

Urner Barry's Reporter

the newsmagazine for the food industry professional
VOLUME 17 | NUMBER 2 | SPRING 2022 | QUARTERLY

A vibrant watercolor illustration featuring a central white plate with a silver fork on the left and a silver knife on the right. Surrounding the plate are various seafood items: salmon fillets, mussels, a whole fish, and shrimp. The background is white with scattered colorful dots and splatters. The text "State of the Seafood Industry: AN ANNUAL REVIEW" is centered on the plate.

**State of the
Seafood Industry:
AN ANNUAL REVIEW**



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From the Editor's Desk...

By the time this issue is put to bed, many of us will be enjoying the beginnings of longer days and warmer temperatures. The changing of the seasons is noteworthy for not only the obvious lifecycle implications, but it also signals the transition of consumer consumption patterns, which gives birth to a brand-new set of challenges for the food industry as it collectively slingshots towards the summer solstice.

Like spring, winter opens doors of its own. For many, such as myself, it is a time for shaking off the doldrums by attending protein centric conferences and events. While writing this, I am privileged to be participating in the National Fisheries Institute's Global Seafood Marketing Conference (GSMC). Having a background in poultry, it is always fascinating to me that regardless of which protein is central to the association or group hosting the event, the problems faced and the hurdles to clear are not foreign ideas, but instantly recognizable. Here at GSMC, where education and insights are being doled out to leaders in the seafood business, the chief challenges they face draw close parallels to those being experienced with every protein, whether land, sea or plant-based.

A year ago, all of us were taking a furtive glance over our shoulder as COVID-19 and its variants swept the globe. It is a testament to the resilience of the food business that the whip lash volatility of the supply chain dynamics and the market conditions which went hand-in-hand, did not bring the food industry to its knees, but instead made it smarter, more knowledgeable, and tougher. Whatever doesn't kill you makes you stronger, right?! Today, the pendulum is slowly swinging away from the most significant human disease crisis since the Spanish Influenza pandemic over 100 years ago, and towards more hopeful days ahead. Getting ourselves and our businesses back on track is critical for not only our own well-being, but the health of our communities, and our local, national and global economies.

GSMC is the first in a series of protein industry events in 2022 which my colleagues at Urner Barry and I will be attending, and we look forward to the opportunity to meet and greet all of you in a safe, educational, and productive atmosphere. It is critical to exchange ideas, learn, and grow through a mutual exchange of professional experiences. The collective knowledge of industry leaders will be a requisite if participants from farm-to-fork are to successfully clear the hurdles that lie ahead. The sooner that takes place, the more immediately long-standing partnerships and newly forged relations can facilitate the flow of proteins in the U.S., and to the far reaches of the globe.

In the end, although little is guaranteed, one thing is clear—the food industry has the wit, wisdom and wherewithal to tackle whatever comes its way, and the knowledge acquired since the pandemic's outset will go a long way towards guiding a new generation of food industry leaders to a promising future.

Stay well and in touch.



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Urner Barry's Reporter

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AGRIBRIEFING



ECONOMISTS WEIGH IN ON CONSUMERS AND INFLATION IN 2022

It seemed like a fairly safe assumption that the COVID-19 pandemic would be waning as we entered 2022, but sadly that's not the case. The Omicron variant has reared its ugly head, and although it has turned out to be less lethal than the Delta variant, it is certainly more contagious. All kinds of records have been broken in terms of overall infections, and there are rumblings that other variants could ensue. With COVID still impacting our day-to-day, what are the leading economists forecasting in the year ahead?

Jack Kleinhenz, Chief Economist at the National Retail Federation, stated that "the economy is currently managing through another COVID-19 winter, exacerbated by the rapid transmission of the Omicron variant. Even with the experience of the past two years, there is no model that can predict how the economy responds to a pandemic. What we have learned is that each successive variant has slowed down the economy but that the degree of slowdown has been less."

He pointed out that supply chain disruptions are likely to persist well into 2022, partly because of the resurgence of COVID-19.

Another thing that is pretty evident is that people who stay at home because of the variant are more likely to spend their money on retail goods rather than services, such as eating out or going to an

entertainment venue. Kleinhenz believes this is putting further pressure on inflation since supply chains are already overloaded across the globe. In addition, he notes that infections among port workers and truck drivers are slowing down a turnaround in supply chain issues.

And this current form of inflation, which has been attributed to supply chain issues, labor shortages and a surge in spending, among other factors, is continuing in an upward trajectory.

The Consumer Price Index (CPI), which is a strong barometer for inflationary movement, saw December rise to 7.0% (from 6.8% in November), which amounts to a 39-year high from a year ago.

"For the year-over-year inflation metrics, it looks like most are poised to climb through a peak in February, with data that will be coming out right around the March FOMC [Federal Open Market Committee] meeting, putting maximum pressure on the Fed to tighten," stated Michael Englund, Principal Director and Chief Economist for Action Economics, LLC.

For CPI, Englund calculates that the year-over-year gain in January should rise to a 40-year high of 7.3% from December's 39-year high of 7.0%, while the year-over-year core price gain rises to a 39-year high of 6.0% from December's 31-year high gain of 5.5%.

With escalating inflation, the Federal Reserve recently announced that it will be taking action. During his Senate confirmation hearing, Federal Reserve Chairman Jerome Powell called high inflation a "severe threat" to a full economic recovery. He noted that the central bank was preparing to raise interest rates, which most believe will commence in March.

"With the long and variable lags linking Fed policy changes to inflation, I wouldn't see rate changes in the first half of 2022 as impacting inflation in the same period. The question the Fed faces is what the inflation rate will be into the close of 2022, and in 2023, and it will take time for current policy changes to take hold," concludes Englund.

But there does appear to be some light at the end of the tunnel.

"If there is one lesson we have learned it is not to underestimate the resilience of the consumer and, therefore, the U.S. economy. With stimulus programs in the rearview mirror, consumer income and spending will instead be fueled by job growth paired with wage gains going forward," believes Kleinhenz. [UB](#)

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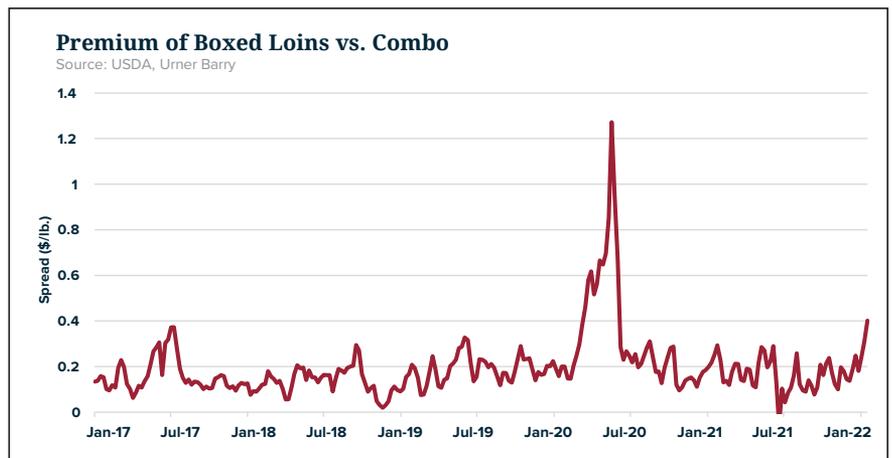
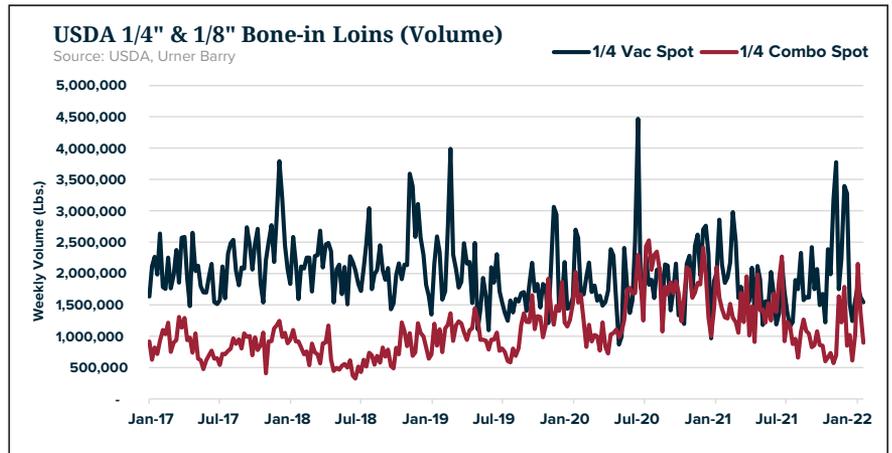
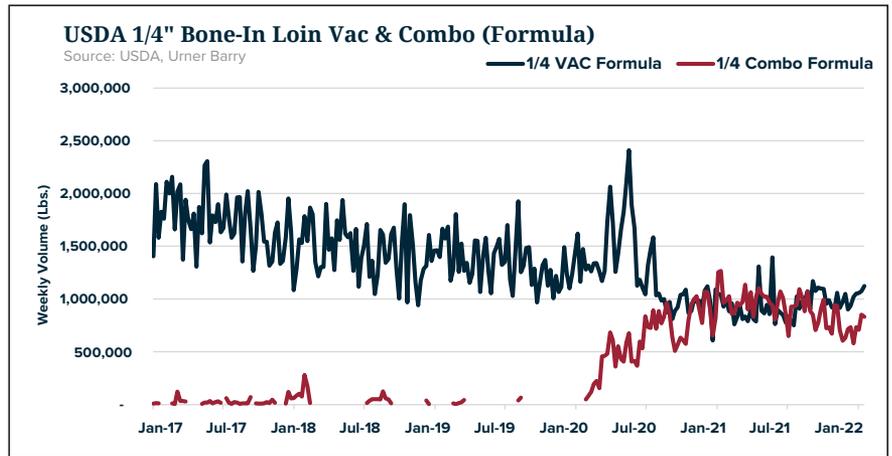
Labor shortages increase combo-bin trade in pork market

While we have written extensively about the pandemic's impact on labor and the influence that the lack thereof has had on elements of the pork market, such as record wide bone-in to boneless spreads, the shortage of workers has also had lesser-known affects.

One such unusual development that we have seen form over the course of this period has been a notable increase in the volume of product being sold in combo-bins instead of boxes for particular items. We can look to bone-in loins for an excellent example of this phenomenon. As labor conditions worsened, packers were forced to decide where to focus the workforce that was available. One of the areas that was found to be left shorthanded was the boxing process, with participants opting to sell product in the less labor-intensive combo-bin format.

This shift in sales patterns was not a subtle move. Prior to the pandemic, according to USDA data, the single largest week for ¼" bone-in loins sold on formula and in a combo-bin was that of December 12, 2016 at 510,000 pounds. Before and after that point (but pre-pandemic), most weeks posted less than 100,000 pounds of product sold for the week. However, as labor deteriorated in the spring of 2020, we saw the volume of combo-bins of loins sold on formula quickly ascend, reaching to well over 1 million pounds per week by the beginning of 2021. This often matched—and even at times exceeded—the volume of formula loins sold in boxes, something that had never been seen in the past.

A similar occurrence was seen among spot negotiated loads of loins, just to a lesser extent. Prior to the pandemic, the volume of ¼" loins sold in combo-bins on the spot market bounced between 500,000 and 1.5 million pounds per week, compared to the 1.5 million to 3 million pounds sold in boxed form. As the pandemic wore on, we saw combo-bins of loins sold on the spot market rise to as much as 2.5 million pounds in a given week, again matching or exceeding that of boxed loins.



The prominence of loins in combos resulted in a predictably wide price spread between boxed and combo-bin offerings, though it was short lived. During the spring of 2020, the price of boxed ¼” loins sold on the spot market reached almost \$1.30/lb higher than the price of the same item sold in combo-bins. Historically, this premium tends to be closer to \$.20/lb.

“One of the areas that was found to be left shorthanded was the boxing process, with participants opting to sell product in the less labor-intensive combo-bin format.”

Whether on the harvest, conversion capacity, processing throughput, packaging, or shipping, the lack of labor throughout the industry has impacted nearly every avenue of the path from farm to table. While pork companies can make strides toward enticing employment, these labor issues are not unique to this industry. This indicates recovery could take some time and thus we will likely continue to see trade-offs and adjustments being made to compensate for the lack of workers. [UB](#)

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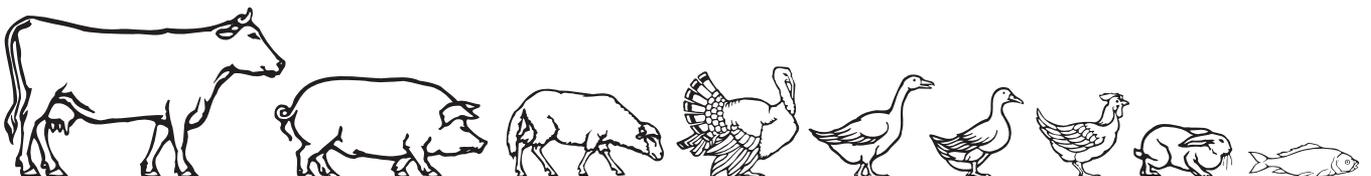
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Grocery shopping continues to evolve during the pandemic

There are many chapters to the story of the COVID-19 pandemic and grocery shopping. Initially, consumers across the nation began panic buying and running shelves bare of toilet paper and other household cleaning supplies as the country began to learn how to live during a pandemic.

Then, consumers quickly saw their trips to the grocery store change. Retailers began promoting non-contact pickup options, delivery and other methods so consumers could remain safe as they shopped for critical food items.

Almost two years into the pandemic, grocery shopping has continued to evolve. While COVID-19 restrictions and regulations may be lifted in some regions of the country, grocers have made investments which will change grocery shopping in the long run.

ALWAYS ONLINE

For a growing number of consumers, walking up and down the aisles of the grocery store is no longer necessary. With an eye towards both safety and convenience, many Americans opted to grocery shop online.

Now, the vast majority of consumers are still heading to grocery stores to pick out their items, but the pandemic spurred unprecedented growth in the e-commerce grocery category. According to Acosta, e-grocery sales in 2019 represented just a 3.4% share of all sales in the U.S. That total jumped to 8.1% in 2020 and Acosta shared projections of that share growing to over 20% by 2026.

Recent findings from Gallup indicate that online grocery shopping became the norm for some during the pandemic. The group



which provides a temperature-controlled environment when groceries are left on doorsteps. Boxes like these allow refrigerated items like raw meats and produce to stay fresh until shoppers can bring them inside for proper storage.

Meanwhile, Kroger is looking into the future with autonomous delivery vehicles. You know, the cars that drive themselves. And DoorDash wrapped up 2021 by debuting its DashMart in New York City, allowing for grocery delivery in just 10-15 minutes.

CHECK THIS OUT

The self-checkout line may be polarizing to many shoppers, but there is no doubt it helped retailers in more ways than one during the pandemic. According to RBR, a consulting firm based in London, England, sales of self-checkout units broke records in 2021.

First of all, the self-service aisle allowed for retailers to limit contact with shoppers' items. They allowed for physical distancing and provided peace of mind to shoppers looking to limit contact.

Self-checkout lines have also eased labor shortages facing grocers. As every step of the protein supply chain remains desperate for labor, retailers had automation at their disposal to solve the issue. Walmart has gone down this path, debuting its revamped self-checkout design in 2020 just months after the pandemic began. The company also began testing an all-self-checkout center in Texas in 2021. [UB](#)

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noted that nearly 80% of consumers did not order groceries online less than a year before the COVID-19 pandemic began in 2019. Gallup found that number dipped to 64% in just two years.

SIGNED, SEALED, DELIVERED

Consumers have multiple options when ordering groceries online. They can pick it up at the store using curbside or other methods (more on that later) or use a delivery service.

Grocery delivery is an area where major retailers have invested in. Over the past two years grocers have partnered with delivery companies like DoorDash and Instacart and invested in delivery infrastructure.

Brick Meets Click found that sales from both grocery delivery and pickup jumped from \$1.2 billion in August 2019 to \$4 billion in March 2020. That number jumped yet again to \$6.4 billion in October 2021.

In just the first month of 2022, Walmart expanded its InHome delivery service to reach 30 million households. They also began offering HomeValet SmartBox,



Omicron yet another speedbump for restaurant industry on the mend

Heading into 2021, the story surrounding the restaurant industry was one of recovery. The vaccine rollout was set to begin, and many consumers were ready for a night out after months of cooking at home.

While the industry did show signs of recovery last year, the industry was hit from all sides with problems. Over a year and a half after the pandemic began, the NPD Group reported in November 2021 that dine-in traffic remained a challenge for sector recovery.

Restaurant visits overall, which include both online and physical visits, were up 5% in September 2021 when compared to the year prior. However, physical visits in the 12 months ending in that same month were down almost 50%.

More data from the NPD Group found that the average customer took less trips to restaurants but spent more money. NPD shared that customers made 12 fewer purchases at restaurants when compared to September 2019, but the overall check growth was 14%.

Alongside sluggish on-premise visits during the year, restaurants were hit with an unprecedented labor shortage and supply chain issues that hampered operating hours and menus. On the labor front, the Bureau of Labor Statistics reported that employment in the foodservice and drinking places

sectors was down 653,000 when compared to pre-pandemic February 2020.

As 2022 begins to unfold, the labor shortage and supply chain backlog remain critical concerns for the foodservice sector, but the Omicron variant has taken centerstage in the new year.

The National Restaurant Association (NRA) conducted a survey in January 2022 which found that out of 4,200 restaurant operators, 88% of operators witnessed a decline in customer demand for on-premise dining to begin the year. The survey also found 51% of operators reduced hours of operation, 34% closed on days that they would typically serve customers, and 26% reduced their seating capacity. As a result, just over 75% of operators said business is worse than it was three months prior.

The findings led the NRA to push Congress to replenish the Restaurant Revitalization Fund (RRF), which helped buoy restaurants after notable losses felt during the onset and following months of the pandemic.

The Texas Restaurant Association (TRA) mirrored the sentiment shared by the NRA. The TRA said that due to the RRF, 900,000 jobs were saved across the country. And of the restaurants that secured a grant, 96% stayed in business.

“As the pandemic continues to wreak havoc across Texas—with long-term effects for workforce shortages, supply chain disruptions, and inflation—Congress must finish the job and replenish the RRF so

every eligible small restaurant has a fair chance to survive,” the TRA wrote.

For the restaurant industry, the Omicron variant is just another obstacle to overcome as the sector fights to return to normalcy. [UB](#)

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Cage-free eggs spread their wings in Hong Kong

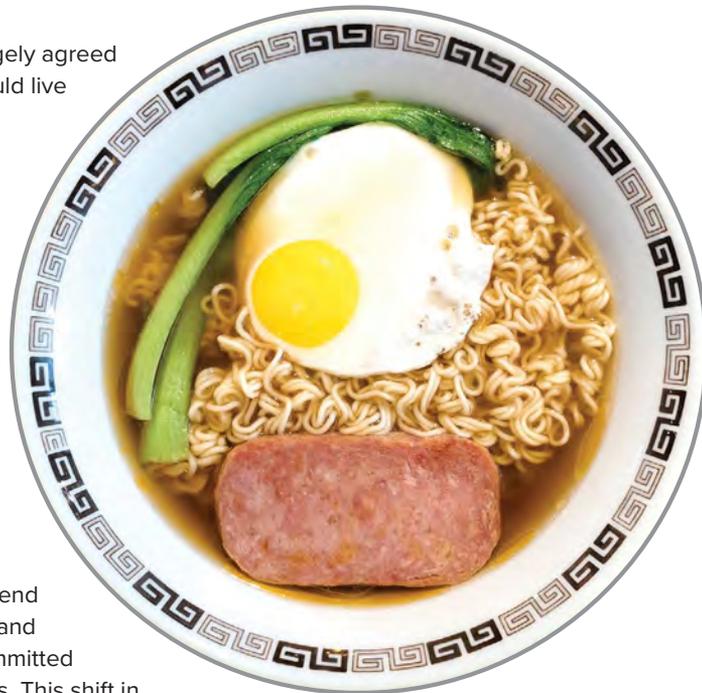
Egg consumption in Hong Kong has been rising every year, now at 371 tons per day in 2021, compared with 290 tons per day in 2015. With nearly 7 million inhabitants, Hong Kong was the primary destination for U.S. shell eggs last year, topping both Mexico and South Korea. Between January and November 2021, U.S. egg exports to Hong Kong totaled 585 million fresh eggs and 459 metric tons of egg products, representing a combined value of \$42.6 million dollars.

The caged category has always been the principal housing type produced and imported in Hong Kong, but consumers seem to be showing a growing preference for cage-free eggs. In January 2021, a sample of the Chinese population surveyed

by FoodTalks and Lever largely agreed with the idea that hens should live with freedom of movement. According to the study, 739 respondents between the ages of 18 and 60 felt that cage-free eggs are the next significant move in the Asian egg market. Of those surveyed, 75% of consumers said they would be “more willing to patronize businesses that use only cage-free eggs.”

This trend is especially strong among younger people who are ready to spend more money in restaurants and supermarkets that have committed to using only cage-free eggs. This shift in consumer preferences could translate into the need for an additional 70 million cage-free eggs per year by 2025 in the Hong Kong market, and double that amount by 2028. Retail business and the hospitality industry are predicted to represent the majority of purchases—43 and 17 million eggs, respectively—while restaurants, cafés, the fast-moving consumer goods sector and other food service sectors would absorb the rest.

As observed in Europe and the U.S., where the move to cage-free production is more advanced, the leading cause for this shift in preference is a new consumer trend demanding improved welfare for farm animals. This means a move toward fresh eggs coming from hens that live in an environment that is closer to their natural lifestyle and behavior. But in Hong Kong, this shift is also motivated by the perception that cage-free eggs are healthier for humans. First, the risk of salmonella contamination and insect infestation is believed to be reduced, as well as the concentration of chemicals due to pesticides. And secondly, the nutritive qualities of the cage-free egg are



reportedly superior to the ones attributed to cage eggs, with less saturated fat and more protein and vitamins.

Most food companies in Hong Kong have already picked up on this trend—Pret a Manger, Kellogg’s and Nestlé among them—and many have announced their intention to go cage-free across their supply chain. Other major brands that have committed to the switchover include Wellcome and Market Place, as well as most hotel chains like Marriott, Hilton, Intercontinental and Mandarin Oriental.

