \$24 over the same time period.

This seems like a huge price decline that would negatively impact packer margins. Such a downturn has negatively impacted packer margins, but packers are now paying \$23 less per hundredweight on a dressed basis for live cattle than they did four weeks ago. The decline in finished cattle prices has provided significant cushion for packers.

OUTLOOK: Weekly auction market report information was back in play last week for Tennessee livestock markets. Steers were \$3 to \$7 lower than prices two weeks ago while heifer prices were \$1 to \$6 lower than the last week of June. The price decline on weekly auction markets over the past two weeks seem to have come during a transition time period as feeder cattle futures have gained more than \$9 last week. The market appears to be readying itself for seasonal strength through the back half of July and the early part of August.

The market is offering producers a favorable opportunity to market animals in the near term. Even if cattle are not ready to leave the farm, producers should consider selling them for a future delivery date as the upside potential may be small for cattle that will be marketed between now and the end of November.

From a stocker and backgrounding standpoint, the value of gain on recently purchased animals reaches as high as \$1.23 per pound for cattle that will leave the farm in November. Such a high value of gain provides significant room for error on the sale price and achieving profits.

This same value demonstrates great potential for backgrounding home raised animals. Looking a little farther into the future, producers should already be considering the marketing and purchasing of this year's spring born calf crop. For cow-calf producers, the market continues to look favorable to growing those animals through the first of the year.

Similarly, from a stocker standpoint, the value of gain is currently just shy of \$1.20 for animals purchased in November and carried through April. It is difficult to look this far into the future and guarantee a value of gain. However, the market looks to currently be offering a favorable opportunity for adding weight at home.

Producers should stay tuned to the current situation and stay apprised of market changes. Shifts in value of gain can occur quickly, and producers need to be prepared to pull the trigger when expected profit margins are strong. ■

US Poultry Exports Forecast to Fly Higher

(joc.com) - Robust demand is expected to push US poultry export volume higher this year in a global market roiled by outbreaks of avian influenza and trade restrictions.

Containerized exports of US poultry rose 3.3 percent year over year through May after an 8.5 percent increase in 2016 to 165,738 TEU, according to PIERS, a sister product of JOC.com.

However, volume still hasn't fully recovered from an 18.7 percent plunge in 2015 after an outbreak of avian influenza prompted numerous countries to ban or restrict US poultry. Last year's US containerized exports were 16 percent below their 2012 total of 197,936 TEU. A strong dollar also has weighed on exports.

The US Department of Agriculture (USDA) forecasts that total US exports of chicken broiler, which accounts for most volume, will rise 4 percent this year. The USDA numbers include overland shipments to Mexico and Canada, the top two destinations for US poultry exports.

Mexico was a negligible market for US poultry before enactment of the North American Free Trade Agree-

ment (NAFTA), but accounted for 21 percent of US poultry exports last year. Canada has a 5 percent share.

Poultry industry groups worried earlier this year when President Donald Trump proposed canceling or re-negotiating NAFTA, but now they appear to be breathing easier. "We're confident there will be no disruption. We've been given assurances by the Trump administration that they intend to do no harm to exports to Mexico," said Jim Sumner, president of the USA Poultry and Egg Export Council.

Global demand for poultry has been growing, driven by increased appetite for low-cost animal protein in developing countries. The USDA forecasts that global exports of broiler meat this year will rise 4 percent, to 11.2 million tons.

The United States annually ranks a strong No. 2 to Brazil in poultry exports. Together, the two countries generate two-thirds of global poultry exports. The USDA forecasts that Brazil's broiler-meat exports will rise 10 percent this year, to 4.3 million tons, despite a short-term disruption from an inspection scandal, while US exports hit 3.1 million tons.

This year, US producers are sweating out a limited outbreak that has affected a commercial flock in Tennessee. They hope the Aug. 11 end of a 90-day cleaning and disinfecting period will provide an all-clear signal that encourages China, South Korea, and other countries to resume US imports.

Unlike in 2015, when many countries imposed nationwide bans on US exports, a number of this year's import bans have been restricted to US regions where an outbreak has been confirmed. "The response from our trading partners has been much more measured this time," Sumner said.