Across Asia, many large market players positioned their brands in accordance with this new trend. KFC and Burger King have already taken engagements for the Chinese market to go cage-free. Subway has also committed to exclusively use cage-free eggs in its South-East Asian restaurants, as well as in South Korea and Taiwan, by 2025. The largest food company in South Korea, Pulmuone, committed to become cage free by 2028; and Charoen Pokphand Foods in Thailand is now producing 16 million cage-free eggs,



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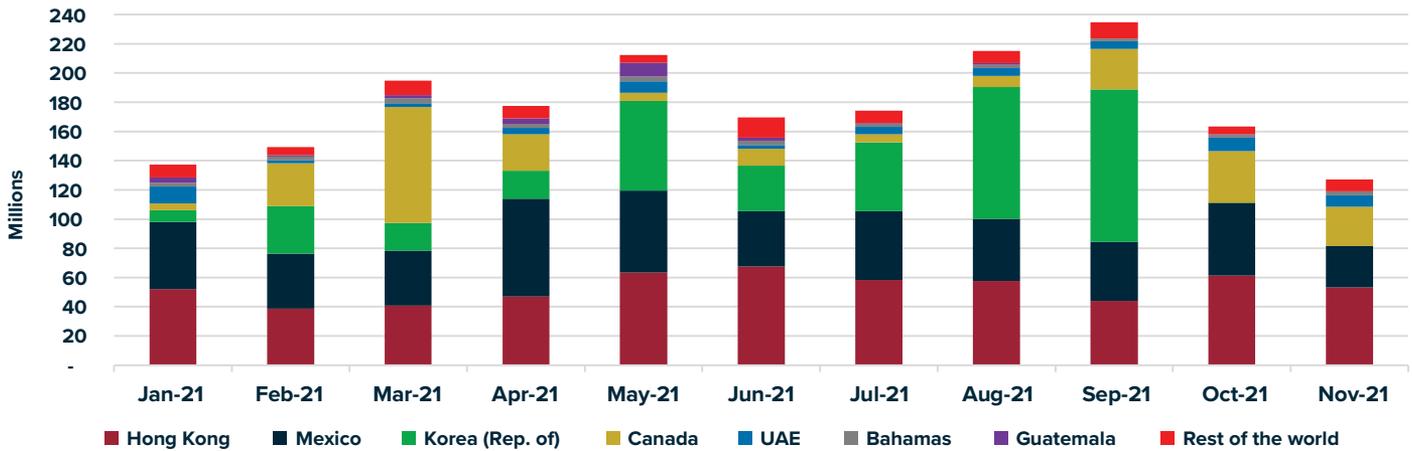
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US Exports of Shell Eggs

Source: Global Trade Tracker



a 30% year-on-year increase. More globally, in the quick-serve restaurant sector, the world's biggest restaurant chain owner Yum! (Pizza Hut, KFC, etc.) distributed a policy across its entire supply chain to ban eggs that come from traditional battery cages.

Parallel to this path in the corporate arena, some governments in Southeast Asia have already started to adjust to this demand shift, with the implementation of new rules in the egg sector.

Namely, Taiwan is now labeling eggs that are produced from cage hens, rather than only marking cage-free categories. And in 2020, Vietnam implemented a decree guiding the Law on Animal Husbandry. It could only be a matter of time until we witness this type of political engagement start to take shape in Hong Kong. [UB](#)

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Light supplies in farmed salmon to kick off 2022

The farmed salmon market complex has been full steady to firm since the end of November 2021. As of this writing, most countries of origin are short on availability and thus demand has been active around the lighter supply situation.

The Chilean fillet market has seen a steady rise in pricing throughout the past nine weeks heading into mid-February. As of this writing in the second week of February the market for 3-4 pound fresh Chilean fillets is 40% higher than the same time last year in 2021 and is 35.6% higher than the 5-year average. When looking to imports, Chilean fresh fillets end the year up 5.9% year-to-date through December 2021 with 318.4 million pounds imported. Imports remained higher throughout 2021 and Chilean fresh fillet and the balance of the fresh fillet category finish the year up 11.2%. 2021 is the highest year ever recorded for fresh salmon fillets. Chile is the category leader with a market share of 75% (through December 2021).

Another aspect market participants have been watching closely is the growth of fresh fillets out of Norway. Norway's market share

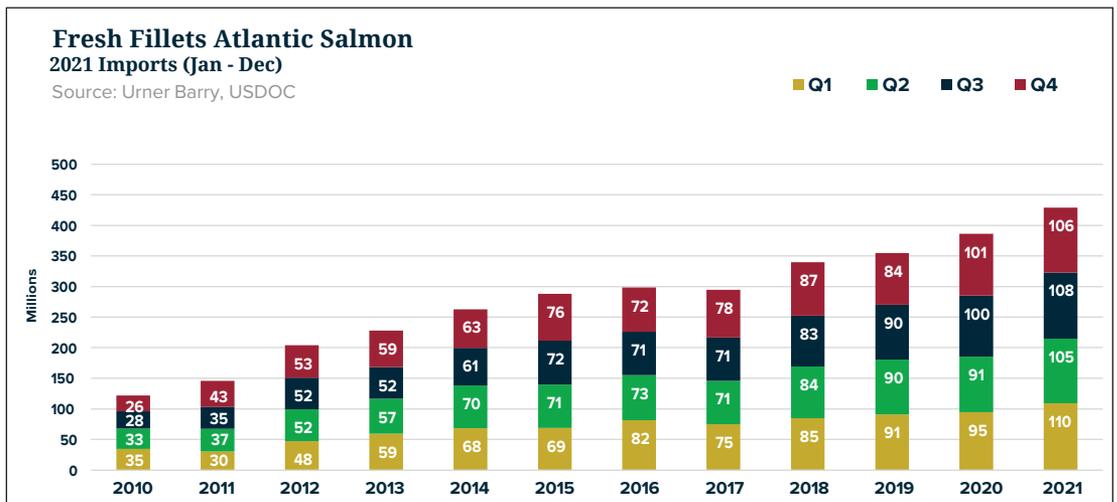
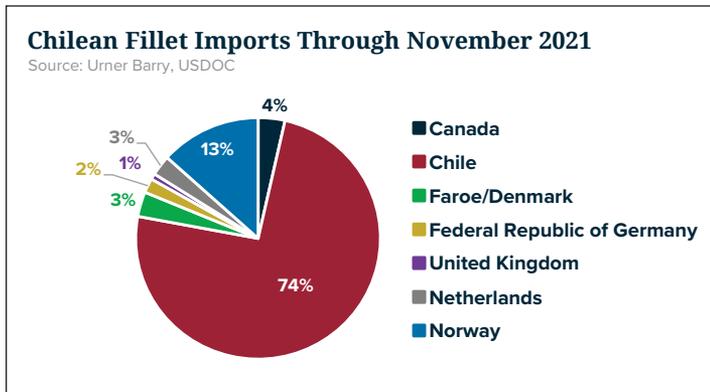
“2021 is the highest year ever recorded for fresh salmon fillets.”

has grown from 11% in 2020 to 13% in 2021. Imports have gone from 40.5 million pounds to 57 million pounds; up 40.7% for 2021. It appears somewhat apparent that Norway has looked to grow fresh fillets into the U.S. market; a trend that will potentially continue into 2022.

Heading into Valentine's Day, most markets for farmed salmon are seeing tighter supply situations. From a retail perspective, most years will see an uptick in the number of retail features or promotions for salmon heading into Valentine's Day week. However, in past years Ash Wednesday has followed quite closely to Valentine's Day. This will not be the case in 2022 with Ash Wednesday falling on March 2. The 3-year average for buying opportunities of fresh salmon fillets at retail saw an uptick of 35.8% going from the first week in February to Valentine's Day week and the 5-year average saw a 26% jump. As of this writing we do not know what 2022 will bring, but the strength of the salmon category at both retail and foodservice has been well documented throughout 2021.

Market participants will watch closely to see if farmed salmon can continue its dominating performance in 2022. [UB](#)

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"Selling Sunset" star Emma Hernan turns passion into profits with plant-based empanadas

As a female entrepreneur, luxury real estate agent, and model, "Selling Sunset" star Emma Hernan is generally pretty busy. But she found a silver lining during the early stages of the pandemic: spare time.

Hernan has always had a passion for cooking and reflects on spending quality time in the kitchen with her grandmother growing up. "My Nana and I would cook together every time I went to her house. Cooking is second nature to me, and I love creating my own recipes from scratch," Hernan said. In the process of crafting her own recipes, Hernan found that many people close to her have dietary restrictions, so she used the extra time at home from the COVID-19 lockdown to create a product that everyone could enjoy. Through this experimentation and creativity, Emma Leigh & Co. and the plant-based empanada were born.

Through a partnership with Beyond Meat, Hernan has created plant-based beef empanadas, as well as keto cauliflower crab cakes. Gluten free and vegan spring rolls are in the pipeline. When deciding on a partner for her brand, Hernan felt that choosing Beyond Meat was simple. "When you look at a product and see it is made with Beyond Meat, you know it is top of the line," Hernan said. She also noted that she supports what the company stands for. And the brand awareness that comes along with having Beyond Meat as a partner is unmatched.

Emma Leigh & Co. gained quite a bit of exposure from Netflix's "Selling Sunset." The reality show highlights life at the Oppenheim Group, where elite real estate agents sell luxurious homes in Los Angeles, California, to affluent buyers. Hernan appears in the fourth season of the show, where she can be seen sharing her empanadas with some of the other agents.

"I think 'Emma's empanadas' were trending on Google for a bit," Hernan said regarding the show's launch. She added that Emma Leigh & Co. was inundated with orders as viewers tuned in and that it was difficult to keep up with the number of orders coming through.

In addition to promoting her brand through the Netflix series, Hernan makes frequent appearances on QVC to sell her plant-based empanadas and keto cauliflower crab cakes.

"I was very strategic with my planning and which items I chose to launch. I felt the empanadas and crab cakes were the perfect fit to offer first, and these items sell out each time I appear on QVC," she said.



Photos provided by Emma Leigh & Co.

And while this is a new venture for Hernan, she is not a newcomer to the food industry. Her grandfather, Gerry McAdams, founded Yankee Trader Seafood in Massachusetts in 1994. Today, it is a third-generation, family-owned business.

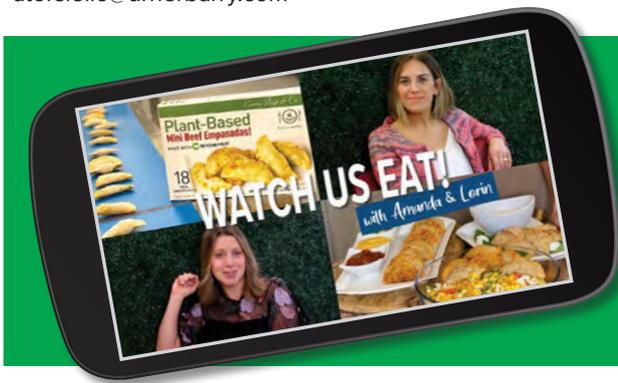
"The family business was a huge inspiration for me to start my own company, and I learned a lot being around the manufacturing end of it," noted Hernan.

The foundation of a tightknit family and a strong work ethic was instilled in Hernan at a young age, and she feels there is no one she can trust more to help run her business than her own. When out traveling for work, her family oversees Emma Leigh & Co.'s state-of-the-art production facility.

All Emma Leigh & Co. products are produced in Boston. They are available in Market Baskets, Roche Bros, Shaw's Supermarket, Stew Leonard's, select Costco locations, on QVC, in local markets in Massachusetts, as well as online. Hernan teases that more stores will be carrying her products in 2022. And for those living in the world of "Selling Sunset," the empanadas can also be found at a few local bars in the Los Angeles area in Atwater Village.

"I have a lot of plans and collaborations down the line that I am doing with other brands, which I am very excited about. This market is getting bigger by the day, and I look forward to continuing to create innovative products from recipes that have a special meaning to me," said Hernan. [UB](#)

Article contributed by **Andraia Torsiello**
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2022 COULD MARK FOURTH YEAR OF LIQUIDATION FOR U.S. CATTLE HERD



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Expanding drought, particularly in the western half of the country, combined with low cattle prices at the start of the pandemic up until recently, have encouraged liquidation efforts in the U.S. cattle herd.

The cattle cycle—the period in which a herd size increases and decreases over time—remains pertinent in today’s discussion. The cycle typically lasts from eight to 12 years and is determined by weather conditions, the time needed to breed, birth, and raise cattle to market weight, and cattle prices.

High cattle prices typically encourage producers to build up their herds. Conversely, low prices could prompt producers to cull older cows and reduce heifer retention, thus reducing their herd sizes. The latter scenario was evident at the height of COVID-19 related processing plant disruptions, which led to an oversupply of fed cattle and a collapse in cattle prices.

The last full cattle cycle began in 2004 with 94.4 million head of cattle and calves. The herd expanded for three years to 96.6 million head until 2007, when higher feed and energy prices led to herd contraction. Reduced pasture availability persisted through 2013, thus reducing the following year’s calf crop.

This seven-year liquidation of the national cattle herd ended on January 1, 2014, at 88.2 million cattle and calves—the smallest herd size since 1952. Since then, the U.S. cattle herd expanded and reached a cyclical peak in 2019 at 94.8 million head. By January 1, 2021, the herd decreased by 1.3% to 93.6 million cattle head.

2022 could mark the fourth year of liquidation for the U.S. cattle herd. According to analyst expectations, the next biannual USDA Cattle Inventory report could show the national herd in decline by as many as one million beef cows.

Dry pasture conditions are impacting the major cattle-producing states, including Texas. This is forcing some ranchers to send their

cattle to market earlier than intended. As of January 18, 51% half of the nation’s cattle inventory was estimated to be within an area experiencing drought.

Year-to-date cattle slaughter in 2021 was about 3% higher than the year prior. Beef cow slaughter last year was up nearly 10% from 2020, the largest year-over-year increase since 2016. Heifer slaughter accounted for nearly 38% of total fed slaughter in 2021, the largest percentage since 2004. Commercial beef production last year totaled 27.937 billion pounds, up 2.8% from 2020 and a record high.

“Supply constraints due to labor shortages has contributed to firm undertones in the beef complex in early 2022.”

Higher beef cow and heifer slaughter numbers in 2021 will likely equate to tighter cattle numbers and reduced beef output this year. However, drought could encourage additional liquidation sooner and delay the decrease in production until later in the year.

The USDA reported placements in December at 6.5% above last year, the highest level for that date in history. Most of those cattle weighed less than 600 pounds and will be marketed late this spring into the summer. The higher placements were attributed to poor pasture conditions, along with high hay prices.

December marketings were reported at 1.857 million head, up slightly from the year prior and the second highest level for that month. The total number of cattle on feed as of January 1 was 12.037 million head, 0.6% above last year and the second highest level for that month on record.

First quarter placements will be shaped in part by drought and by the high price of wheat. Post-Q1, the prospect for reduced placements looks promising, said analysts. This reduction could support fed cattle prices in the second half of 2022.

In early 2022, the spread of the Omicron variant is reducing weekly production levels and limiting the upward potential for cash cattle prices. Cattle slaughter during the first three weeks of

USDA Five Area Direct Cattle Data, Live Steer Price

Source: Urner Barry, USDA



January averaged about 5% under the year prior. Consequently, a modest carryover in supplies has accumulated. Average steer dressed weights as of the week ending January 8 totaled 928 pounds, a seasonal all-time high.

Prolonged disruptions to slaughter levels could adversely impact cash cattle prices for the duration of the first quarter. Meanwhile, a lack of workers in other sectors, including trucking and shipping, could lead to regional pockets of short supplies.

While the cash cattle market has taken on a steady to softer undertone in early 2022, cash prices are improving compared to last year. USDA's weighted average live steer price for the week ending January 2 was \$139.59 per cwt, up 25% from 2021.

Supply constraints due to labor shortages has contributed to firm undertones in the beef complex in early 2022. On January 25, Urner Barry's Choice and Select beef cutout values were quoted at \$284.31 per cwt and \$270.62 per cwt—both in record territory for that week in history. Urner Barry's weekly retail beef index also kicked off the year in record territory at \$6.64 per pound.

Meanwhile, global demand for U.S. beef is robust as key U.S. trading partners, including China, seek protein amid ongoing African swine fever complications. According to USDA, beef export values in 2021 were expected to exceed \$10 billion.

U.S. beef export value reached a new high in November 2021, exceeding \$1 billion for the second time that year, according to data released by USDA and compiled by the U.S. Meat Export Federation.

November beef exports totaled 123,641 metric tons, up 7% from a year ago and the fourth largest monthly figure in the post-BSE era. Export value in November was a record \$1.05 billion, up 49% year-over-year.

Going forward, logistical obstacles, like higher freight costs, could make it increasingly difficult for producers and packers to fulfill domestic and global demand. The pandemic continues to highlight the need for a stable labor force, which is paramount to the health of the U.S. beef industry. [UB](#)

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ARE THERE NEW BUYING PATTERNS FOR BEEF?

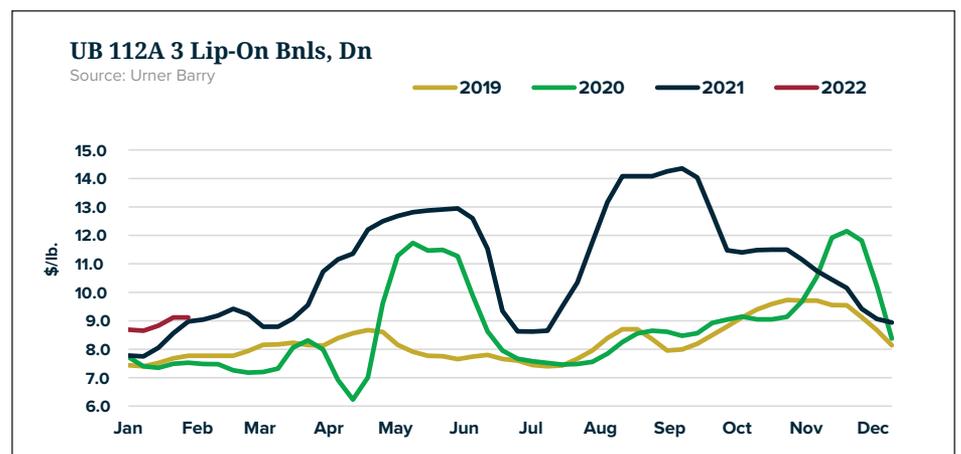
Have beef buying patterns begun to shift, and if so, why? Technology and uncertainty may be to blame. Advancements in technology within the protein industry have given participants a range of options to use when securing product. Technologies also offer market participants a much wider timeframe for purchasing, storing, and utilizing product. Beef was once a “sell it or smell it” item, but with new technologies and storage methods, this is a saying of the past. The trademarked Suspended Fresh program and flash freezing are just two of these methods.

Buying patterns within the boxed beef market have been reliable for quite some time. Since the start of 2021 we have seen a shift in buying patterns that are atypical compared to historicals. Some attribute this to the unknown variables within the market, such as labor, transportation and COVID-19. One shift in buying patterns is known as “buying out front,” which is buyers securing product for a much later date. This is not necessarily a new buying pattern, but as of late a more prominent one for market participants.

Buying out front was first witnessed within the rib cutout as buyers bought as many ribeyes as they could in the middle of July, pushing spot prices to all-time highs around \$14/lb. in September 2021. Historical data says we should have seen a slight rise for this area beginning in October, with the rise tailing off at the end of December. This was not the case as the rib began a downtrend starting in September and appears to have found a floor as of the time of this writing. Giving back nearly all the gains accumulated during that short period, one could even say it was completely inverse compared to historicals.

The question now is whether we will see more items following this “new trend” going into 2022, as it appears most factors adding to the volatility in pricing last year have not gone away. Flash freezing has been around for quite some time. Market participants appear to have changed their tone about frozen product realizing the benefits to this technology. It seems that the belief is to secure product first and worry about price paid later. [UB](#)

Article contributed by **Todd Unger** | tunger@urnerbarry.com





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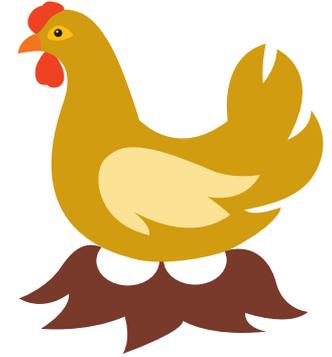
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By 2026, nine states will require all eggs to be cage-free

California's Proposition 12 is already in effect for the egg industry, and many other states have followed suit by passing similar or identical laws—the most recent being Nevada. On June 8, 2021, Nevada Governor Steve Sisolak signed legislation mandating that all eggs sold within the state be produced through cage-free housing practices by 2024. With this, Nevada became the ninth state to ban conventionally-produced eggs.



While nine states out of 50 may not seem like much, the new legislation is actually impacting a large amount of consumers. The total population of the states requiring cage-free housing accumulates to 81.25 million, nearly one quarter of the national population. According to USDA's Agricultural Marketing Service, the estimated annual consumption of eggs per person in the United States is at 286. Requirements in these states for cage-free product is independent of current demand elsewhere, as well as promised or ongoing pledges from private grocery chains, restaurants, distributors, and food manufacturers to commit to cage free practices.

It is Urner Barry's intention to provide an update on all states currently implementing or planning to pass such legislation. Find the rundown below:



POPULATION:
39.51 MILLION

When the final step of Proposition 12 took effect in California at the start of 2022, space requirements for laying hens transitioned from 144 sq. ft per bird to entirely cage free production for all eggs and egg products produced or sold in the state. California is likely the most notable example of such legislation, and the most populous state in the country is also one of the top egg producers, home to nearly 14 million laying hens.



POPULATION:
9.99 MILLION

Michigan passed legislation, effective on January 1, 2023, requiring that all shell eggs and products sold within its borders be cage free and meet usable floor space standards as consistent with the 2017 edition of United Egg Producers (UEP) guidelines.



POPULATION:
7.62 MILLION

There are currently requirements within the state of Washington that all shell eggs and egg products sold from buildings built in 2012 or later must meet American Humane Enriched Colony guidelines, allowing for no less than 116.3 sq. in per hen. By 2024, Washington will also make the transition to require cage-free production practices for all laying hens.



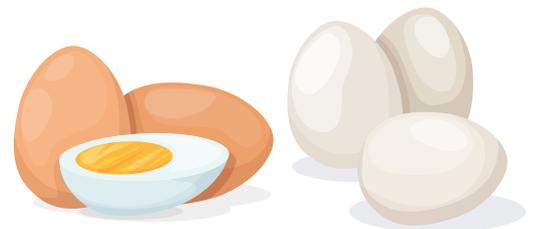
POPULATION:
5.76 MILLION

Like many others, the Centennial State has two-fold legislation slated to go into effect, the first step of which is at the end of this year. Effective January 1, 2023, all shell eggs and egg products sold in Colorado must meet 1 sq. ft of usable floor space per hen. At the start of 2025, this requirement will transform into a cage-free mandate, consistent with UEP certified standards.



POPULATION:
6.89 MILLION

Besides California, Massachusetts is the only other state currently enforcing a cage-free requirement. Legislation in the state took effect on January 1 after some delays and concerns. A law that was passed in 2016 to ensure at least 1.5 sq. ft per bird was amended in June 2021 to allow instead for 1 sq. ft. This changed version passed unanimously in the state Senate, but needed further revision in the state House of Representatives. Their version moved jurisdiction of enforcing the law from the Massachusetts Attorney General's office to the Department of Agricultural Resources, among other changes not relevant to the egg industry. A joint committee was formed to hash out the differences between the two bills, and a final version was finally signed into law on December 22, 2021.





POPULATION:
4.22 MILLION

Oregon passed legislation effective January 1, 2024. This law will require cage free standards for shell eggs and egg products sold within the state. Currently in effect here is legislation mandating all enclosures constructed or acquired before January 1, 2012 meet UEP Certified hen housing requirements.



POPULATION:
1.06 MILLION

Producers within the state of Rhode Island will have until June 30, 2026 to meet usable floor space requirements for their flocks as outlined in the 2016 edition of UEP Guidelines for Certified Cage-Free Housing. After Massachusetts, Rhode Island will become the second eastern state to enforce such a law.

Three states have expressed intent to pursue cage-free requirements for laying flocks in some capacity, but have yet to pass legislation. Arizona and Maine are pursuing effective dates of January 1, 2025, and Hawaii is pursuing an effective date of January 1, 2026. [UB](#)

Article contributed by **Luke Giambona**
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POPULATION:
3.21 MILLION

While cage-free mandates in Utah are scheduled to take effect January 1, 2025, wording here is more ambiguous than the other states included on this list. Legislation will require laying hens in the state to be raised in cage-free housing, but does not address the sale of shell eggs or egg products.



POPULATION:
3.08 MILLION

The most recent addition to this list, Nevada is taking a similar route to California's Proposition 12 and is implementing a two-step incremented process. The first step, effective July 1, 2022, will require all eggs and egg products within the state to be from housing systems allowing for at least 144 sq. in per hen. With the start of 2024, the next step of this legislation will take effect, and the law will change to a cage-free requirement.

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Fewer hogs coming to market in early 2022 and possibly beyond

USDA's most recent quarterly Hogs and Pigs Report, released in December, was viewed as bullish relative to pre-report estimates. The data indicated that the U.S. swine herd on December 1 totaled 74.201 million head, 1.2% below the average guess and 4% less than the year prior. It was the smallest December inventory since 2017. Fall farrowings were reported at 5% under 2020, about two percentage points below the average trade guess.

The report implies that hog slaughter during the first two quarters of 2022 will be below year-ago levels. On December 1, the heaviest weight category—180 pounds and up—was 6% smaller than in 2021. This suggests that hog slaughter in December and early January could be down 6% year-over-year.

When reviewing actual slaughter data for December—barring the Christmas and New Year's holiday weeks—hog slaughter averaged 5.5% below a year-ago. In early 2022, slaughter levels are being adversely impacted by a sharp uptick in COVID-19 cases amid the Omicron variant.

Through the first three weeks of January, hog slaughter averaged about 10% under the year prior. Rampant worker absenteeism leading to a lack of line workers, federal inspectors, truck drivers, and beyond are limiting the number of animals that packers can process. Compounding these logistical issues is thin hog availability, leading to sharply lower year-over-year weekly slaughter levels so far this year.

While USDA's quarterly inventory report was supportive overall, there were a few bearish figures to consider. December-February farrowing intentions were up 0.5% and September-November pigs per litter reached a record 11.19. Although the improved performance may suggest that some producers are working through disease challenges, hog operations across the nation continue to contend with Porcine Reproductive and Respiratory Syndrome (PRRS), and to a lesser extent Porcine Epidemic Diarrhea virus (PEDv).

PRRS typically peaks during the fall and winter months. However, the current 1-4-4 strain prevails year-long and could factor into pig production levels heading into the spring and summer. Developing an effective PRRS vaccine is exceedingly difficult since the 1-4-4 strain mutates frequently, according to livestock dealers.

The long-term outlook for cash hog prices this year is higher due to the tight numbers of market-ready hog supplies. Last year, USDA's national negotiated carcass base price started out at \$55.10/cwt. Negotiated prices in the first two quarters of 2021 steadily climbed and peaked at just over \$128.00/cwt in late June. This was \$4.20/cwt below the PEDv-induced record high achieved in July 2014.

On January 3, 2022, negotiated hog prices on a national basis were quoted at about \$62.00/cwt dressed, 12% above the year ago figure. Lean hog futures are anticipating a seasonal increase in prices heading into the spring and summer. The April contract is currently priced at about \$95.00/cwt while June through August have eclipsed \$100/cwt as of late January.

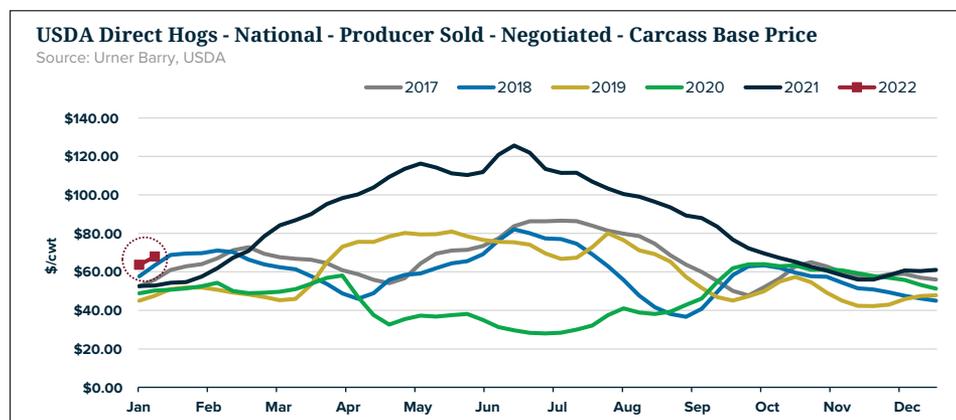
For now, some producers continue to receive hog prices below the cost of production. This could limit expansion efforts in the future. At present, Iowa State University's estimated breakeven for farrow to finish operations stands at about \$80.00 per cwt on

a dressed basis. Feed inputs, including corn, remain high with March CME corn futures trading at roughly \$6.20 per bushel.

Meanwhile, industry participants are eyeing what Proposition 12 could mean for California's pork supply. The second phase of the law went into effect on January 1 and mandates a minimum of 24 square feet per sow. Proposition 12 applies to any uncooked pork sold in California, whether it is raised there or in a different state.

On January 25, 2022, a California judge delayed Proposition 12 until 180 days after the state sets the final rules. Early indications suggest the law will be pushed back to late 2022 or early 2023.

Traders are also monitoring signals of domestic and export demand. While it is difficult to gauge the current state of China's sow herd, some analysts believe that China, along with the European Union, are liquidating their breeding herds. This could be supportive of U.S. pork exports, which posted another strong year in 2021.



According to the U.S. Meat Export Federation, pork export value through November was \$7.5 billion, up 7% from the year prior and approaching the annual record set in 2020 at \$7.71 billion. The January-November pork export value per head slaughter averaged 9% higher than a year ago at \$63.63/cwt.

Demand for U.S. pork continues to climb in Central America, led by growth in countries including Honduras, Guatemala, Costa Rica, and El Salvador. Stellar retail demand for chilled U.S. pork aided in exports to Korea.

Moreover, it was recently announced that U.S. pork products will be allowed to be imported into India. India previously had a de facto ban on U.S. pork. The agreement was applauded by the National Pork Producers Council (NPPC), with NPPC President Jen Sorenson stating: "NPPC thanks the Biden administration for reaching an agreement with India on market access for our products."

On the domestic side, a resurgence in COVID-19 cases and potential further government restrictions could shift demand from foodservice towards retail. Urner Barry's retail pork index kicked off 2022 in record territory at \$4.05 per pound. Urner Barry's pork carcass cutout value is approaching \$100/cwt as of late-January, an all-time high from a seasonal standpoint.

Persistent supply chain disruptions impacting the production and disruption of meat, along with most other commodities, will likely influence cutout values for the foreseeable future. The upward potential for cash hog prices in 2022 looks promising as packers look to fill domestic and global demand for U.S. pork with a limited number of available animals. [UB](#)

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Consumption of plants and poultry on the rise as consumer demand for protein grows

Two years have gone by since COVID-19 changed how consumers live, work, and eat. During this time, trends have shifted to reflect a consumer that is more mindful of their eating habits and accepting of cooking at home or ordering takeout.

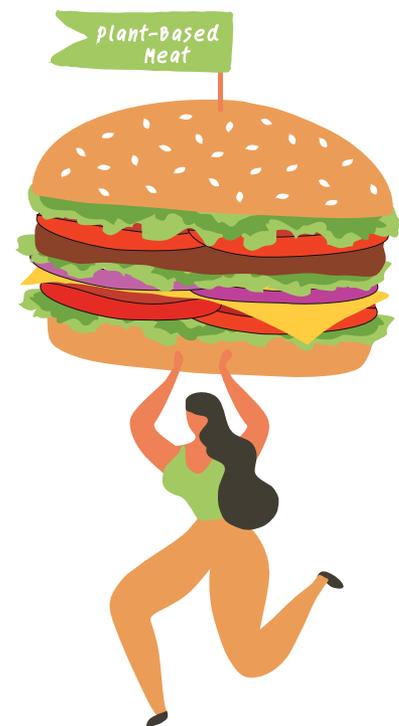
As we said goodbye to 2021, Grubhub released its annual Year in Food Report, which analyzed orders from over 32 million diners to see what rose in popularity throughout the year. Grubhub order data revealed that 2021 was a year which blended comfort foods and vegetarian options. With a 442% year-over-year increase in order popularity, the Impossible cheeseburger rose to prominence and took the number one spot on the list. This notable uptick in order volume was enough to displace the previous years' top contender: The spicy chicken sandwich, which at the time, reflected a respectable 318% year-over-year in advancement in order volume.

Similar to what was reported back in 2020, the most recent data also reveals that vegan and vegetarian-friendly orders are continuing to gradually improve. Last year, vegan-based orders registered a

16% increase from 2020, while vegetarian orders grew by 13%. This shift could potentially reflect that consumers are open to a flexitarian lifestyle as we continue to grapple with the pandemic and concerns about overall health remain a focus.

Options at foodservice were limited in early 2020, with takeout or delivery being the primary method of dining out. Consumers have become more comfortable with home cooking during the past couple years, but foodservice has returned with plenty of plant-based offerings.

On January 10, Kentucky Fried Chicken launched plant-based fried chicken nationwide in partnership with Beyond Meat. Originally launched in Atlanta, Georgia, in 2019, the Beyond Fried Chicken sold out in just five hours. While the nationwide rollout is a limited time offer, this plant-based menu item could return as interest and consumer demand continues to grow. Kentucky Fried Chicken is not the only restaurant chain to offer a plant-based option in the new year. Chipotle unveiled a limited time offering of plant-based chorizo across the U.S. in January. McDonald's also announced an expansion of its



McPlant, a plant-based burger, to about 600 U.S. locations.

When it comes to consumption of plant proteins, Datassential reports that about 38% of consumers claim they will buy more plant-based meats if the product is cheaper or the same price as traditional meat. Price parity is expected to level off between plant proteins and traditional meat as production expands. Currently, plant protein prices for ingredients like isolates, concentrates, and flours are increasing due to supply related challenges from unfavorable weather conditions, and logistical challenges brought forth by the pandemic, such as lack of labor and pressed packaging materials.

While interest in plant proteins appears to be on the rise, plant-based consumption did take a dip over the past year. According to Datassential, only 10% of consumers say they eat plant proteins daily now. Pre COVID-19 the percentage reached 19%. However, over one-third of consumers are seeking to increase their consumption of plant proteins. Meanwhile, just 7% are looking to decrease their intake and 58% report of making no change to their consumption levels. When looking at poultry, 18% of consumers are seeking to eat more. 73% do not plan on making any changes, and 9% say they are looking to decrease consumption.



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Photo credit: Yumi Brands



“Grubhub order data revealed that 2021 was a year which blended comfort foods and vegetarian options. With a 442% year-over-year increase in order popularity, the Impossible cheeseburger rose to prominence...”

In 2022, health is at top of mind for consumers. As plant-based meats have grown in profile over time, companies are looking to improve the quality of their products. For example, Beyond Meat

debuted a new burger formulation that contains 35% less fat than their original. Emerging brands are also offering products with labels consisting of fewer ingredients. Overall, plant proteins no longer appear to be a fad, as Bloomberg Intelligence reported that the plant-based food market could make up almost 8% of the global protein market by 2030. That would be a value of over \$162 billion, an increase from

\$29.4 billion in 2020. As quality will be the driving force for consumer acceptance, consumption is expected to grow for plant proteins along with traditional meat as companies perfect offerings. [UB](#)

Article contributed by Dylan Hughes dhughes@urnerbarry.com and Andraia Torsiello atorsiello@urnerbarry.com



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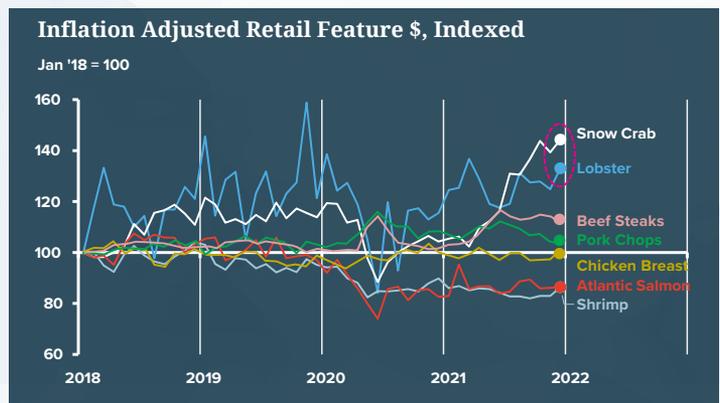
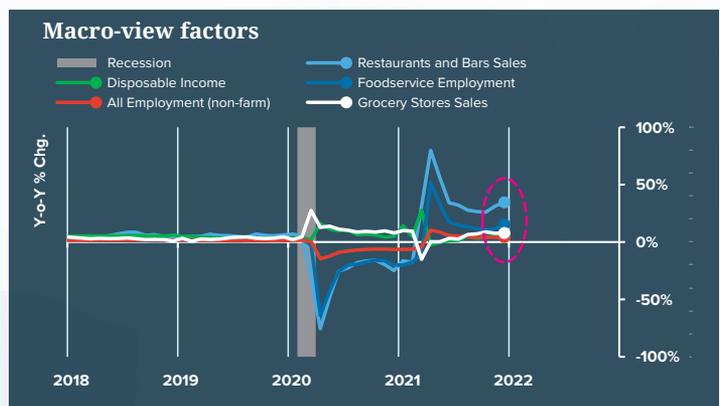
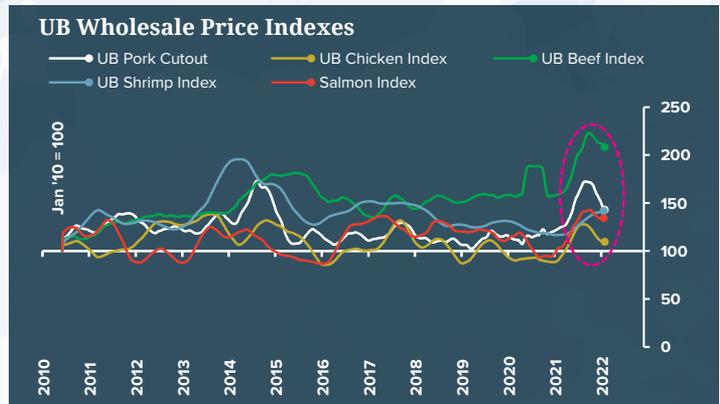
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State of the Seafood Industry: AN ANNUAL REVIEW

2021, was a banner year for many seafood items. While a similar statement was probably said in 2021 regarding 2020, the trend continued. Such a trend accounted for pricing and demand components, like a consistently strong consumer demand despite the end of government stimulus, and supply factors, such as further constrained supply chain issues and labor shortages. Key to all this is the inflation factor, which, to a degree, helped many higher-priced items—or at least consumer-perceived higher-priced items—enjoy such a banner year. While we are aware this is not news to anyone, the question remains as to how long this situation will last.

In the context of what factors are likely to be relevant in 2022, we must consider that a market correction in the animal protein industry is likely. Not only are we already seeing some of these corrections take place for beef, pork, and chicken, but monetary policy efforts to curb inflation are imminent and could contribute to price corrections ahead. Further, it is also crucial to understand that while price levels for many goods have moved up considerably, including many animal protein items, so have incomes amid low unemployment levels, despite the termination of pandemic-relief government stimulus. Therefore, some of these indicators will prove helpful in providing direction for the seafood industry in 2022.

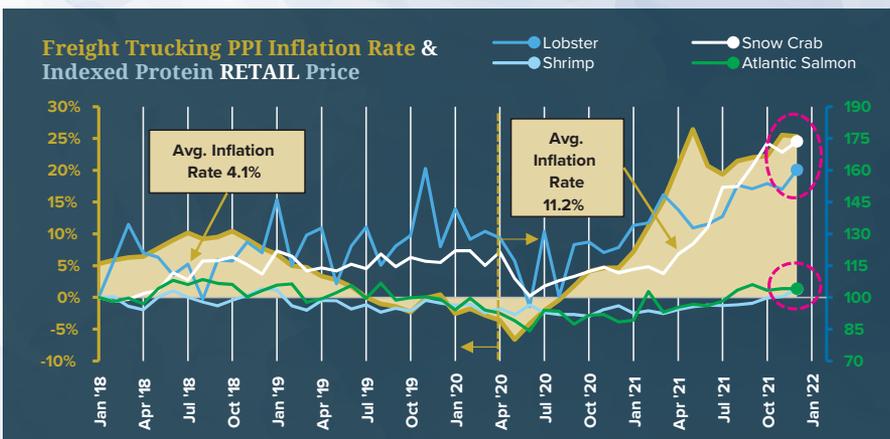
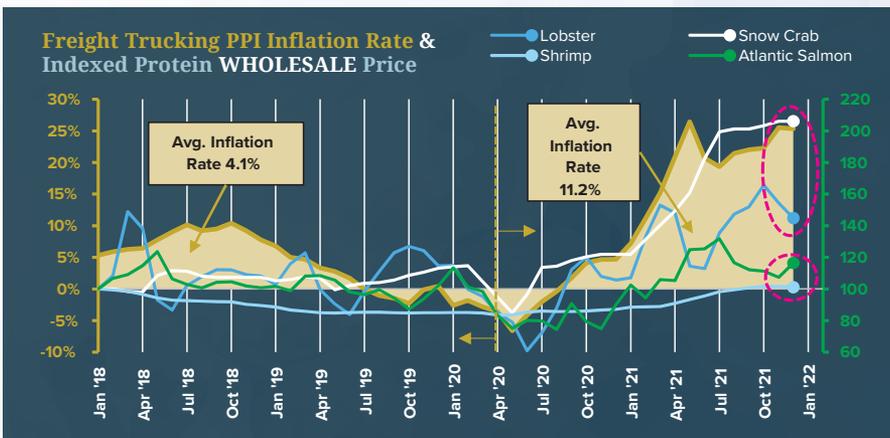
In the context of inflation, we believe it is logical to suggest that higher incomes throughout 2020 and 2021 were important drivers for some of the price increases seen at wholesale and retail levels. And while we cannot change consumer perception, the fact is that in real terms—when adjusted for inflation—only some animal proteins increased considerably in price. For example, with regards to land-based proteins—only beef prices rose substantially relative to chicken and pork. Seafood showed similar results, with shrimp and salmon exhibiting somewhat of a flat price behavior at wholesale and retail, despite fresh wholesale salmon prices reaching nominal record-high levels. However, higher-priced items like snow crab and lobster displayed significant increases that would cause any analyst to question whether these price levels are sustainable in the long run.



We must also address that higher income levels have resulted from a combination of factors, such as decreased spending in other sectors like travel and entertainment, government stimulus, and wage increases, among many others. And while higher incomes could be a driving factor for food prices as consumers upgrade their protein intake, we must also address the elephant in the room—logistics.

Through January, port congestion issues remained across primary and alternate U.S. ports. Many transportation price indexes sat at or hovered around record highs. As such, upward cost pressure remained across the seafood industry. To illustrate the severity of such a rise in costs

for U.S. seafood importers, we performed a similar exercise looking at the average inflation rate for transportation since the pandemic started, relative to wholesale and retail prices for the same seafood categories. In this elementary analysis, we can notice a positive relationship between the average inflation rate for transportation and pricing for some seafood items. What is even more apparent is the magnitude and rate at which some of these premium items managed to move up in 2021 relative to “middle of the road” priced items like shrimp and salmon, which are comparatively lower. Thus far, many of these costs have been passed on and absorbed along the supply chain, including the consumer. However, it is logical to expect that such a situation might not be sustainable in the long run.



A fair assessment is that we can expect considerable changes in 2022. The overall economy will likely be in settling mode, from how businesses manage employees to how we eat. Markets will continue to provide solutions to current challenges, such as the ongoing supply chain constraints. The entertainment and travel sectors will likely continue to see a gradual recovery, shifting some of that disposable income away from retail. Businesses will also adapt to consumer behavior changes, such as a potential yet gradual regression to the mean from “premium” seafood items to lower and middle-priced items, especially if wage increases do not keep up with inflation. At-home and away from home consumption patterns are also likely to change in 2022. And while some of these changes could bring complex challenges for the seafood industry, the fact is that the pandemic provided a much-needed balance between foodservice and retail in terms of volume. All in all, we expect a turbulent 2022 for the seafood industry filled with challenges but also massive opportunities. [UB](#)

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World Trends



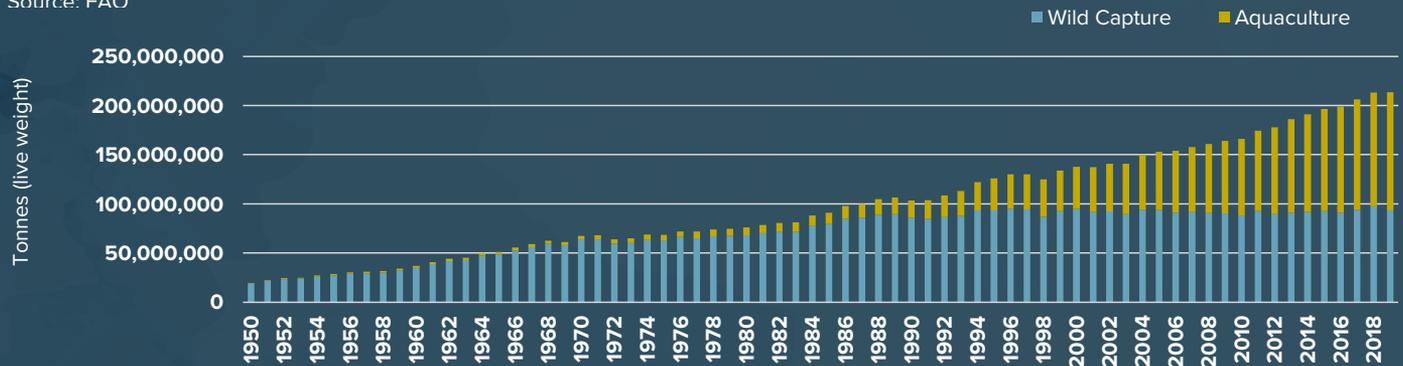
Global production of seafood stagnated in 2019 as wild capture declined 4.1%, and aquaculture production increased 3.74%. Still, nearly 214 million metric tonnes were produced in the year; double what was produced in the early 90's and more than any other year.