Several other poultry producers, including China and the European Union, also have been affected by avian influenza, in some cases more severely than the United States. The USDA forecasts that broiler meat exports from the European Union will decline 8 percent this year, to 1.2 million tons.

"Some export partners who typically look to the EU for chicken have increased purchases from the United States as a result of the presence of avian influenza in Europe," Joe Sanderson, CEO of Sanderson Farms, the third-largest US poultry company, told analysts recently.

The largest market gains have been by Brazil, which so far has been unaffected by avian influenza. However, Sumner noted that market overlap between US and Brazilian exports is limited. For example, Brazil is the top supplier to Japan, where consumers prefer de-boned chicken. Most US chicken is bone-in. Mid-eastern countries like Egypt prefer small, whole birds, not the parts that dominate US production.

One of the fastest-growing regions for US poultry exports is West African nations such as Angola, where energy production has increased demand. Africa was the top overseas destination for US containerized poultry exports during the first five months of this year, with a 33.5 percent increase to 12,311 TEU.

Most poultry exports have shifted from breakbulk to containers, except for a few markets such as Cuba, where the government controls cargo bookings, and parts of West Africa. Reasons are the same as for other commodities: lower costs, improved control, and the flexibility to ship in smaller, more frequent quantities.

New Orleans Cold Storage (NOCS) warehouses at Houston and Charleston now use containers for all exports. The company's dockside warehouse at New Orleans once handled four or five breakbulk vessels a month, but now has one every few weeks, NOCS vice president Jim Henderson said at the JOC's recent Gulf Shipping Conference.

Availability of empty reefer containers has been a problem for some US poultry exporters. Carriers say poultry exports generally command lower rates than other refrigerated cargoes such as fresh fruit, whose shippers will pay a premium for fast transits.

The top carriers of US poultry exports are 2M Alliance partners Mediterranean Shipping Co. and Maersk Line. Their 2016 volumes — 38,632 TEU for MSC and 36,897 TEU for Maersk — were far above those of NYK Line, a distant third with 8,371 TEU, PIER'S figures show.

Among US ports, Savannah has dominated poultry exports for years. Aided by its location in the top US poultry-producing state, the Georgia port's 2016 export volume of 63,209 TEU was more than triple that of second-ranked New Orleans, which was followed by Charleston and Virginia. ■

Perdue Farms Announces Animal Care Improvements

SALISBURY, Md. (meatpoultry.com) – Perdue Farms has announced that it will elevate the welfare of its chickens and promised to meet the growing concerns of its customers and consumers for poultry raised to higher welfare standards.

The company's announcement was part of its Animal Care Summit, a gathering of global animal care experts, advocates, researchers and farmers.

"We know that trust is earned by responding to consumers and other stakeholders, and that includes a willingness to make significant changes," said Jim Perdue, chairman of Perdue Farms. "It's not easy, and it requires commitment, resources and time. But people expect more from Perdue, and we have to keep improving."

Perdue has also promised its customers a sustainable supply of chicken that meets the criteria outlined in the "Joint Animal Protection Agency Statement on Broiler Chicken Welfare Issues." These are standards agreed upon by a coalition of nine advocacy groups as meaningful progress to address the main welfare concerns with broiler production.

"Major food companies are increasingly committing to treating chickens in their supply chains better. Perdue, with this announcement, becomes the largest poultry producer to ensure that this demand will be met," said Josh Balk, vice president of Farm Animal Protection at The Humane Society of the United States. "We applaud Perdue for focusing its improvements on the core areas of concern within the poultry industry and this holistic approach demonstrates all that's possible in creating better lives for billions of chickens."

Perdue's recent improvements include:

- Giving chickens more space, more light during the day and longer lights-off periods for rest
- Increasing the number of chicken houses with windows
- Continuing to study the role of enrichments in encouraging active behavior
- Raising and studying slower-growing chickens
- Moving to controlled-atmosphere stunning (CAS)
- Strengthening relationships with farmers

"We commend Perdue's commitment to meet the rapidly growing demands for higher welfare chicken. Not only is it the right thing to do for the birds but it's the right thing to do for the business given the certain direction of the market," said Leah Garces, executive director, Compassion in World Farming. "Their transformation and willingness to collaborate, be transparent and continually do better makes them a pioneer amongst poultry producers." ■

Is Pork Good For You? It's Complicated.