Aquaculture production has increased every year since 1961, and in 2019, exceeded 120 million metric tonnes for the first time ever. In 1961, 95% of total production was wild capture and 5% aquaculture. In 2013, aquaculture production exceeded wild capture. That split now favors aquaculture over wild capture 56% to 44% and amounts to wild capture production of 93.6 MT versus 120.1 MT for aquaculture.

According to the FAO's 2013 report to the World Bank, global production of seafood is set to increase 23.6% between 2010 and 2030. None of that growth is expected to come from wild capture fisheries; rather, aquaculture is anticipated to grow 61.9% in that timeframe, led by gains in mollusks, carp, and shrimp.

Global Production

Source: FAO



WILD CAPTURE

Species	mt
1 Marine fishes nei	10,336,508
2 Freshwater fishes nei	6,161,363
3 Anchoveta (Peruvian anchovy)	4,248,852
4 Alaska pollock (Walleye)	3,496,436
5 Skipjack tuna	3,441,831
6 Yellowfin tuna	1,578,830
7 Atlantic herring	1,559,021
8 Blue whiting (Poutassou)	1,516,907
9 European pilchard (Sardine)	1,496,106
10 Pacific chub mackerel	1,346,770

Countries	mt
1 China	14,169,893
2 Indonesia	7,524,705
3 India	5,477,100
4 Russian Federation	4,983,145
5 Peru	4,851,310
6 United States of America	4,803,630
7 Vietnam	3,429,029
8 Japan	3,230,560
9 Norway	2,472,271
10 Chile	2,376,682

AQUACULTURE

Species	mt
1 Japanese kelp	12,273,519
2 Eucheuma seaweeds nei	9,817,689
3 Grass carp (White amur)	5,728,383
4 Whiteleg shrimp	5,446,216
5 Cupped oysters nei	5,265,099
6 Silver carp	4,827,720
7 Nile tilapia	4,590,292
8 Common carp	4,411,900
9 Japanese carpet shell	4,028,163
10 Gracilaria seaweeds	3,638,554

Countries	mt
1 China	68,423,859
2 Indonesia	15,893,400
3 India	7,800,300
4 Vietnam	4,455,557
5 Bangladesh	2,488,600
6 Republic of Korea	2,406,351
7 Philippines	2,358,238
8 Egypt	1,641,949
9 Norway	1,453,042
10 Chile	1,407,286

Global Top 10 2019 by Volume

Metric Tonnes
Source: FAO

U.S. Trends

In 2020 commercial landings were 8.392 billion pounds, valued at \$4.780 billion—a decrease of 978.8 million pounds and a decline of \$817.9 million compared with 2019. Alaska Pollock was the top species in terms of volume (3.2 billion) in 2020. In terms of value, American lobster was the top species in 2020, bringing in \$530.247 million.

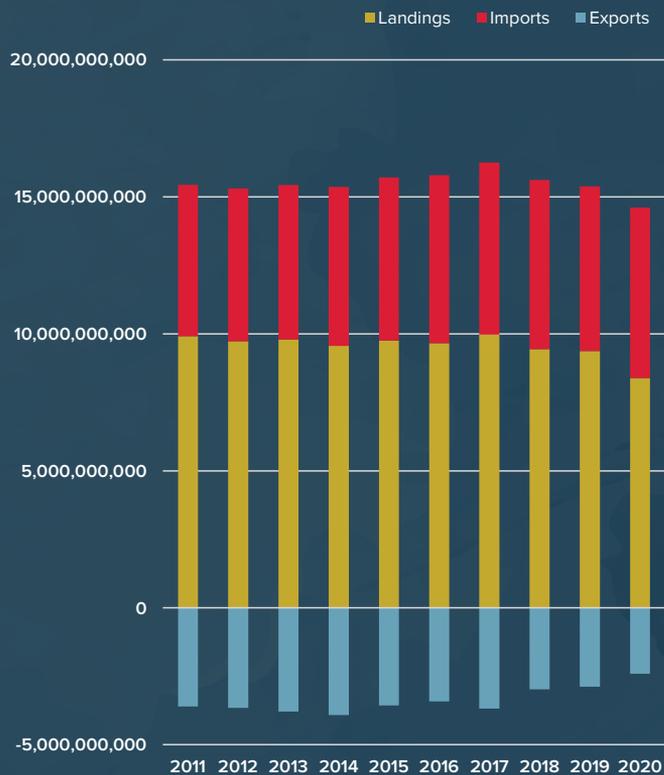
Total imports in 2021 were 6.973 billion pounds, valued at \$28.131 billion. This is an increase of 746.5 million pounds (+12%) and \$6.538 billion (+30%) compared to 2020. Once again shrimp was the most imported item, accounting for 1.976 billion pounds of the total.

Total exports were 2.765 billion pounds in 2021, valued at \$5.157 billion. This is an increase of 355.1 million pounds (+14.7%) and \$952.0 million (+22.6%) compared to 2020.



U.S. Supply of Seafood

Source: Urner Barry, US Census, NOAA Fisheries



Top 10

2020 U.S. Landings

Source: NOAA Fisheries

VOLUME	
1	Pollock, walleye..... 3,230
2	Menhadens1,301
3	Hake, pacific (whiting) 547
4	Cod, pacific 381
5	Salmon, yellowfin 291
6	Salmon, sockeye 235
7	Sole, pink 191
8	Rockfish, pacific ocean perch 137
9	Mackerel, atka 129
10	Lobster, American 121

Millions Pounds

VALUE	
1	Lobster, American \$530
2	Scallop, sea \$486
3	Pollock, walleye \$420
4	Salmon, sockeye \$339
5	Shrimp, northern white \$224
6	Crab, dungeness \$200
7	Menhadens \$197
8	Crab, blue \$195
9	Oyster, eastern \$146
10	Cod, pacific \$137

Millions Dollars

2021 U.S. Imports/Exports

Source: Urner Barry/ US Census

IMPORTS	
1	Shrimp1,970
2	Salmon1,071
3	Tuna593
4	Tilapia425
5	Crab303
6	Catfish262
7	Cod159
8	Squid157
9	Lobster137
10	Pollock 101

Millions Pounds

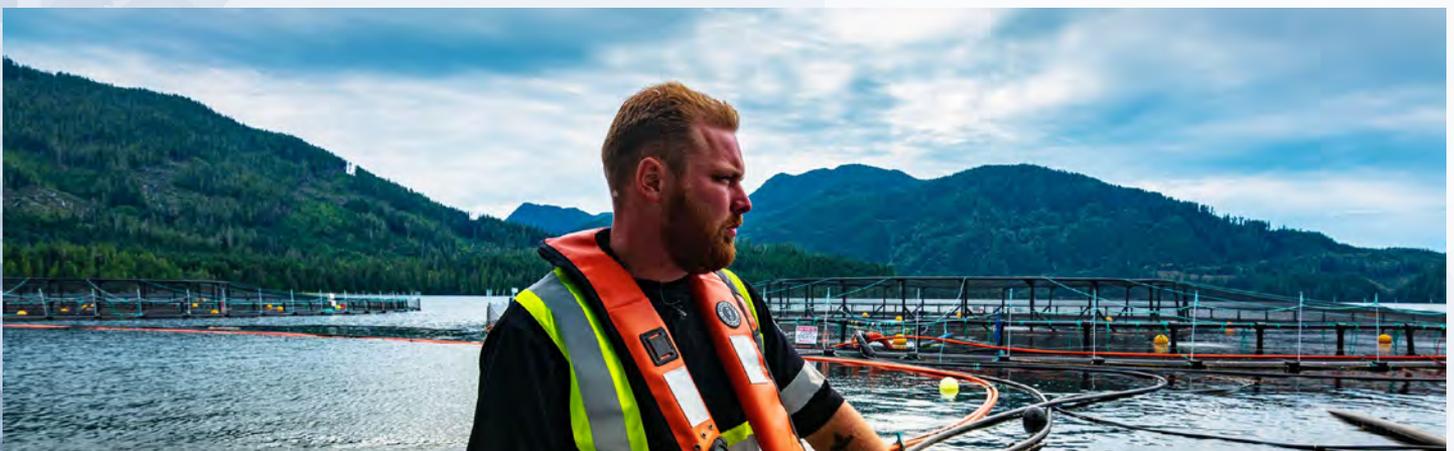
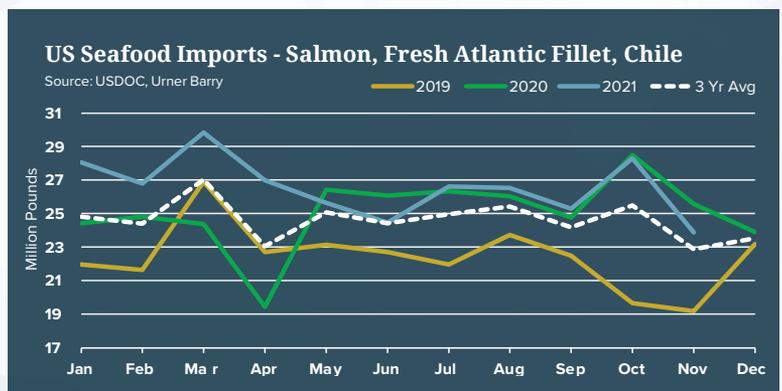
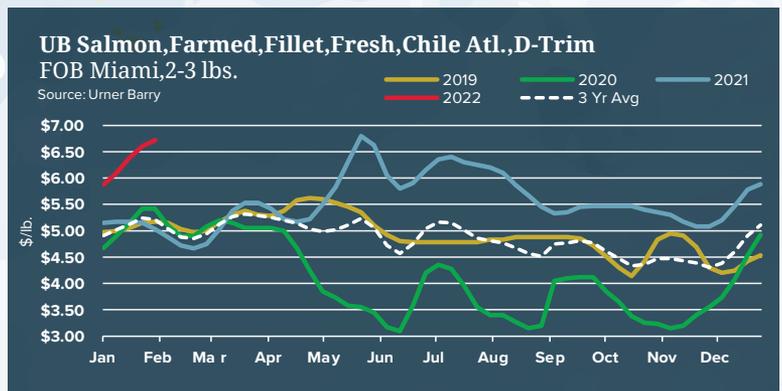
EXPORTS	
1	Pollock689
2	Salmon443
3	Hake178
4	Squid126
5	Soles111
6	Lobster 90
7	Mackerel 79
8	Cod 72
9	Ocean Perch 60
10	Crab 36

Millions Pounds

FINFISH: Salmon

At the end of January, the farmed salmon complex saw much of the month firm and the undertone leading into February appears to continue that way. This is somewhat abnormal for this time of the year with Lent beginning late on Wednesday, March 2. In the past the market has sometimes seen pricing trend lower after the holiday season, but 2022 has not shaped up that way. Supply constraints out of all producing countries have been the major reason for the continued bump up in pricing.

Lent, from a historical standpoint, is one of the busiest times of the year for farmed salmon. And with supply presently not fulfilling the needs of the current demand, the upward pricing pressure and movement in the market could continue if supplies remain tight. Through November 2021, fresh Chilean fillets are up 5.7% and fresh fillets in total are up 11.2%. On the whole fish side, Canada is up 16.1% on fresh whole fish and Norway is up 7.0% after spending much of 2021 in the red. Norway is also up 43.6% on fresh fillets imports.



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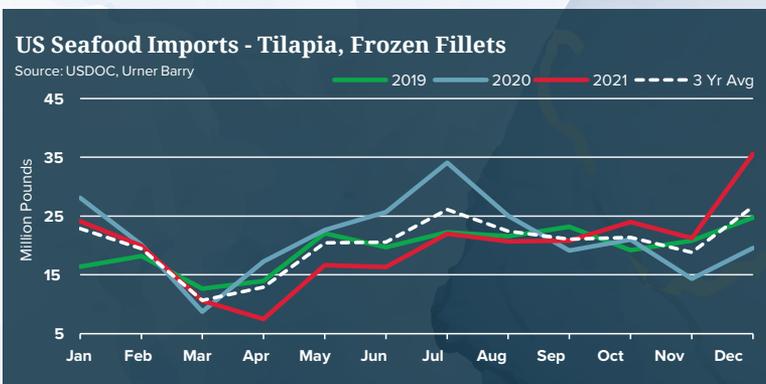
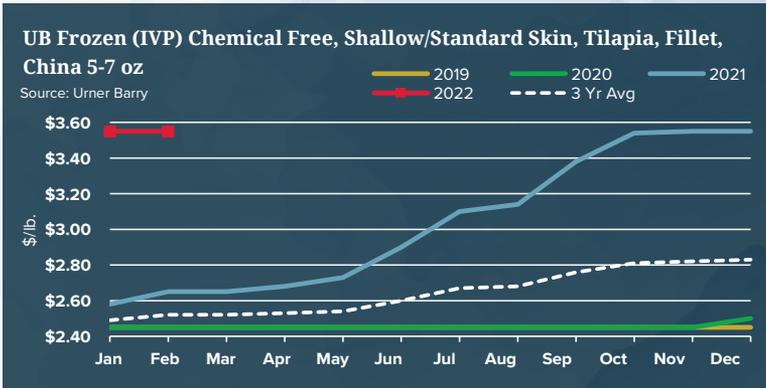
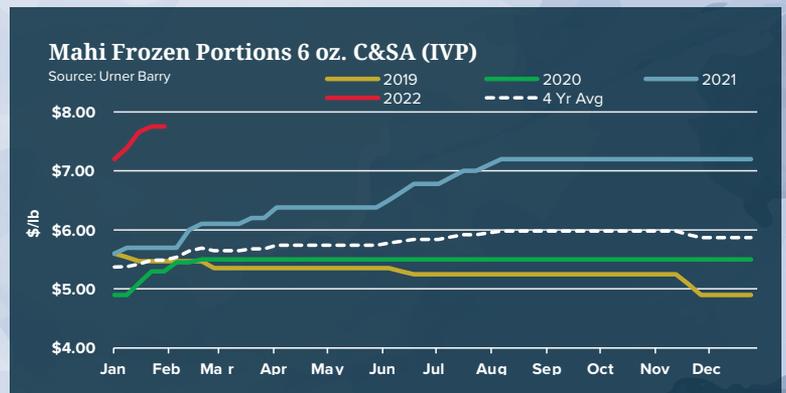
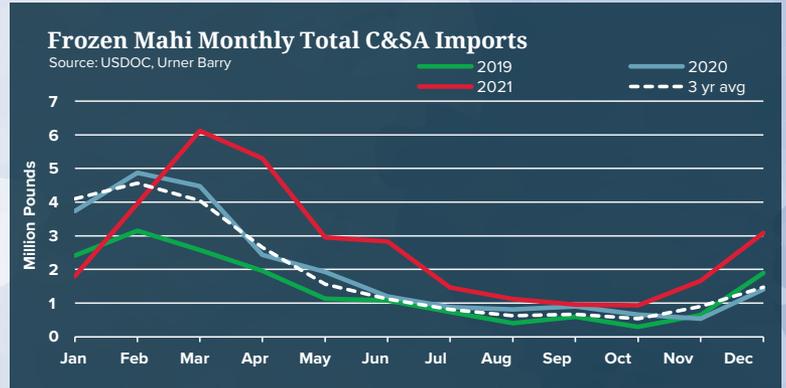
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Mahi

The undertone of the frozen mahi market is firm. The lack of frozen inventories across the seafood complex, coupled with a strong foodservice demand, is price supportive. Although total frozen mahi imports from all countries for the 2020-2021 season registered 42.4 million pounds, a 22.54% increase over the previous season, product moved quickly through the supply chain, leaving current inventories heading into the new 2021-2022 fishing season short. For the C&SA 2021-2022 season, early, large-sized mahi landings have been reported out of Ecuador, while production out of Peru has been characterized as slow with limited offers. Similar to last season, production in Peru started later than usual. Low catches have driven up replacement costs in both countries. In addition, higher freight, trucking and cold storage costs continue to weigh on the market. Prices for 6 oz. C&SA portions are trading at an average price of \$7.50, 32.16% higher than this time last year. Importers are anxious to see how the second half of the fishing season in C&SA unfolds.



Tilapia



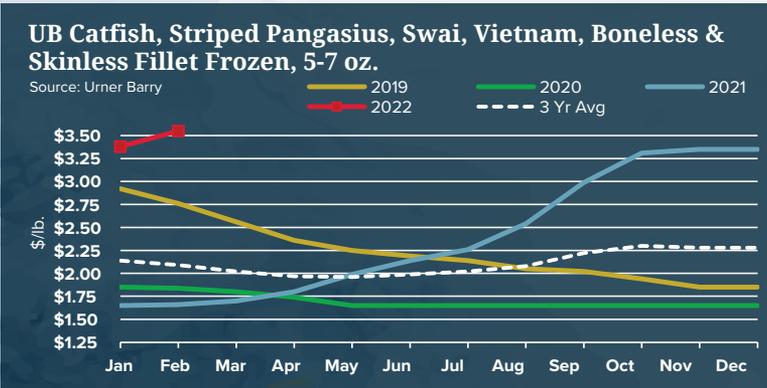
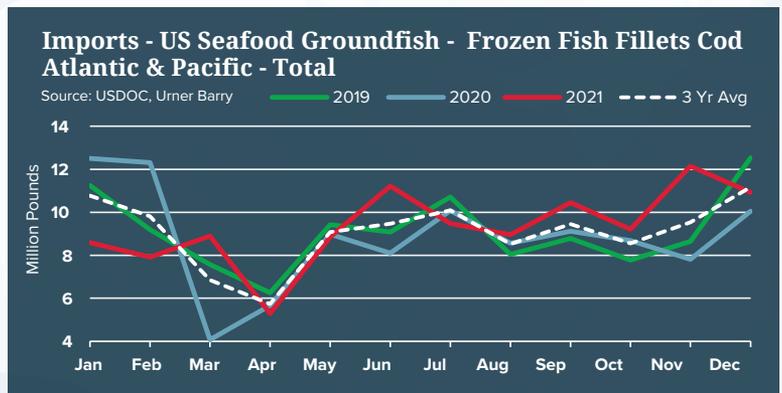
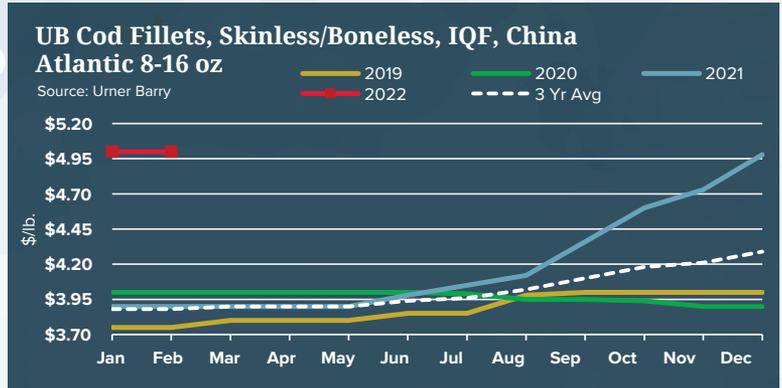
Tilapia continues to see upwards pricing pressure contributing to long lasting obstacles set in place at the start and throughout the pandemic. Rising freight, labor shortages, production setbacks, and steady demand have resulted in increased replacement costs overseas, as well as supply shortages. Currently, 7–9-ounce sized fillets are the most constrained as early harvests have offset supply of raw materials into the market for this larger fillet size. As wholesale prices rise, retail promotions drop and frozen fillet pricing closes the gap on fresh tilapia fillets, allowing room for consumers to consider switching to the fresh product. However, with the Lenten season falling later this year, demand is anticipated to remain active until then, supporting the premiums within the market.

FINFISH:



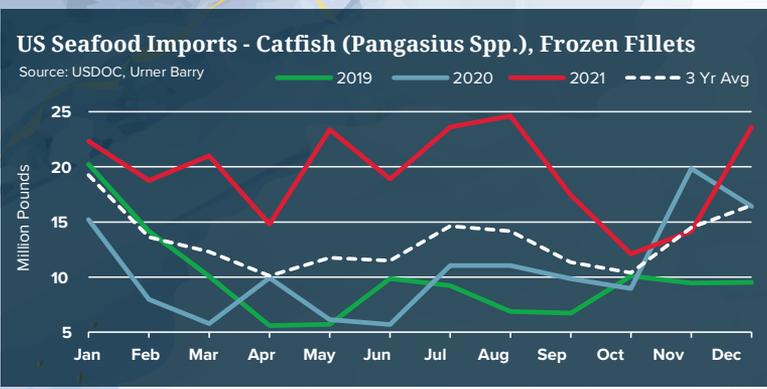
Cod

Demand for both Atlantic and Pacific cod has been active, especially within the foodservice sector. However, the supply situation remains tight. Continued logistical issues, including congested ports, little to no container availability or vessel transport, and astronomical freight costs, has supported the premiums seen within the market. Throughout much of 2021, Atlantic cod was reporting a slow catch out of the Barents Sea, resulting in a portion of the quota being carried over into the 2022 season. At the same time the 2022 quota has retreated. Similar slow catch reports for Pacific cod were reported for the Bering Sea. Even if new season catch rates improve from last year, there are plenty of driving forces keeping upwards pressure on the market, including continued demand leading into the Lenten season.



Pangasius

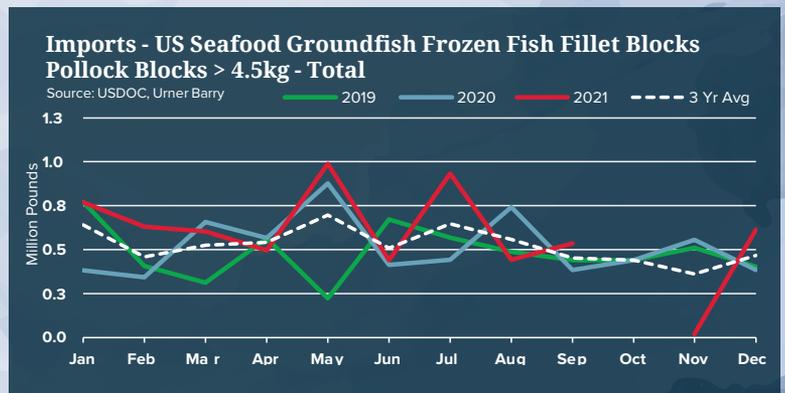
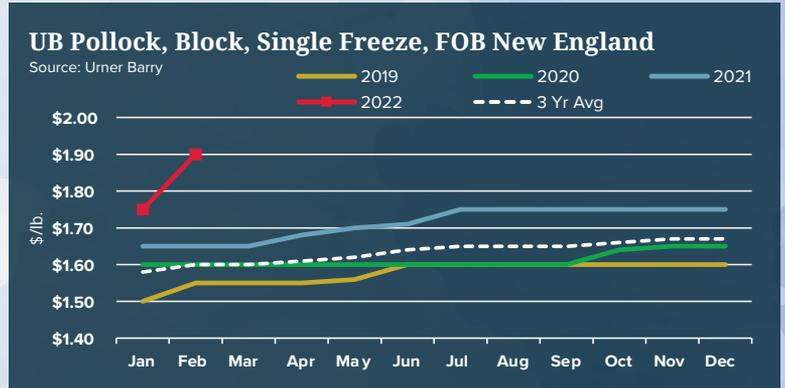
The pangasius market remains burdened with supply constraints, working to keep up with an active demand, continued logistical issues, and skyrocketing freight costs. Production efforts persist with focus on backorders. However, there is reduced capacity due to labor shortages as productivity has not fully recovered thanks to the latest strain. Additionally, increased freight has yet to offer any relief and has resulted in elevated replacement costs overseas leading into the Lenten season. Despite supply constraints, import volume outweighs that of tilapia frozen fillets, accounting for a trend reversal as tilapia typically brings in much higher product volume. Prices remain firm at record highs.





Pollock

The 2022 Alaska Pollock A season opened in late January as prices across pollock products remain elevated. The industry has seen multiple seasons producing smaller sized fish, causing additional challenges on the production side, accounting for a shift away from blocks and towards surimi production. Demand is strongly outpacing supply on most product forms, but especially on frozen blocks, driving prices to record highs. With a greatly reduced quota for the new 2022 A season, prices are anticipated to remain elevated if demand remains active. Additionally, the legal issues surrounding Jones Act violations from 2021 only exacerbated supply struggles, leading to additional transportation obstacles going forward. With global demand intact and constrained supply, the industry is eager to see how the 2022 A season shapes up.

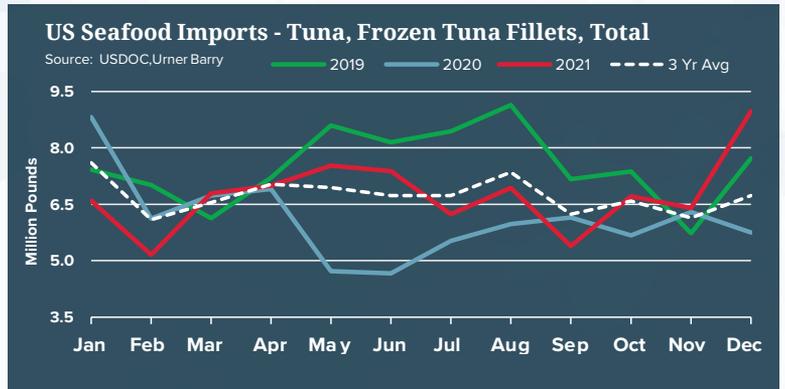
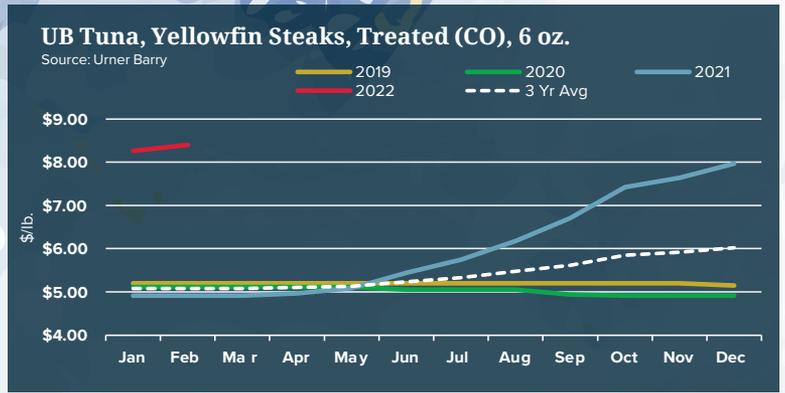


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FINFISH: Tuna

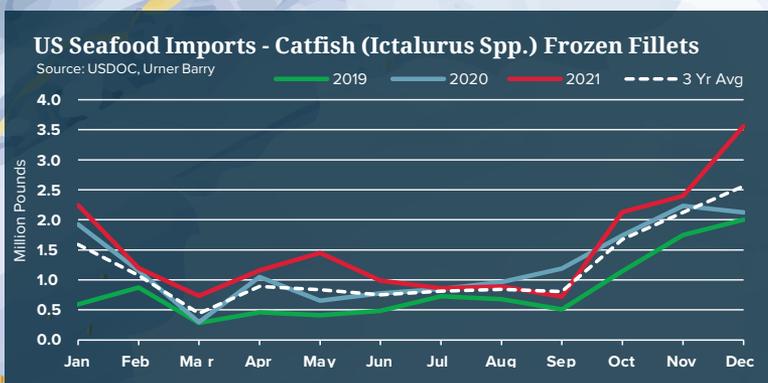
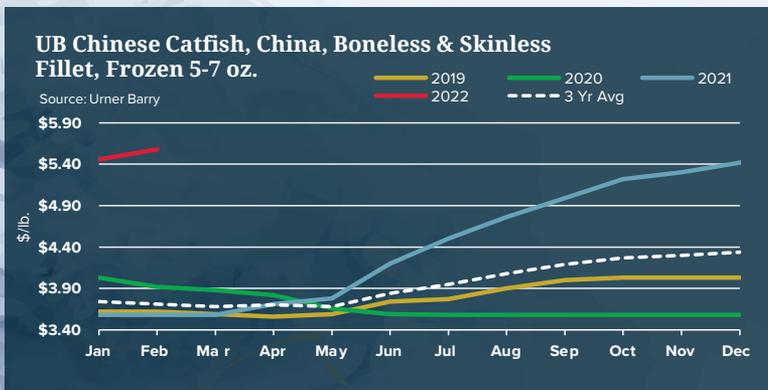
The underlying constraints that propelled the frozen tuna market to 52-week highs are firmly intact entering Q1 of 2022. Logistical disruptions such as container shortages, rising freight costs and shipping delays continue to plague not only the frozen tuna market but the imported seafood complex as well. Constrained production capabilities due to labor shortages, rising replacement costs overseas and an active demand are all contributing to a firm market. Domestically, importers must also contend with rising gas, transportation, and cold storage costs. The combination of all these obstacles has negatively impacted the importer's ability to meaningfully rebuild thinning inventories.

Year-to-date (January-December) 2021 total frozen tuna fillet imports from all countries registered 81 million pounds, a 10.6% increase year-over-year. However, as mentioned above, inventory levels here in the U.S. remain extremely thin. Year-to-date imports from Indonesia are down 6.2% year-over-year, the third year in a row that Indonesia shipped less product year-to-date than the previous year. Meanwhile, imports from Vietnam are up 27.7%,



registering 27 million pounds, the second largest import volume from Vietnam recorded.

With Lenten demand beginning to pick up and foodservice still active for healthy options, market participants do not expect inventory relief until the fall. Orders will continue to be shorted and current inventories protected for committed program sales.



Catfish

Chinese catfish, which holds a much smaller market share within the U.S. than tilapia or pangasius, continues to firm. Despite the upwards pressure from freight costs, logistical issues, shipping delays, and labor shortages to name a few, the market has been slightly unsettled as of recent. Prices collected have reported a wider range than normal as replacement costs continue to elevate on new incoming product, well above older product value. Dependent upon one's own inventory positioning within the marketplace has resulted in large price variants. Even with imports outpacing the previous decade, an active demand within the market continues to put pressure on the very constrained supply side.



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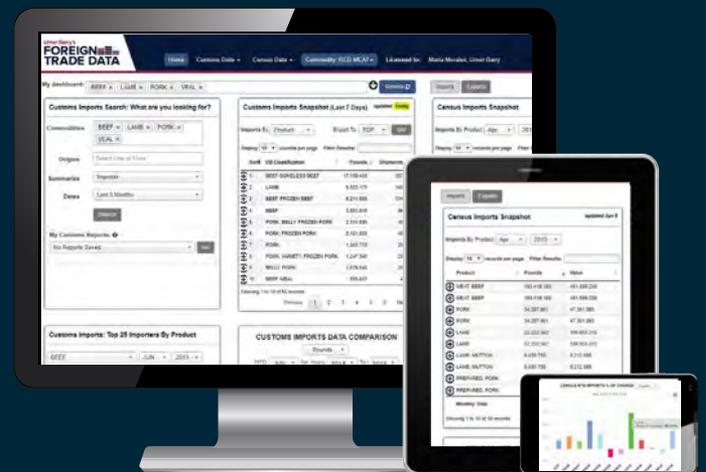


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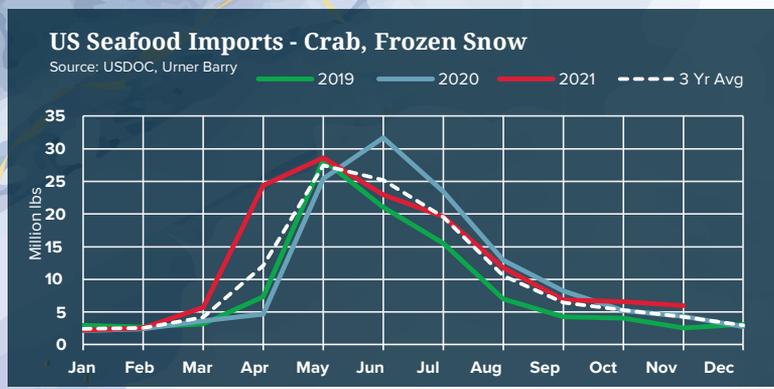
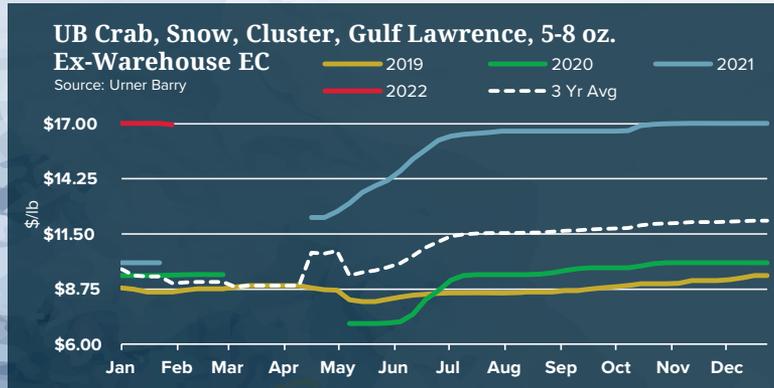
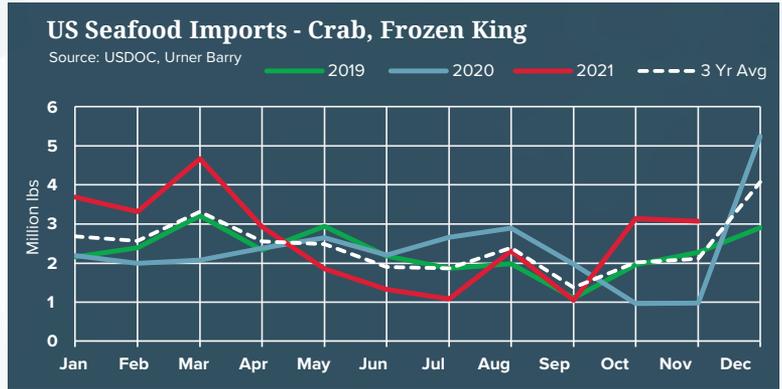
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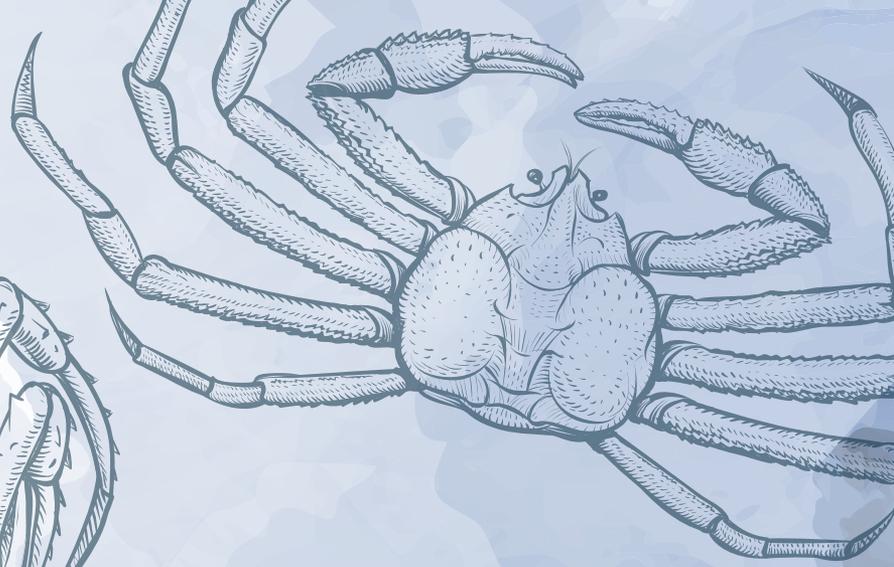
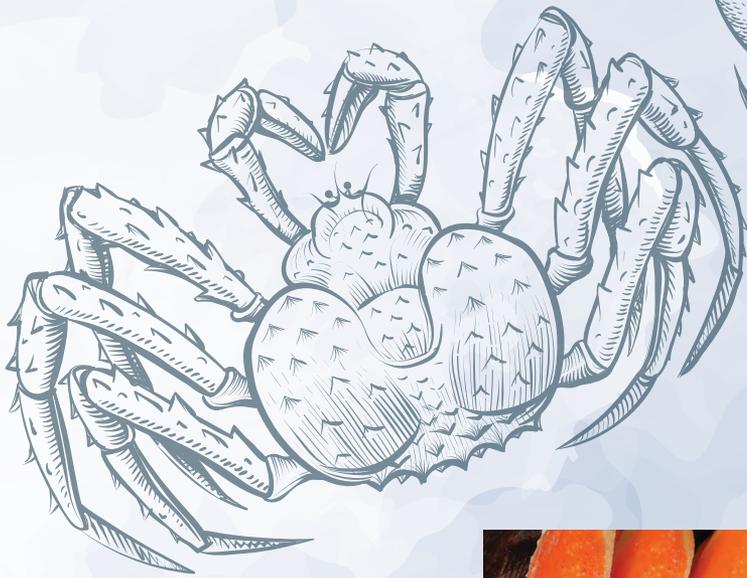
King Crab

The king crab market in the U.S. began to see a price correction towards the end of January. Pricing on 9-12s and smaller have started to move lower heading into February as a slower sales period looks to have sparked some lower offers and sales. With pricing up at all-time highs—9-12s are 127.3% higher than the 3-year average—market participants report that cash-flow is becoming a big motivator behind the downward pricing movement. But with global quotas down around 5.8% heading into 2022, U.S. importers will need to remain competitive against the live Asian crab market. Through November 2021, king crab imports are 23.9% higher and Russia, the leader in the category, is up 27.3%.



Snow Crab

As of this writing the snow crab market is unsettled. Inventory of the previous season's product out of Canada is believed to be light, however, lower offers and sales have been noted over the past several weeks. With the new Canadian season most likely not beginning until April and product reaching the U.S. market sometime in late April-May of 2022, inventory positions and buying needs are unclear. For 2021-2022 there will be a limited Alaskan snow crab quota. The 2021-2022 season was slashed by almost 90%, therefore there will not be as significant a supply of Alaskan snow crab available to bridge the gap between Canadian snow crab seasons. Total imports through November for snow crab are up 10.5%; Canada is up 11.3% and Russia is down 1.7%.



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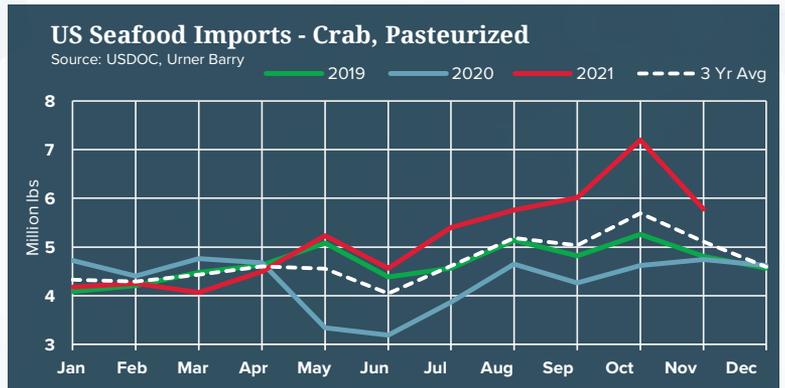
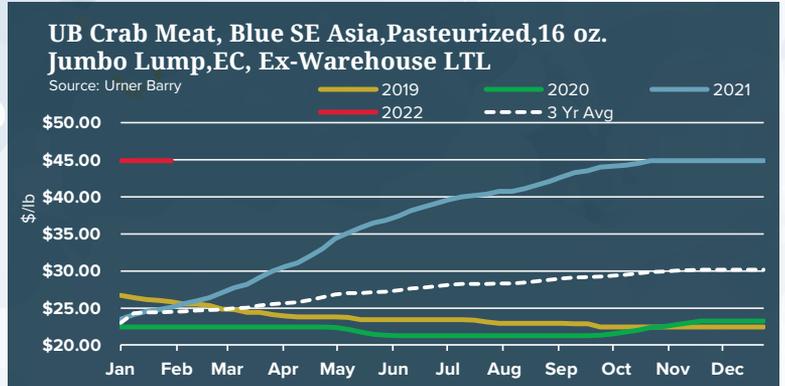
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SHELLFISH: Crab Meat

Much like the balance of the crab sector currently, the blue swimming crab meat market has started to see some lower offers and sales pop up throughout market. The slower demand period in the winter, along with cash-flow issues, looks to have created downward pricing pressure for some market participants. All grades, as of the end of January, are holding about steady with lower offerings noted. Market participants report that inventory positions have improved from extremely low inventory positions seen earlier this year. Allocation to customers has also improved. Headwinds in the sector still exist in that replacement product pricing remains higher overseas and transit time from harvest into the U.S. market continues to be long and challenging. Overall crab meat imports are up 20.5% through November 2021. Indonesia, the category leader, is seeing imports 5.8% higher. The Philippines has seen imports soar to 63.9% higher than the same time last year.



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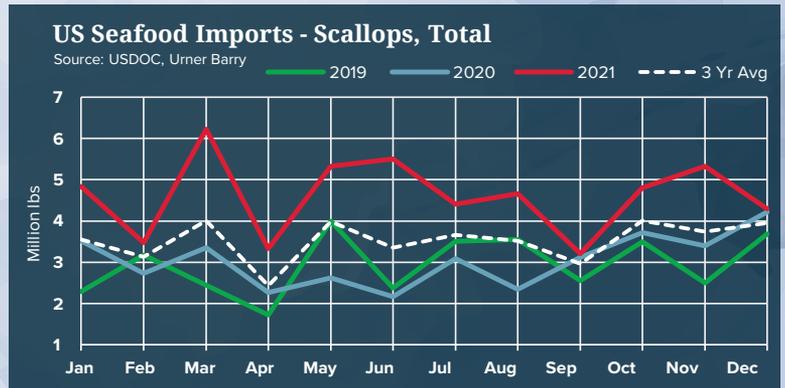
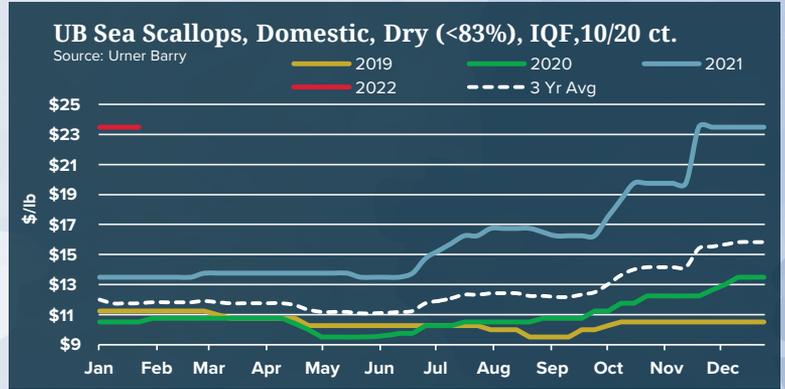
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Scallops

Prices are steady at record levels on the domestic front through the middle of the first quarter as supply remains short. Relief will not be seen until the new season opens on April 1, 2022 to replenish barren inventories. But with that said, quotas will continue to see a reduction in the new season. The 2022 season is projected to produce 34 million pounds, almost half of what was projected for 2019 at 61 million pounds. Continued reduction of the quota is attributed to no evidence of a strong incoming year class, as well as the size mix of landings trending smaller. A heavier reliance has been put on imported scallops to satiate demand, namely from China, Peru, Canada and Japan. However, imported prices remain firm as well.



SHELLFISH: Frozen Lobster

The market for frozen lobster products, from all areas, ascended into record-high territory in 2021. Widespread adoption at retail, and the re-opening of foodservice, alongside a depleted and more costly supply chain, accelerated demand and vaulted prices.

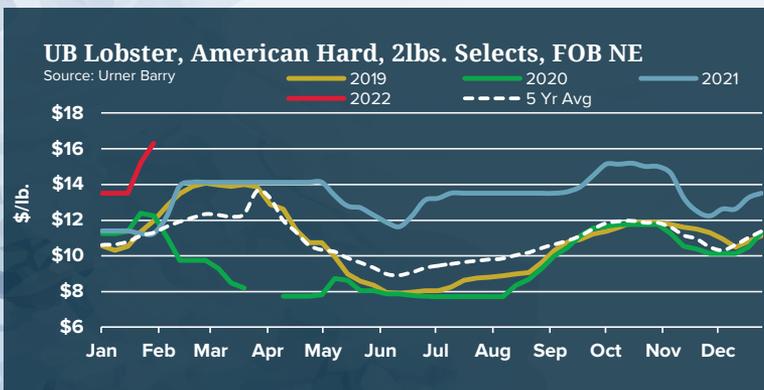
Imports of all lobster products into the U.S. increased 28% in 2021 to 136.8 million pounds compared to 106.8 million in 2020. The increase was driven primarily by a surge in the importation of in-shell and meat products from Canada.

Imports of lobster products from Canada totaled 118.1 million pounds in the year; 29.7% more than in 2020. Shipments of live from Canada to the U.S. increased 3.8%, while in-shell surged 47.1% and meat 68.0%. The data, alongside anecdotal evidence, suggests users were attracted to



further processed products over live and the protection frozen products offered as labor shortages persisted and the possibility of dining restrictions loomed.

Imports of warm water lobster tails in the year declined 2.8% totaling 12.2 million pounds. Imports of cold-water lobster tails from other countries increased 13.2% in 2021.



Live Lobster

Historically, the period following Chinese New Year and the start of the Canadian spring season in Q2 is when net supply and inventory shortages are the most pronounced. This certainly has been the case this year. Throughout 2021, competition for product from shippers, processors, and the live market have kept acquisition pricing high, and as a result, firm market prices. NE hard shell select prices have outpaced its 5-year average for all of 2021 and presently trade at record levels, 35.29% higher than this time last year. Winter weather has been an ongoing problem during the fall and winter fishing seasons, often limiting fishermen's days at sea. Light landings and rising replacement costs have been price supportive right up until Chinese New Year. According to NOAA, preliminary Maine landings for 2021 are estimated to be 102.3 million pounds; an 8.84% increase over last year. Due to high replacement costs, the amount of tubed and pounded product that bridges the gap until the start of the Canadian spring season is light.