(Washington Post) - How does pork fit into a healthy diet? For the answer, more than reading between the lines, you need to read between the slogans.

On one side there is "Eat More Bacon," a cheer embraced by those rebelling against mainstream health advice who have either bought into an alternative all-you-can-eat approach to saturated fat or who want to snub wellness culture altogether. Emblazoned on T-shirts, throw pillows, bumper stickers and coffee mugs, the phrase has become more than a saying — it is a way of life.

On the other side, there is "The Other White Meat," one of the most memorable taglines in modern advertising, which, according to the National Pork Board's website, was designed to "dispel pork's reputation as a fatty protein" and promote it as lean, versatile and nutritious.

Both slogans compel you to put more pig on your plate, but depending on how you do it, that may or may not be a good idea.

Pork has more going for it nutritionally than you may realize. It is a powerhouse of essential vitamins and minerals — just three ounces of cooked lean pork covers you for more than a third of the daily requirement for thiamin, niacin, selenium and vitamin B6. Plus it is rich in vitamin B12, potassium, iron, magnesium and zinc. That palm-size amount of meat also gives you 22 grams of high-quality protein. Although I object to today's inescapable trend that equates the word "protein" with "healthy," there is no doubt that it is critical to get enough of the nutrient.

Research suggests that there are benefits, especially in maintaining muscle mass for those trying to lose weight and for older adults, to getting at least 1 gram of protein per kilogram of body weight per day, somewhat more than the official Recommended Daily Intake. (That translates to 0.45 grams per pound, which comes to 68 grams a day for a 150-pound person.) Although most adults, especially men, already exceed that higher number, about 8 percent of teenage girls and elderly people do not meet even their basic protein requirements. A nice pork chop could help.

Notice I specified "lean" when lauding the meat's nutritional benefits — that's because the leaner the cut, the more concentrated its healthy properties. As you get into fattier cuts and cured pork products like bacon and sausage, you dilute the benefits while piling on the calories, saturated fat and sodium. For comparison, consider the leanest cut of pork, the tenderloin, which is as lean as a skinless chicken breast. It has just 120 calories, 1 gram of saturated fat and 50 mg of sodium in three cooked ounces. The same amount of bacon has 466 calories, 12 grams of saturated fat and 1870 mg of sodium — more than half a day's worth of saturated fat and salt. Tenderloin and bacon come from a pig, but nutritionally speaking, they are two different animals.

In other words, "Eat More Bacon" may be fun on a retro-looking sign in your kitchen, but it's not a healthy eating strategy. Go ahead and embrace fat — you have my blessing on that — but the scientific evidence, and even the fine print in the work of some of the most ardent fatvocates, points to the fats from healthy oils, nuts, seeds and fish as the ones to focus on. The message was loud and clear in the presidential advisory from

the American Heart Association published in the journal *Circulation* last month: “We conclude strongly that lowering intake of saturated fat and replacing it with unsaturated fats, especially polyunsaturated fats, will lower the incidence of (cardiovascular disease).”

There are several pork cuts that are very low in saturated fat — seven cuts meet the Agriculture Department’s definition for lean or extra lean — and they generally have the word “loin” in their name. But a whole pig only has so much loin. If we were all eating just lean cuts, what would happen to the rest of the pig — the hock, the shoulder, the belly and more?

My solution (if you want to eat pork at all) is to veer away from the bacon gorgers and white-meat pushers and enjoy a balanced and conscientious whole-hog approach. That means having an occasional meal in which pork tenderloin medallions or other lean cuts take center stage, but also using fattier parts now and then, cooking them so you can render their fat out and/or using them as a flavoring element rather than a main course.

For example, if you cook some fatty pork shoulder a day before you plan to eat it, then chill the meat in the refrigerator overnight, skim off most of the fat the next day and you’ll have lean and luscious pulled pork for sandwiches or tacos. You can use the same technique with pork stew, which you can also load up with beans and vegetables. Pork bones and meat make for a deeply flavorful stock that can also be skimmed of fat. And although fresh pork is healthier than salted and cured, you can still use small amounts of bacon or sausage to season a big batch of kale or collards or a pot of beans. If it sounds like something your grandma might have done, that’s the idea.