Shrimp
Crab Meat
Lobster
Value-Added
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SHELLFISH: Shrimp

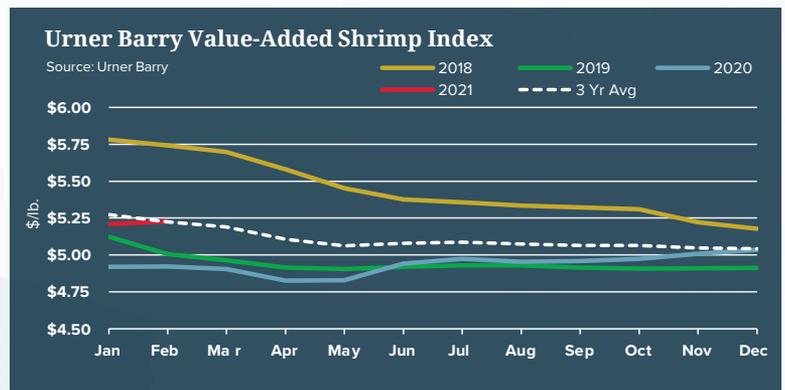
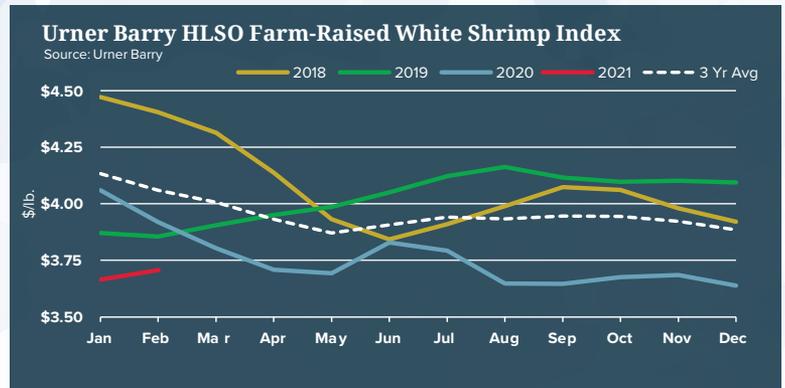


The last data set of the year was released today, and shrimp imports in 2021 ended with a bang. Imports for December were a record-setting 194.1 million pounds, or 32.7% above last year. As a result, total annual imports were 19.8% higher at 1.970 billion pounds; another historical high and just shy of 2 billion pounds.

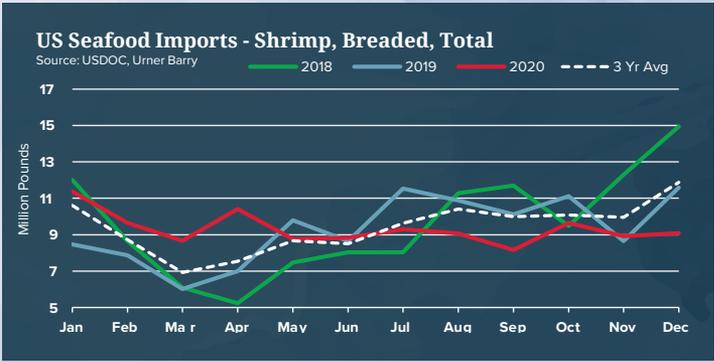
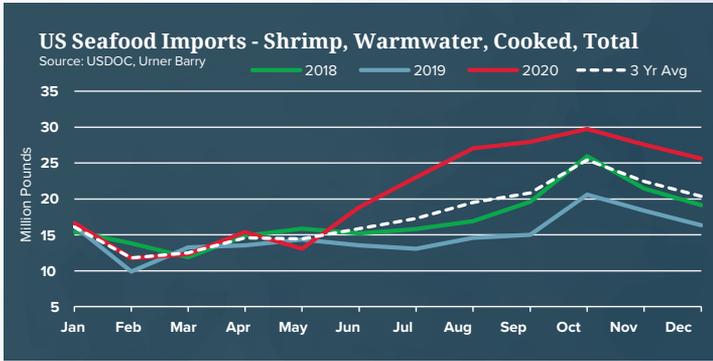
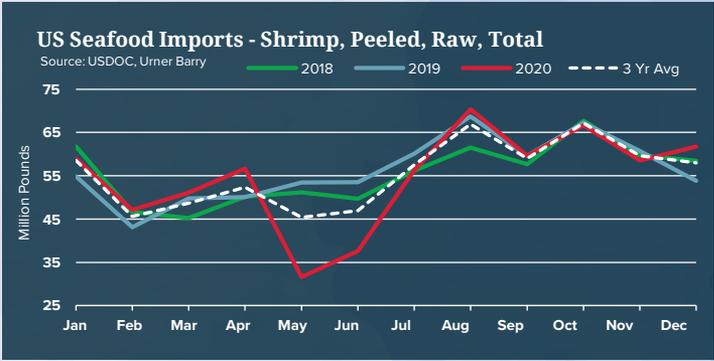
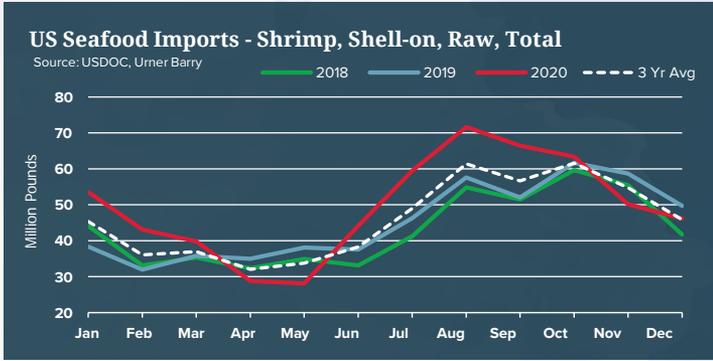
The U.S. top five trade partners remained the same. The top four all shipped significantly more than last year at this time. India (+23.0%), Ecuador (+87.9%), Indonesia (+29.3%), and Vietnam (+52.8%) shipped more. Thailand (-3.5%) shipped less.

There is lots to note about record setting data in this report—and all of 2021 quite frankly. In terms of December highs, our four top trade partners set a new mark. India sent over 750 million pounds. In terms of product form, the U.S. imported more of all.

The white shrimp index, which measures the relative strength or weakness in the overall white shrimp market, rebounded from 2020 lows, up nearly 21% on the year. The value-added shrimp index was also up double digits. Despite the increase in product, consumers still showed a willingness to pay for seafood.



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Global compound feed output grew 2.3% in 2021

Article provided by Urner Barry's sister-publication, FeedInfo.



Global compound feed tonnage in 2021 is estimated to have increased by 2.3% to 1.235 billion tonnes, according to the 2022 Alltech Global Feed Survey—now called the Alltech Agri-Food Outlook.

Commenting on the data, which is collected from more than 140 countries and more than 28,000 feed mills, Dr. Mark Lyons, president and CEO of Alltech, said: “The results within our 2022 Alltech Agri-Food Outlook reinforce our confidence and optimism about the future of the agri-food sector. We see the resilience of the agri-food sector against the challenges of COVID-19, disease and supply chain disruption, and, even more importantly, there is evidence of growth, modernization and the adoption of more sustainable practices occurring in parallel.”

The top 10 feed-producing countries in 2021 (accounting for 65% of the world’s feed production) were China (261.424 million tonnes), the U.S. (231.538 million tonnes), Brazil (80.094 million tonnes), India (44.059 million tonnes), Mexico (38.857 million tonnes), Spain (35.580 million tonnes), Russia (33.000 million tonnes), Turkey (25.300 million tonnes), Japan (24.797 million tonnes) and Germany (24.506 million tonnes). When combined, the feed production of these countries increased by 4.4%, compared to the overall global growth of 2.3%.

Alltech’s data shows that China’s production in 2021 grew by 8.9%, driven by the continuation of the consolidation and modernisation of the country’s feed industry. The Asia-Pacific region saw the

largest regional production growth last year at +5.7%.

Other regional data indicates that North America saw growth of 1.9% in 2021, while Latin America experienced moderate growth of 0.5%. Europe saw a decrease of 1.2% in its feed production due to issues such as African swine fever (ASF) and high raw material costs, combined with low end-product prices, declines in ruminant feed production and COVID-19-related government regulations. And Africa saw growth of 2.4%, despite challenges caused by high raw material prices, foot and mouth disease and geopolitical tensions.

“Feed production met local expectations in about half of the surveyed countries while falling short of expectations in about 25%



“Feed production met local expectations in about half of the surveyed countries while falling short of expectations in about 25% of countries due to continued restaurant closures, high raw material prices and/or ASF...”

of countries due to continued restaurant closures, high raw material prices and/or ASF. The remaining 25% of countries exceeded expectations, mainly due to recovery from COVID-19 lockdowns, including increased exports to re-opening restaurants,” Alltech said, adding that global feed production over the past year was increasingly influenced by government policies on reducing greenhouse gas (GHG) emissions.

SPECIES DATA

Providing a breakdown by species, Alltech said its data showed a slight reduction in global layer feed tonnage in 2021 (down 1.4%) due to high costs of raw materials, combined with flat/low retail prices for eggs. Broiler feed production increased by 2.3%, driven by the increased demand for easy-to-cook protein.

Global pig feed production increased by 6.6%, which was primarily boosted by Asia-Pacific’s recovery from ASF, although

some countries like Indonesia, Myanmar, the Philippines, Thailand and Vietnam continued to feel the impact of the disease. In Europe, countries where ASF is less of a problem were impacted by a pork surplus due to reduced demand from China.

Looking at cattle feed output, global dairy feed tonnage increased 1.9%, whereas beef feed production dropped by 1.9%.

Alltech commented: “The industry continues to be challenged by GHG regulations and perceptions of environmental and health impacts. European markets are especially focused on reducing GHG emissions in an effort to align with COP26, the EU Green Deal and the FEFAC Feed Sustainability Charter 2030. The U.S. experienced an increased steer and heifer harvest due to carryover from 2020, as well as a record demand for beef exports. Argentina saw a significant reduction due to reduced exports, and high inflation and the devaluation of the local currency are also affecting Argentinians’

purchasing power, although export regulations are easing and could impact Argentina’s outlook for 2022.”

Aqua feed production grew 3.7% globally with recirculating aquaculture systems becoming more prevalent and consumer demand for fish increasing. India saw an aquaculture feed tonnage increase of 9% in 2021, while Indonesia accounted for 10% of Asia-Pacific’s growth. In Latin America, Chile, Brazil, Honduras and Ecuador contributed to regional growth of 5.6%.

Finally, pet food production had the highest increase among the sectors, with an 8.2% rise in production.

“This significant increase is largely due to the rise in pet ownership amid the COVID-19 pandemic. While some regions remained flat, there were no reported decreases in any region around the world,” Alltech said. [UB](#)



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PIONEERING WAYS TO REACH CONSUMERS AND IGNITE DEMAND FOR EGGS



Article contributed by Emily Metz,
President & CEO, American Egg Board



AMERICAN
EGG BOARD

It's already shaping up to be a promising year for eggs, but we have our work cut out for us. In the face of persistent, challenging market conditions, driving demand for eggs through break-through consumer marketing is vitally important. Every day our team works to find novel and more effective ways to engage, inspire and influence consumers to purchase and enjoy our perfect protein. To that end, I am delighted to report that the AEB's fourth quarter marketing efforts, which focused on building consumer demand through influencer-based strategies, generated outstanding results. We plan to apply the lessons learned from these campaigns—coupled with deep consumer understanding from the AEB's new internal consumer insights hub—for even greater success in the year ahead.



EGGS: THE ESSENTIAL INGREDIENT TO FALL BAKING

In October, we launched a fall baking program, leveraging the versatility and ubiquity of eggs as the essential ingredient in baking. In the early days of the pandemic, at-home baking activity hit an all-time high as many consumers discovered baking for the first time. However, as we dug deeper into consumer perceptions, we learned that many consumers think that baking is difficult and time consuming. We used this insight to mobilize a team of social media influencers to reignite consumers' passion for baking.

**FALL BAKING
GIVEAWAY**

CALIFORNIA WALNUTS + THE INCREDIBLE EGG

We partnered with **eight social media influencers** to create **47 pieces of content**, sharing a variety of delicious autumnal recipes to get consumers back in the kitchen prior to the holiday baking rush. Content from seven influencers reached more than **5.2 million consumers**. Our communications team also partnered with Feedfeed to demonstrate three fall baking recipes in a masterclass series on Instagram and TikTok, resulting in more than **464,000 engagements** from social posts and stories, and **reaching 10.7 million social users**.

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Our Incredible Egg social channels also featured an original recipe giving consumers new ideas for a harvest brunch, an indulgent dessert or entertaining. We also gave consumers the confidence to try new techniques and explore the flavors of fall.

HOLIDAY: RECREATING FAMILY HOLIDAY FAVORITES

Every family has its holiday food traditions. Some are beloved because they taste so great; others are cherished because we love the relative who made them. Research shows that Millennials yearn for nostalgia, especially around the holidays. Thus, AEB created a program where Millennials could celebrate their favorite family recipes and give them a modern twist at the same time. The “Holiday Recipe Remakes” campaign launched in early November and ran through the end of December. We enlisted Derek Hough, Emmy award-winning dancer and entertainer, as the face of this program and to kick it off with an Instagram post challenging his followers to send in their remakes of their own recipes. This was followed by a series of additional social posts by Derek and six other popular influencers to inspire Millennials to follow suit with their own celebrations—everything from an egg-inspired brunch menu, food gifts, indulgent desserts or creative appetizers. The program was integrated into retailers’ e-commerce platforms, as well.

Over the course of the campaign, influencers shared **56 pieces of content** reaching a total of **3.8 million consumers**. In total, the #EggceptionalHolidays posts earned more than **236,000 engagements** and had an average **engagement rate of 5.2%**—far surpassing industry standards. Paid efforts behind the social content from Derek Hough (pictured opposite page) and a handful of our influencers drove an additional **17.5 million impressions**. And content by Derek generated a 4.77% engagement rate—more than double the 2% average for similar food industry campaigns.



2022: THE YEAR OF THE EGG

I opened this column by noting that it’s looking to be a promising year for eggs. In fact, many important trends point favorably in our direction, and a growing chorus is singing the egg’s praises. In late-2021, the United Nations Food and Agriculture Organization named eggs a “star” food in the fight against world hunger and malnutrition. And the new Dietary Guidelines for Americans recommended eggs as a first food for babies. Most recently, Technomic named eggs “the restaurant darling” of 2022. We look to capitalize on this increasing list of endorsements, high-profile fans and incredibly endless opportunities. With a mix of innovative new programs and campaigns leveraging our consumer insights—and the world’s most perfect protein—together we can truly make 2022 the Year of the Egg. Cheers to that. [UB](#)



Images provided by the American Egg Board





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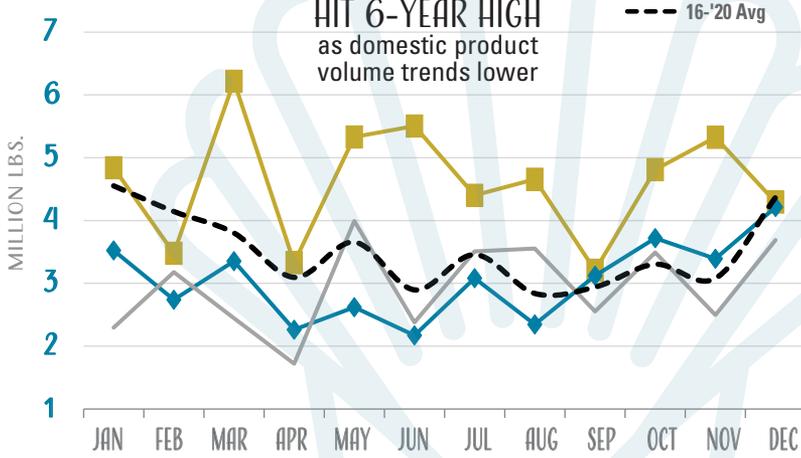


Compiled by Lorin Castiglione | lcastiglione@urnerbarry.com

REPORT

SEASONAL BEHAVIOR OF SCALLOP IMPORTS

Source: Uner Barry, USDOC



2021 SHRIMP IMPORTS HIGHEST ever recorded



totaling

1.975

BILLION POUNDS



2021 FOODSERVICE RECOVERY

heightened demand for

LOBSTER

27M POUNDS

resulted in more than

IMPORTED FROM CANADA

compared to 2020



SEAFOOD OBSTACLES

SHIPPING DELAYS



LABOR SHORTAGES

INCREASED COLD STORAGE FEES



ELEVATED replacement costs



CONTAINER SHORTAGES

RISING FREIGHT COSTS

TEMPERED PRODUCTION

ACTIVE DEMAND

2021-22 BERING SEA

SNOW CRAB QUOTA



88%

from previous season



w/ catch limit

5.6M LBS

SALMON HIGHER

RETAIL PRICES ARE PAIRED W/ FALLING PROMOTIONS



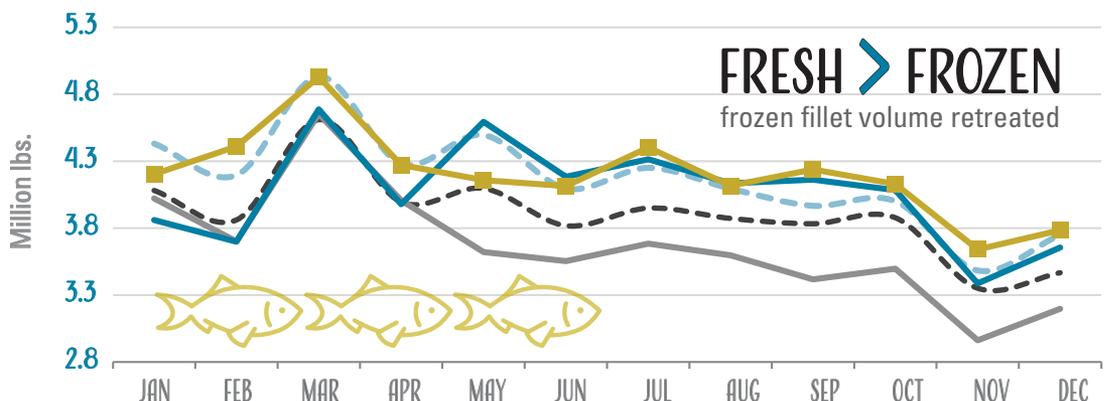
but DEMAND remains

ACTIVE

CYCLICAL BEHAVIOR OF MONTHLY IMPORTS

TILAPIA FRESH FILLETS

Source: U.S. Census, Uner Barry, USDOC



Urner Barry Consulting brings transparency to global surimi market

Surimi paste is a basic form of protein derived from fish. Its versatility and abundance make this an affordable and attractive product in the global marketplace.

Despite the international demand, market information for important data indicators, such as production and price, are reported by local channels, making information from a global perspective very opaque.

Different countries, reporting at different time intervals, and the lag time on the release of data, inhibit one single resource, making analysis nearly impossible. Until now...

In June 2020, Urner Barry Consulting was contracted by the Genuine Alaska Pollock Producers (GAPP) to create a Global Surimi Paste Supply Database by species and by country. Previous attempts have been made to craft such a database and reporting but failed.

Urner Barry Economist Angel Rubio was tasked with this massive undertaking. Rubio has an extensive background in the seafood industry, serving nearly 20 years in various roles. Rubio combined his expertise in statistical analysis and modeling with his knowledge of the seafood market and international trade. He also used his broad industry network to help provide input where holes in the data existed. GAPP also provided a working committee to assist Rubio with key anecdotal information to make sound expert assumptions in the absence of concrete data.

Together, they were able to gather data from various sources and create a global production database for surimi paste. The data is updated quarterly and accompanied by a detailed report of key findings and metrics.

Surimi Production Through First 3 Quarters of 2021

Source: Urner Barry Consulting



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2021 Global
Surimi
Production
Outpaces 2020
YTD levels
8.2%

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“This tool will quite literally illuminate the specifics around surimi paste production and facilitate forecasting, sales management and overall better understanding of the composition of surimi paste, by species,” said Craig Morris, GAPP CEO. “One of the first things our Surimi

Committee wanted to provide back to our industry was a better understanding of the importing countries in the global surimi paste trade and who was using what to supply the production. These quarterly reports will do just that—mission accomplished.”

Uncertainty creates risk. Urner Barry Consulting provides data and market intelligence allowing our customers to identify trends

before they happen. This insight helps them negotiate with confidence and create sound business strategies.

Call 1-800-932-0617 to learn more about Urner Barry Consulting. [UB](#)

Article contributed by **Chris Ashley**
cashley@urnerbarry.com

Global Surimi Production By Year Through Q3

Source: Urner Barry Consulting



America's **CRAZE** for **ROTISSERIE CHICKEN** is just what we all need

We've all been there. Last-minute grocery shopping after a long exhausting day at work and dreading having to cook when you finally get home. Then, right there past the deli, you walk by your savior. A hot, delicious rotisserie chicken that requires as little effort as possible, which is just the right amount you're willing to put in after the day you've just had.

The good news is that just about every grocery store these days offers its take on the ready-to-eat chicken, which is equal parts versatile and health-conscious. Demand for such a great meal option has arguably never been higher, which for

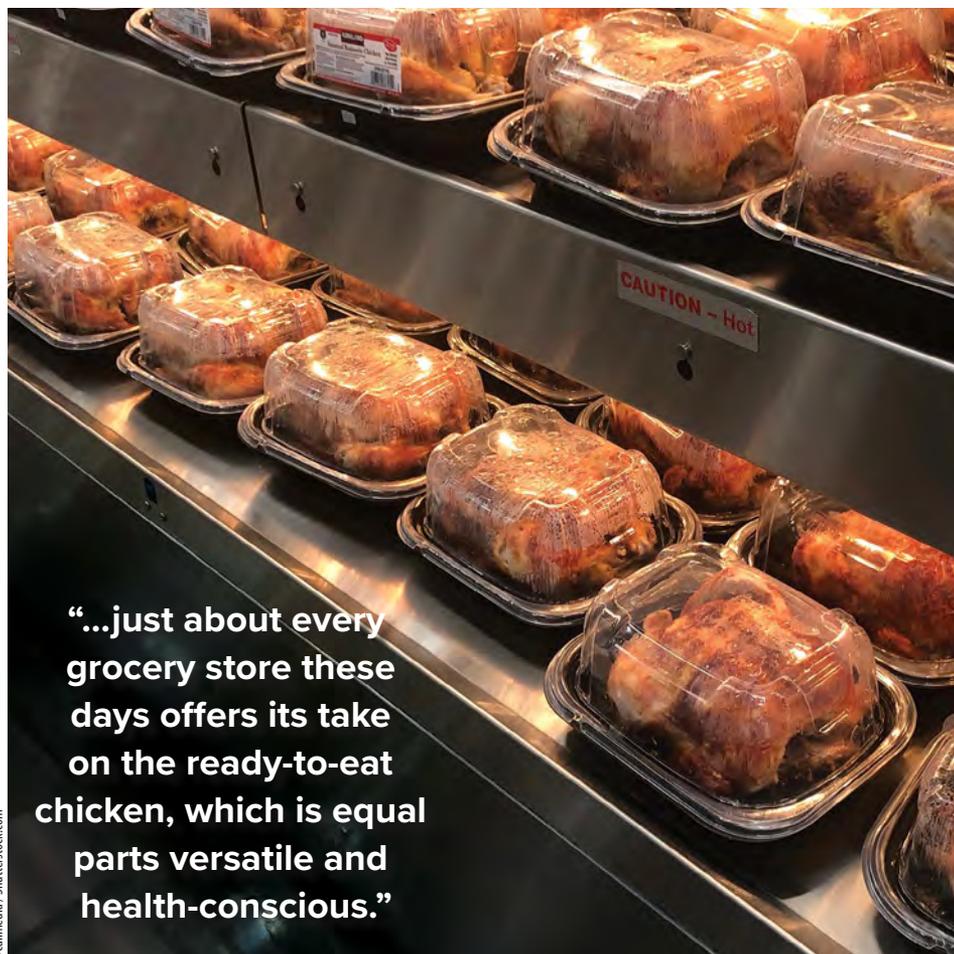
sellers is great news. The problem is, these chickens have extremely specific weight specifications, and if they get just a little bit too large, they no longer fit on the rotisserie spit and become essentially unusable. That's not exactly what processors want to hear with the "growing problem" being at the forefront of their minds the past few years. Pandemic-related labor issues have only exacerbated their fears and created more obstacles in the form of plant worker shortages. This inevitably lowers the number of chickens able to be processed, which leaves some out in the field to grow larger, and out of their desired weight class.

Some say the rotisserie chicken craze got started with Costco's incredibly popular \$4.99 offering. In fact, due to its popularity and the increasing need for consistently sized chickens, Costco partnered with Nebraska-based Lincoln Premium Poultry and built their own automated processing plant to supplement their needs. Since being opened, the plant is said to provide up to two million chickens per week, which goes a long way in satisfying their customers' ever-growing desires. In fact, in 2006, Costco reported selling 30 million rotisserie chickens. According to their latest investor fact sheet, this past year they sold over 106 million.

Despite Costco's noble decision to not raise their prices for over a decade, whole chickens, and WOGs (chickens without giblets), sold at record-level prices in the wholesale market. Urner Barry's quotations indicate the cost of the 3.5 lb. WOG, which is traditionally used within the industry for rotisserie needs, was over 45% higher on average this past year when compared to 2020. When speaking with industry participants about the sharp rise in pricing, demand at the foodservice and retail level was the main contributing driver.

Higher prices notwithstanding, the numbers pretty much speak for themselves in that popularity for such an easy and tasty option doesn't appear to be fading any time soon. In the end, those in the industry and the general public hope that the past couple of years' worth of complications begins to work themselves out. Having such a readily accessible dinner option is one less thing for people to worry about these days, which we all know goes a long way under the current set of circumstances. [UB](#)

Article contributed by **Matt Busardo**
mbusardo@urnerbarry.com



"...just about every grocery store these days offers its take on the ready-to-eat chicken, which is equal parts versatile and health-conscious."

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FORECASTING FOR THE MEAT AND POULTRY INDUSTRY

The lobster market sees shift in consumer behavior



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The live and frozen lobster market has always had a symbiotic relationship. As a live fishery, both markets are competing for a percentage of an ever-changing supply pool. Historically, there has been a clear delineation of when processors sought product to process and when supply funneled into the live market. This was all predicated upon the different fishing seasons, time of year, and, of course, price. Post pandemic 2021 we saw a shift in the market driver. A change in consumer behavior has led to an expansion of the frozen market, with processors aggressively acquiring product while live demand has contracted. Is this the new normal, or will we return to pre-COVID roles? Let's review the two markets.

LIVE LOBSTER

For years, live lobster has been perceived as a luxury seafood item most often consumed in fine dining restaurants. Demand often peaked in and around holiday celebrations. Although in person dining has returned, the restaurant experience post-pandemic has been altered—some say for good. Following the initial lockdown, many restaurants never re-opened. There still exists a population that is hesitant to eat out, and some restaurants require vaccination passports before entry. Labor—or lack thereof—has been plaguing all sectors of the economy, impacting restaurants particularly hard. Menus have been pared down, focusing on less labor-intensive preparation. The uncertainty of holding an expensive, time sensitive product has reduced volume sales for many sellers. In addition, the firm market pricing for live product priced itself out of retail and off supermarket specials.

The rollercoaster of new COVID variants and the ever-changing mandates to control the spread, whether overseas or domestically, has negatively impacted the live market. Demand from European buyers has been slow to return, never reaching pre-pandemic levels. Exports of live lobster to China has rebounded from its post tariff lows in 2019. Year-to-date (January-November) 2021 exports to China total 11.9 million pounds; a 2.6% year-over-year

increase but still 32.10% less than the same period in 2018. The cultural significance of having live lobster for Chinese New Year remains strong.

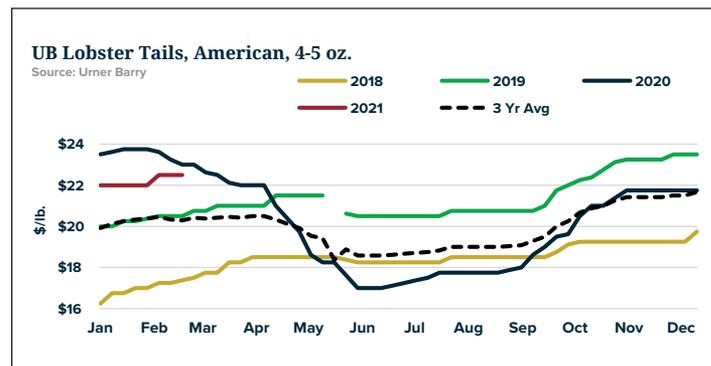
PROCESSED MARKET

For the better part of 2021 and into Q1 of 2022, the lobster complex has been trading at or near record highs. Premiums began to emerge in Q1 of 2021 as we experienced the unprecedented demand for processed product amid a constrained supply channel. Retail was king in 2021; and according to IRI, frozen seafood sales rose 2.8% over 2020 and 40.8% compared to 2019. During quarantine consumers were looking for value frozen items that were easy to prepare items. Their newfound confidence in their ability to buy and cook seafood at home was a remarkable transformation. Competition for raw material this past spring, from both processors and the live market, set the stage for aggressive acquisition pricing and firm market prices.

The combination of empty freezers and the insatiable demand for lobster meat carried well into the summer months and beyond. Processors remained active, securing product at a record pace. It was challenging as they struggled to keep up with day-to-day sales and build meaningful inventory.

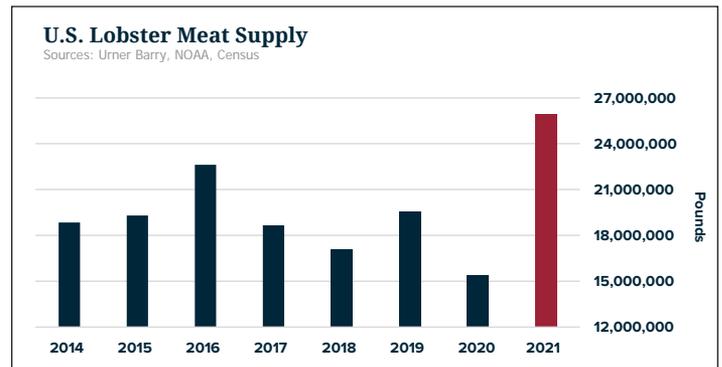
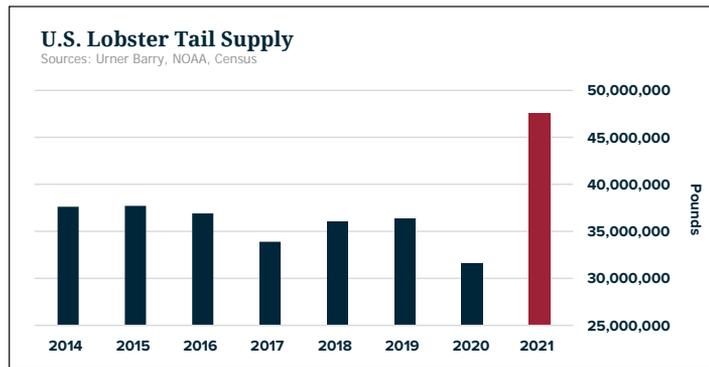
Each year we attempt to understand how the U.S. supply picture developed utilizing landings and trade data, as well as assumptions for the U.S. processing sector. It was abundantly clear upon reviewing the results that demand for processed products easily outstripped live.

2021 U.S. live lobster production increased 9% over the year prior, but at the same time, exports increased 24%. This left the market with 14% fewer U.S. origin live lobsters to sell live or into further processing. However, the U.S. imported 4% more from Canada, leaving the real deficit to just 4%.



While there seemed to be fewer live lobsters available in the U.S. market in 2021, there was substantially more processed products available. The U.S. imported 55% more tails from Canada, and after factoring in U.S. production, availability in-country was 50% higher. Similarly, the U.S. imported 72% more meat, and U.S. supply was 68% higher.

Will the demand for frozen product remain at these record levels and become the driving force in the lobster market? Time will tell, but this segment will be taking up a bigger slice of the available supply. [UB](#)



Article contributed by Liz Cuozzo | lcuozzo@urnerbarry.com and Jim Kenny | jkenny@urnerbarry.com



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Butler Street's Joel Schaffer



COVID-19 has changed the way we all operate—and sales is no exception. *Urner Barry's Reporter* asked Joel Schaffer, a Principal at Butler Street Consulting, to shed light on the evolution of the sales strategy, how remote and hybrid work has changed the sales environment, and more.

Urner Barry's Reporter: What do you do at Butler Street? As a company? As an individual?

Joel Schaffer: Butler Street is 100% focused on helping companies and their people grow in 3 critical areas—Leadership Development, Client Acquisition/Retention/Expansion and Talent Acquisition/Retention/Expansion; I support this vision through sales efforts, curriculum development, training and client advocacy.

UBR: How has remote and hybrid work changed salespeople's ability to be successful in the B2B landscape?

JS: Like everything, there are challenges and opportunities for navigating day to day success in a WFH environment. The top 3 challenges we see are lack of communication/feeling disconnected from the organization, poor discipline/habits related to priority management resulting in poor performance outcomes and finding the right work/life balance. We must be able to conquer distractions at home, establish a new set of habits that create an environment of success and make sure to take breaks during your day as empirical data has shown we actually work longer hours when working from home. On the positive side, with a consistent and focused top of mind touch strategy for our

prospects, we are in a better position than ever to build trust, demonstrate genuine care and concern for our prospect's environment (we call this being in the customer's operating reality) and create the foundation for valuable meetings. Overall, the elements that create success in sales haven't dramatically changed with the shift to WFH...it has simply illuminated the power of great habits and the detriment of poor ones.

UBR: What can companies do to enable their sales teams to do better in this new sales environment?

JS: Set very clear expectations on what great looks like in several critical areas. For instance, what are the top 3 daily, weekly and monthly metrics you want them to achieve? Maybe it's to hit their monthly quota/budget, achieve 3 new net meetings weekly, consistently make 40 touches per day and document everything in the CRM system. Ensure they have all of the tools and training required to exceed the expectations of what great looks like. As a leader, be disciplined with your 1:1 time as this is an important factor in driving that engagement and personal growth requirement that so many employees want and need. And finally, be intentional about setting up specific days/times where the team gets together on a Zoom/Teams call to simply socialize and stay connected, perhaps coffee Mondays, or Friday afternoon "kicking off the weekend" time.

UBR: How has the B2B sales strategy evolved over the years?

JS: I still firmly believe that the age old equation of Value = Benefits – Cost is the driver of most client decisions, as long we recognize that cost does NOT equal

price. That being said, the evolution of technology and access to information requires sales organizations to have a keen focus on being a thought leader, providing innovation and helping prospects and customers see things in a new and different way specifically related to the most important outcomes. Focus on industries and buyers where you have shown the ability to deliver extraordinary outcomes. Leaders in companies today WILL make changes if we can help them achieve better outcomes, faster outcomes or avoid negative consequences currently being experienced. Simple in theory, sometimes challenging in the execution.

UBR: What would be the biggest piece of advice you would give to a sales leader that wants to scale growth in 2022 and beyond?

JS: Invest in a professional development strategy focused on building out your organization's way of delivering value above and beyond your main competitors. This process should be structured, repeatable and scalable for growth. The other critical area of focus should be on employee engagement and ensuring you build a culture of legacy leadership. Today's team members want to feel connected to the vision of the organization, feel like there is opportunity to grow into a leader, and that the company has leaders that know how to support my strengths and develop my areas for improvement. This requires, discipline and great habits. [UB](#)

Article contributed by **Laura Zinger**
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Inflation tightens consumer belts

Staffing issues and inflationary pressure remain top concerns across the UK beef industry.

Throughout much of the pandemic, availability of key beef items remained tight across the supply chain, with manufacturers across all four territories of the UK reporting shortages and a subsequent rise in price points.

With per capita meat consumption in the UK down 17% over the last decade, the beef trade is concerned consumers will be further enticed to reduce meat consumption due to rising costs.

TIGHTENING POCKETS

While suppliers continue to report oversold positions for key items, some market participants have cited concerns that carcass balance issues may re-emerge with demand for forequarter items expected to increase alongside weakening consumer purchasing power.

Despite rising costs, demand for key beef items continued to outstrip supply for much of the past two years. With processors still facing major staffing issues and unable to meet demand, particularly from retail channels, elevated prices are expected to remain for the foreseeable future.

Orders from foodservice remained somewhat sluggish during the festive season, but the easing of restrictions saw catering orders trend higher in early 2022, placing greater strain on availability of key beef items—barring a few exceptions.

Recent reports cite a tightening of belts both at the store front and at the wholesale level.

Pockets of foodservice continue to adjust menus to combat tight supplies. Consumers, meanwhile, are hard pressed to find affordable prime meat at retail, at least in comparison to pre-pandemic price points. Feedback from catering butchers

also suggests that chefs are lowering steak portions, as well as bulking dishes with cheaper non-meat items, in a bid to mitigate elevated prices.

EYE WATERING INFLATION

Consumer Prices Index inflation hit a near 30-year high of 5.4% in December 2021 as energy prices soared.

While the BOE remains committed to bring inflation back to its 2% target, consumer hesitancy is expected to remain a key theme.

Wholesale costs for key beef items remain elevated alongside steep cattle prices, and policymakers at the Bank of England (BOE) have set their sights on raising interest rates to ease inflationary pressure. However, while higher interest rates tend to reduce inflationary pressures it also increases the cost of borrowing thus reducing disposable income, thus tightening consumer spending.

At the time of writing, the BOE was expected to raise interest rates yet again—from 0.25% to 0.5%—in a bid to tame soaring inflation. The move would mark the Bank's first back-to-back rate increase since June 2004, coming after it lifted rates from 0.1% to 0.25% in December of last year.

Efforts to rein in rampant inflation are expected to continue throughout 2022 with financial analysts anticipating interest rates to reach 1.25% by the end of 2022—the highest level since early 2009.

Whether interest rate hikes can retract inflation down from 5.4% to 2% by year end remains to be seen. One thing is for certain, the interest rate hike would make borrowing a greater challenge, as



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it would be the first time for around 15% of the population rates were above 1% in their lifetime.

By most accounts, existing energy bills and the cost of fuel—which policymakers have little control over—will continue to weigh on household expenditure and thus consumption of key meat items, particularly more valuable cuts. [UB](#)

Article contributed by **Michael Nesbitt**
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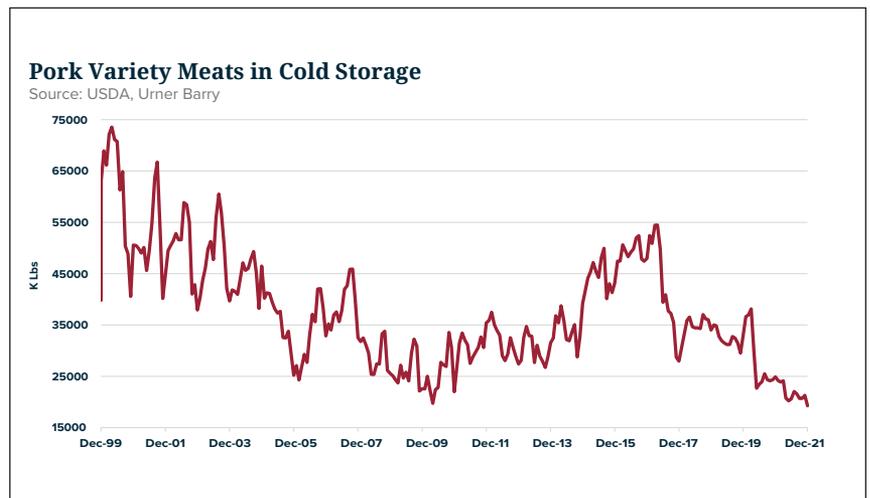
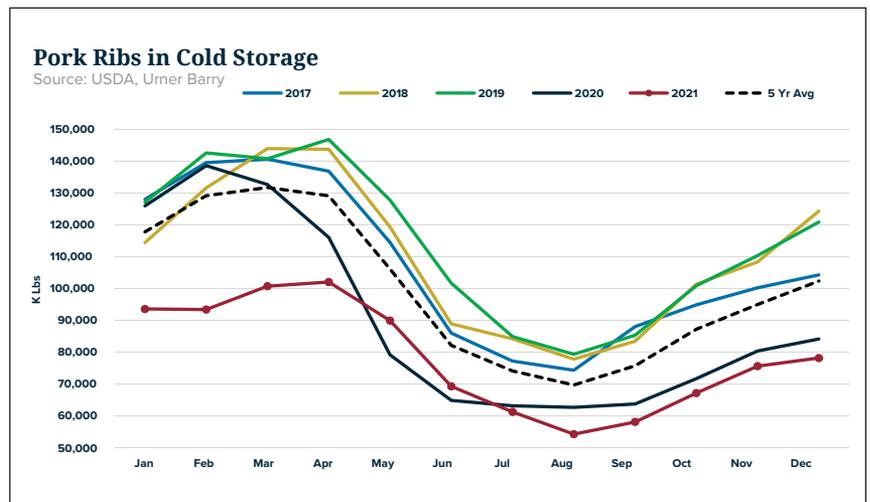
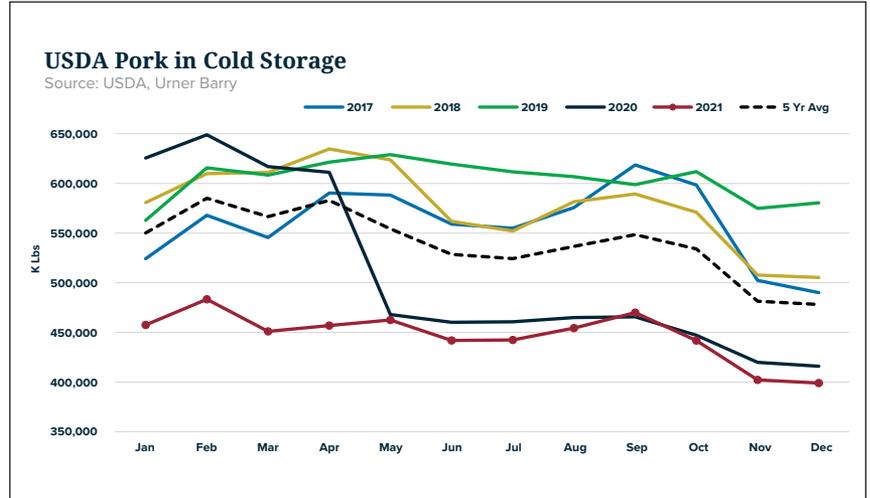
A DIVE INTO PORK COLD STORAGE

Cold storage inventories are a variable that strongly influences pork trade. Market participants use this data to predict how prices could behave in upcoming months. Throughout the pandemic, we have seen multiple instances of thin freezer stocks resulting in elevated, or even record prices across many pork cuts. Once again, observing the reports from the end of 2021 reveals that the market continued to be highly influenced by COVID-19 cases, which led to additional labor shortages, logistical and transportation issues, and subsequent shortfalls in cold storage stocks.

Overall pork cold storage stocks were at an all-time year-over-year low for the months of December and November, according to USDA data which extends back to 1999. The 398.9 million pounds of pork in cold storage in December was 12.5 million pounds under the next lowest December, which occurred in 2000. The month of November also saw record year-over-year lows with 402.2 million pounds of pork in cold storage. This was due mainly to the ongoing COVID-19 pandemic, which caused labor shortages around the food industry making it difficult to box and freeze. It also reduced slaughter numbers and led to strong retail interest as many consumers chose to stay home and cook.

In the green meat complex, hams have been a mixed bag in recent months. Bone-in hams saw their freezer stock decline by nearly 75% between the October and December report, which is not unusual as participants prepare for the Thanksgiving and Christmas holidays. For boneless hams, inventories declined by 25.4 million pounds or 37% over the same period. Of note, boneless ham inventories increased by a modest 821,000 pounds in December. A gain during this month is unusual and last occurred in 2012.

After posting multi-year low figures earlier in the year, popular summer favorites such as bellies and trimmings saw market participants continue to put these items into the freezer in Q4. Both categories increased their stocks to at least 52-week highs as of the December report. This has been a welcomed development for some participants as they turn their focus toward peak demand season, compared to last year where we entered 2021





“Overall pork cold storage stocks were at an all-time year-over-year low for the months of December and November, according to USDA data which extends back to 1999.”

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with the second lowest inventories over the last 10 years. Prices responded accordingly in the spring and summer.

In the fresh pork complex, despite gradual gains in inventories since June, the December figure ultimately was on the thinner side, registering the third lowest quantity for the month over the last 10 years. Similarly, the total loins category also ended the year at the third lowest December figure in the last decade as the Omicron variant resulted in many consumers opting for retail product instead of food service, leading to an active demand for loins. Ribs ended the year with 78,153,000 pounds in cold storage, which is a 9-year low and below that of last year. Elevated price levels due to conversion issues and strong consumer demand, along with labor’s impact on the ability to box and freeze, have all contributed to this lack of rib product in cold storage.

One of the more interesting categories within pork is variety meats, which are currently at record low levels in cold storage with only 19,268,000 pounds in the freezers in December. While demand remains strong for many items, labor shortages have created difficulties in saving a number of these offals. Many market participants have opted to focus their labor on other higher margin cuts during the pandemic. [UB](#)

Article contributed by Ryan Hojnowski
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Throughout time, legends about mythological sea creatures have been featured in literature. Most of these were huge, fictional, ship-wrecking beasts from the darkest depths of the ocean. In modern times, however, there can be found some astoundingly large denizens of the deep throughout the world—on dry land. They are not figments of the imagination, but works of wonderment designed and built by various artisans, most paying homage to famous local seafood staples. These incredible sculptures are popular tourist destinations, impressing the viewer with their size, colors, and creativity. Take a trip around the globe and marvel at these amazing, over-sized, aquatic re-creations. [UB](#)



Tourists at the Belfast waterfront in Northern Ireland take pictures in front of “Bigfish,” a 33-foot long printed ceramic mosaic sculpture by John Kindness.