Although pork can be a good choice, does that mean you should be eating more of it? For the answer, the critical question to ask yourself is “instead of what?” Many health-minded eaters who feel like they are going to start clucking if they eat more chicken are overjoyed at the good-for-you possibilities with pork. If you are getting out of a poultry rut by cooking a pork tenderloin, making a homemade pork stew instead of ordering pizza, or grilling marinated pork chops instead of your usual fatty beef ribeye, then you are on the right track. But although pork clearly has its pluses, most of us would benefit from getting more of our protein from plants (nuts, seeds and beans) and seafood. ■

CETA Offers Potential Benefits for Canada’s Red Meat Exporters

CANADA & EU (ThePigSite News Desk) - The Canadian Meat Council says, despite unresolved technical issues that could delay full access for Canadian beef and pork to Europe, the implementation of CETA offers tremendous potential for Canada’s red meat sector, Bruce Cochrane reports.

21 September has been set as the implementation date for the Comprehensive Economic and Trade Agreement involving Canada and the European Union.

Ron Davidson, the Director of International Trade, Government and Media Relations with Canadian Meat Council, says two key technical barriers, health mark labelling and antimicrobial intervention, will delay commercially viable access to Europe for Canadian beef and pork but overall the agreement is good news for Canada’s red meat exporters.

When the CETA was being negotiated we estimated that the European Union could be a market valued at up to one billion.

That’s not a prediction that our exports would reach a billion but, if we were able to fill the quotas with high value cuts, which is our expectation, and if the market conditions were right vis a vis currency exchange rates and world market conditions we estimated up to a billion dollars could be opened up to the Canadian meat industry.

When we entered the negotiations we were hoping for tariff free, quota free, tariff barrier free trade in meat products.

The CETA didn’t achieve that but we certainly hope, within the not too distant future, to be able to take advantage of the potential opportunities that CETA does contain.

Davidson is confident there is potential to resolve the health mark labelling issue prior to the Sept 21 implementation date but he anticipates the antimicrobial intervention issue will take additional time to resolve. ■

Knebel, Stayer Among National Meat Hall of Fame Inductees

(USAgNet.com) - Two prominent Wisconsin men who spent their careers in the food processing industry are among this year’s inductees of the U.S. Meat Industry Hall of Fame. Members of the Class of 2017 were selected from a lengthy list of distinguished nominees and will be recognized at a special induction ceremony in Atlanta

next January.

The late-Clarence Knebel, who owned Knebel's Processing Plant in Belmont; and Ralph Stayer, the retired chairman of the board for Johnsonville Sausage, will join other award winners from New York, Minnesota, Arkansas and Kansas.

Clarence, who passed away in December of 1993, dedicated his life to the meat industry, which led him beyond his community and his plant and into national service for the meat industry. He served as vice-president of the State Meat Inspection Advisory Board with the Wisconsin Department of Agriculture. He was a registered lobbyist for the Wisconsin Association of Meat Processors, of which he was extensively involved in its growth to become one of the nation's premier state meat processor organizations. He also served as a member of the American Association of Meat Processors Governmental Affairs Committee and their research committee, was a lobbyist in Washington, D.C., a former President of the American Association of Meat Processors, and a director of the National Livestock and Meat Board and the Wisconsin Livestock and Meat Council.

Stayer retired in 2015 after 47 years as chairman of the board for Johnsonville Sausage. He parents, Ralph F. and Alice Stayer, co-founded a little butcher shop near Sheboygan Falls in 1945 and eventually began turning out sausage using family recipes dating to 19th-century Austria. Under Stayer's leadership, the company has grown into a multimillion-dollar business and has become the top national brand of sausage. He became known for his business philosophy, which is based on empowering employees to take ownership of business results. In 1990, Stayer established the Leadership Dynamics consulting firm, which specializes in coaching leaders of large organizations on strategy and execution through people. Ralph has been an Independent Director at Brunswick Corporation since 2002. He serves as Director at Johnsonville Sausage LLC and is the National Trustee of Boys and Girls Clubs in the Midwest region.

To be qualified for nomination to the Hall of Fame, candidates must have contributed significant innovation, achieved notable business success or otherwise positively impacted their organization, institution or larger industry segment. In addition, those nominees chosen for induction must have undertaken noteworthy community service or philanthropy during their careers and upon retirement. ■

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