Shediac, New Brunswick, Canada, proclaims itself the “Lobster Capital of the World,” and is home to what locals call “The World’s Largest Lobster,” weighing in at 90-tonnes.

“Betsy,” the 40 foot fiberglass spiny lobster sculpture in Islamorada, Florida, also uses the title “World’s Largest Lobster,” giving the one in Shediac a run for its money.



Designed by George Norris, this crab sculpture at MacMillan Space Centre in Vancouver, Canada, is one of the most photographed works of art in British Columbia.



This spawning salmon sculpture in Alliance, Nebraska, was created entirely from car parts by Geoff Sandhurst.

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The metal Tunny Fish sculpture can be found near the Magadan Veranda restaurant in Moscow, Russia.



This white, double-squid monument stands guard by the sea at the very end of a jetty in Cha-Am, Thailand, a popular spot for local fishermen.



This sculpture, known as "Light of the Ocean," featuring a huge snow crab, is built on the side of the road leading to Yeongdeok Sunrise Park in Yeongdeok, South Korea.

Built in 1989 in Ballina, Australia, this sculpture is known as "The World's Largest Artificial Prawn." Boasting a height of nearly 30 feet and weighing close to 40 tons, it is a popular spot for roadside selfies.

This whimsical statue of a shrimp by Javier Mariscal greets visitors as they stroll on the Moll de la Fusta in Barcelona, Spain.

Article contributed by **Glenn Juszczak**
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Map background © Voinau Pavel / Shutterstock.com

A roller coaster ride for the ages



Article contributed by Beth Breeding, National Turkey Federation

Have you ever ridden a roller coaster that took one turn too many? And it went on for a little bit longer than expected? The odds are good that just about everyone in the meat and poultry industry has felt like they're on such a ride over the past two years. Sharp curves and sudden changes in speed and direction have become the norm. However, while the pandemic has presented a number of these unexpected challenges and obstacles, National Turkey Federation (NTF) members have been quick to tackle them.

Even with the experience of these past two years, the 2021 holiday season was a wild ride like no other. The "turkey shortage" narrative portrayed in the media created a frenzy around the availability of turkey products. While there were noteworthy supply chain challenges for the industry and retailers around the holidays, there was not a shortage of turkey products overall, and NTF publicly pushed back on these reports. One result of these stories was more consumers hitting the supermarket early. According to IRI,

October 2021 turkeys sales were up over 200% compared to the prior year. All in all, turkey sales were strong throughout the holidays.

Coming out of the holidays, the demand for raw materials and case-ready products has not slowed. The challenges facing the turkey industry in the first months of 2022 remain similar to those experienced throughout the pandemic: keeping capacity and staffing operating at the levels needed to fulfill consumer demand, securing access to freight and managing



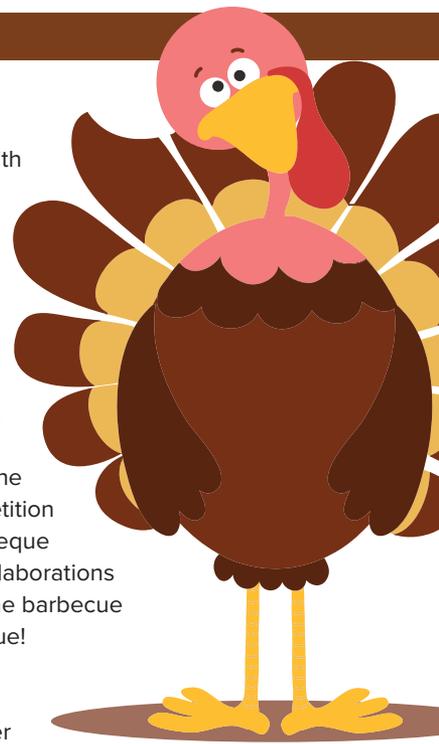
rising costs of inputs and materials needed for production. On top of these, tracking turkey health concerns, namely highly pathogenic avian influenza, is another area of acute focus for NTF and its members.

There's no doubt that 2022's roller coaster will have its fair share of twists and turns. However, for NTF and the turkey industry, 2022 also brings the opportunity to dial in on some of the biggest consumer trends. Many consumers have grown accustomed to cooking at home, leaving them looking for quick, healthy food options. Capitalizing on these trends, turkey's health attributes and versatility create an opportunity to introduce more consumers to the category. NTF launched a year-long digital marketing campaign in January focused on convenience, and we are excited to see it reach more consumers with turkey-centric mealtime solutions.

When it comes to flavors, it's all about going big in 2022. Consumers, particularly Millennials and Gen Z, are embracing bold flavors. Barbecue flavors are also increasing in popularity. According to Kerry, barbecue was the top global taste trend in 2021. In some part, this can be attributed to the appeal of backyard cooking reaching new levels over the past two years. The NPD Group found that sales of grills and smokers increased 39% from April 2020 to February 2021. Plus, who doesn't love the sweet, salty and spicy flavors of barbecue?

So, what does that have to do with turkey? This trend towards big, smoky flavors aligns with the efforts of NTF and our industry partners on positioning turkey in the barbecue space. Through the Turkey Smoke program, NTF is renewing its investment in amplifying turkey's place on the grill or smoker in 2022. This includes expanding the successful Turkey Smoke competition series with the Kansas City Barbeque Society, as well as upcoming collaborations with some of the top names in the barbecue business. Go big and go barbecue!

While it would take a crystal ball to predict when this roller coaster ride will end, there is no doubting the ability of the turkey industry to adapt, tackle challenges and take turkey to new places on the menu. NTF members are well-equipped to continue doing what they do best: delivering safe, nutritious turkey products to hungry families. [UB](#)



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Price correction begins for KING CRAB

Heading into mid-February the Russian red king crab market has begun to adjust lower on most sizes with the exception of 6-9s. Some still lower offers are noted on all sizes. A combination of a slower demand period, along with cash-flow issues from some market participants, appears to have generated some lower offers into the market.

With pricing up at all-time highs—for example, 9-12s were 127.3% higher than the 3-year average—market participants appear to be testing the market in order

to stimulate sales. But with global quotas down around 5.8% heading into 2022, U.S. importers will need to remain competitive against the live Asian crab market.

According to reports, demand for king crab overseas continues to be active and U.S. importers will need to compete in order for king crab to reach U.S. shores. King crab imports finish 2021 10.5% higher and Russia, the leader in the category, is up 12.1%.

Les Hodges of Les Hodges Consulting, and a contributor to Seafoodnews.com, reports that the live crab market remains robust in Asia. According to his January 2022 report, “Russian exports to the live China market are up 28% through October at 12,685 M/t

with prices up 52%. In December 73% of the red king crab and 75% of Opilio snow crab in the Russian Far East was destined for the Asia live markets.”

Hodges and others have also spoken to the term “premiumization,” the trend where consumers trade up to higher valued items at retail. Market participants are unsure whether this trend will continue in 2022 or with the end of some of the government assistance programs if this will create a less active demand for king crab. It will be a scenario to watch closely as we head deeper into the first quarter of the new year. [UB](#)

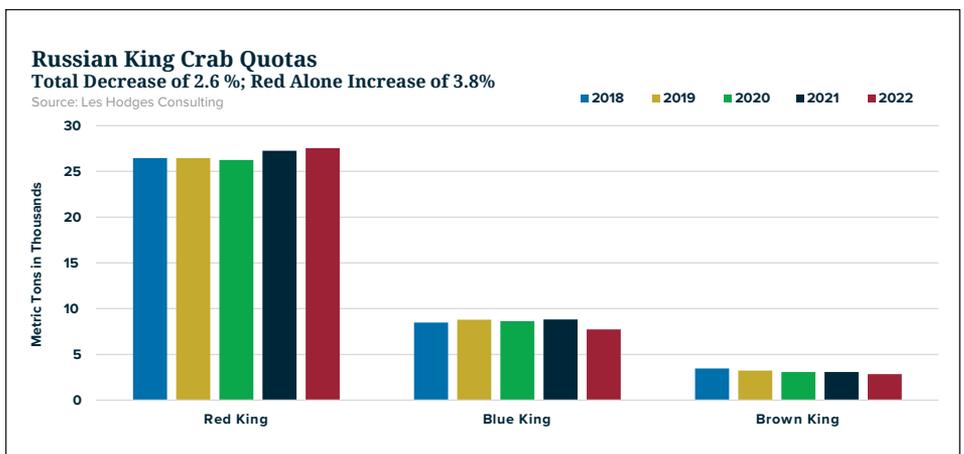
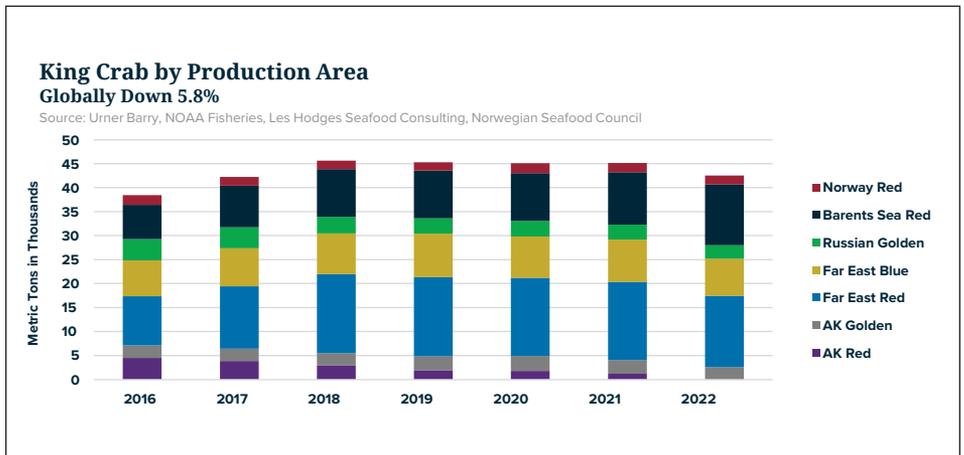
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U.S. beef exports hit record levels despite port issues



Congestion at U.S. ports due to labor, transportation and other woes during 2021 have not abated, but that didn't slow a strong surge of beef exports being shipped throughout the world during the latter part of the year.

"The November export results [released by the USDA] showed again a lot of positive momentum on the beef side, 7% growth at 123,000 tons and another billion-dollar month in terms of value," said U.S. Meat Export Federation (USMEF) President and CEO Dan Halstrom. "This will be a record for the year, well over \$10 billion when we get to December stats, but an exciting thing on the beef side is the broad-based growth, the same thing we talked about the last several months with Japan up 15%, [South] Korea 23%, and China basically doubled the volume versus a year ago. You look at Central and South America, the Caribbean all showing significant growth despite some of the headwinds like these logistics issues."

Halstrom also noted that beef varieties (considered a subcategory of edible offal) are definitely important. Once again there was another record and it was broad-based, as Asia, Latin America, Middle East were all contributing to this demand for beef variety meats.

In fact, experts say beef variety meats alone account for more than 20% of the volume of U.S. beef muscle-cut and variety-meat exports and over 10% of the value. And these varieties (which include livers, hearts, cheek meat, head meat, tongues, tails, lips, tripe and others) picked up in the latter part of 2021, enjoying a strong surge starting in September.

According to the USMEF, beef variety meat exports in November were very strong as well, setting a new monthly value record of \$116.1 million, up 51% from a year ago. Following a down year in 2020, variety meat export volume through November increased 9% to 274,425 MT, while export value reached \$975.2 million, up 23% and a new annual record.

In addition, between January 20 and November 20, 2021, USMEF reported that many countries experienced substantial percentage movement in beef variety volume. The biggest percentage gainers year-over-year, who imported nearly 9,000 MT from the U.S., were China at 316%, followed by Indonesia (61%) and Japan (38%). Meanwhile, South Korea had the biggest decline of 46%, followed by South Africa (23%).

Additional metrics coming from the latest Census Data show that roughly 3.9 million pounds of beef varieties were exported to China from San Francisco (2.6 million) and Los Angeles ports from January 1 through November 30, 2021. This made up more than 30% of the nearly 9.5 million pounds sent out from the U.S. during that time. [UB](#)

Article contributed by **Matt Morrow** | mmorrow@urnerbarry.com

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Has backyard farming cut into national retail egg sales?

Social isolation and work-from-home orders have led to a tremendous surge in U.S. pet adoptions since the onset of COVID-19. According to the American Society for the Prevention of Cruelty to Animals, more than 23 million households—nearly 1 in 5 nationwide—have adopted a pet during the pandemic. But it turns out that furry friends aren't the only way people have been looking to assuage their COVID boredom—there's also been a growing interest in feathered friends.

The early-pandemic lockdowns led to an explosion in backyard chicken farms as people looked for new and interesting ways to keep themselves occupied. My Pet Chicken, a Connecticut-based hatchery, reported in March 2020 that their business was up by an astounding 400%. And Tractor Supply Co., the largest retailer of agricultural products in the nation, just reported a record year of sales and

earnings in 2021, supported in part by growth in backyard farming.

While the company does not provide category sales numbers, Neely Green, Director of National & Local Marketing, told Urner Barry that the company has seen a rise in poultry sales, both in stores and online.

“Since the onset of the pandemic, customers have shown increased interest in homesteading and backyard farming,” Green said. “This includes raising poultry, gardening and other backyard activities.”

But not all backyard farmers are in it simply for entertainment value. There's also a more pragmatic reason for this burgeoning hobby—food independence. For many consumers, having a healthy supply of home-grown eggs has been a comforting antidote to the supply-chain issues that

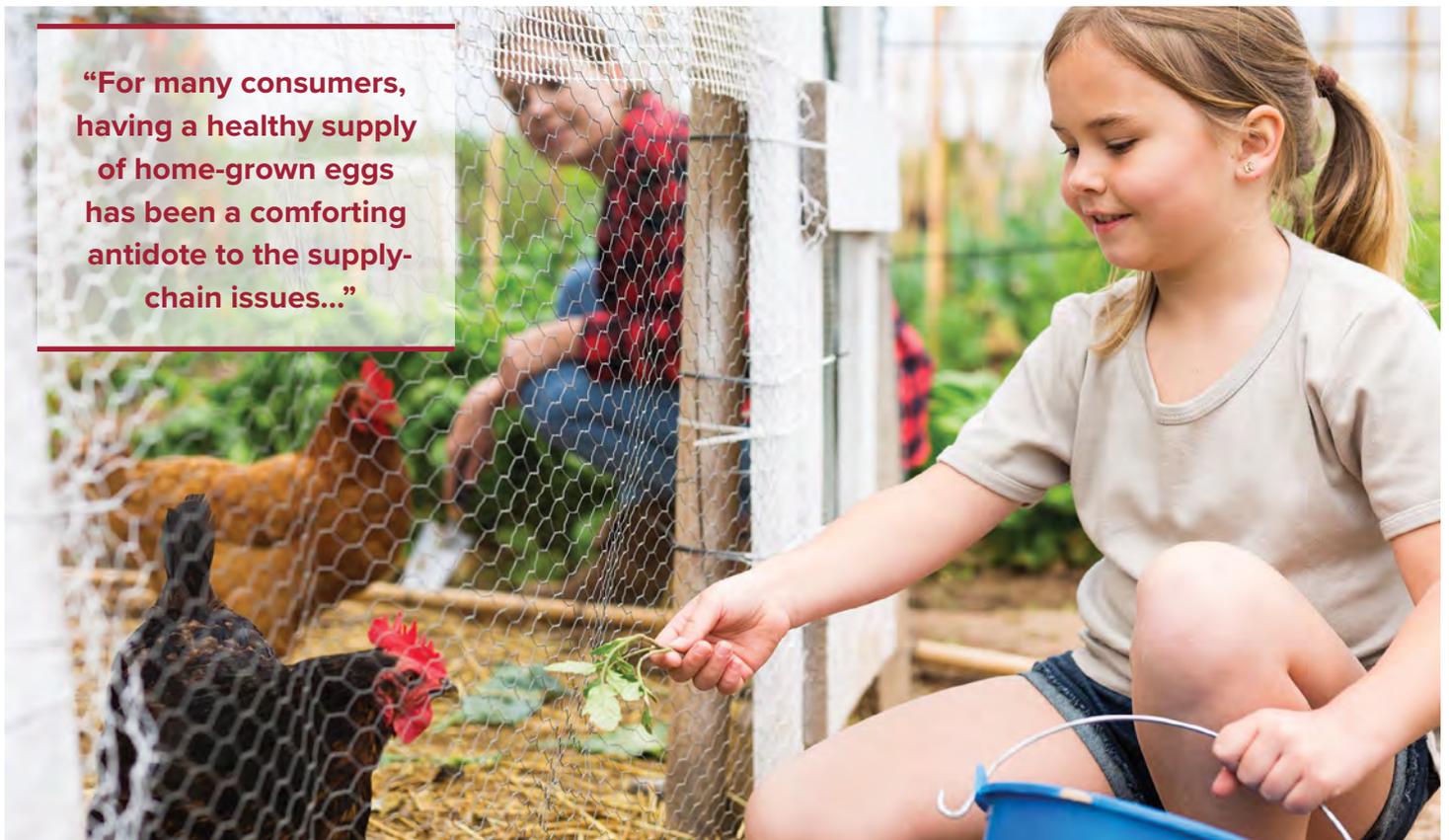
have plagued the grocery industry over the past two years.

Melinda Fallon and her husband, Colin, added a coop to their backyard in the suburbs of New Jersey in the early stages of the pandemic.

“We always toyed with the idea of raising chickens, and when the pandemic hit, it seemed like the perfect time to finally give it a try,” Fallon says. “It's been such a blessing for our family. We love that it teaches our daughters about animal care and where their food comes from, but it's also been great to have a steady supply of fresh eggs.”

But what has growth in backyard egg farming meant for retail egg sales? Data provided to us by the American Egg Board (AEB) and Nielsen shows that retail sales in the 52 weeks ending December 4, 2021

“For many consumers, having a healthy supply of home-grown eggs has been a comforting antidote to the supply-chain issues...”



Egg Sales & Consumption - YTD

were down 8.8% from the year prior, and down 0.9% versus two years ago. Though it's understandable that sales would have dropped off from 2020, when widespread lockdowns meant consumers were preparing and eating most of their meals at home, the downturn versus 2019 suggests that there is perhaps a more permanent shift in consumption patterns taking shape—one that many commercial farmers believe is tied to the proliferation of backyard farms.

In many instances, backyard farmers are not just collecting enough eggs to satisfy their own family's needs, but also enough to share with friends and neighbors—removing not just one, but potentially a handful of egg shoppers from the grocery store.

Additional data furnished by AEB and Nielsen certainly shows that per capita egg consumption was down 2.4% and

Fresh Retail Eggs (EQ Dzns)

YEAR	EQ % Chg YA	EQ % Chg 2YA	\$ % Chg YA	\$ % Chg 2YA
2017	2.0	-	-7.4	-
2018	2.2	-	17.3	-
2019	1.1	-	-10.7	-
2020	8.5	-	18.1	-
2021	-8.8	-0.9	-5.5	12.9

Source: Nielsen Total Us xAOC + Conv
2021 YTD ending 12/04/21

0.9% in 2020 and 2021, respectively. The only other time in the past decade that consumption levels have declined year-over-year was in 2015, when avian influenza had decimated the national layer flock, leading to supply shortages.

As we approach year two of the pandemic—and hopefully draw closer to its conclusion—it appears commercial farmers may be faced with more long-lasting

Per Capita Consumption

YEAR	Eggs per person	% Chg YA
2012	255	2.8
2013	259	1.6
2014	268	3.5
2015	256	-4.5
2016	275	7.4
2017	279.9	2.9
2018	284.1	1.5
2019	294.3	3.3
2020	286.5	-2.4
2021	283.9	-0.9

Source: USDA

implications as consumers look to become more self-reliant for their food sources. [UB](#)

Article contributed by Karyn Rispoli
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THE MUSHROOM BOOM: Why you can expect to see more fungus among us

Mushrooms have been increasingly stepping into the spotlight. As many adopt flexitarian eating habits, mushrooms are becoming an integral part of consumers' regular diets for a myriad of reasons. Besides using mushrooms as a topping on pizza or in a stir fry, they are now being used in a variety of ways. Most consumers typically only know of the mushrooms they see in grocery stores—portobellos, shitaki, and cremini to name a few. However, in recent years different kinds of mushrooms have been entering the forefront for their unique flavor profiles, as well as their nutritional and medicinal benefits. Food trend forecasters predict mushrooms will be one of the biggest food trends in 2022.

Mushrooms truly are a magical ingredient—and I don't mean in the trippy way. In general, they are an extremely healthy food. Due to their nature of being high in fiber and low in calories, all while being packed with vitamins, minerals, and antioxidants, it's no wonder they're starting to get so much attention. They also have a very low environmental impact as mushroom farming not only requires much less land and water, but emits much less carbon dioxide than other agricultural practices. Every pound of mushrooms emits about 0.7 pounds of CO2 equivalent emissions, according to a study conducted by the American Mushroom Council. It also takes less than two gallons of water to produce one pound of button mushrooms, whereas other fresh produce items average about 50 gallons of water per pound. As for land, one square foot can produce 7.1 pounds of mushrooms per year. They're very space efficient as they can be stacked vertically in growing facilities. To top it all off, upcycled materials are often used for substrate, which are the materials that mushrooms use to grow on. All these factors are what make



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AVOCADO AND FARRO HARVEST BUDDHA BOWL

INGREDIENTS

½ lb Brussels sprouts, halved
¼ cup olive oil, divided
¾ tsp salt and pepper, divided
½ lb Shiitake mushrooms,
stems removed and sliced
1 tbsp finely chopped fresh thyme
3 tbsp lemon juice
2 tbsp tahini paste
½ cup plain Greek yogurt
1 clove garlic, minced
1 tsp lemon zest
¼ tsp ground cumin
1 cup farro, cooked
1 ripe avocado, sliced
1 cup alfalfa sprouts
½ cup toasted pumpkin seeds
2 tbsp finely chopped fresh parsley

Recipe and photo courtesy of The American Mushroom Council

Prep time: 15 minutes • Cook time: 20 minutes • Serves 4

INSTRUCTIONS

1. Preheat oven to 425°F. Toss together Brussels sprouts, 2 tablespoons olive oil and ¼ teaspoon each salt and pepper. Transfer to parchment paper-lined baking sheet. Roast for 18 to 25 minutes or until tender and lightly charred in spots. Set aside.
2. Meanwhile, heat remaining oil in large skillet set over medium heat; cook mushrooms, thyme and ¼ teaspoon each salt and pepper (do not overcrowd the pan, cook in batches if needed). Set aside.
3. Whisk together lemon juice, tahini and 1 tablespoon water until smooth. Stir in yogurt, garlic, lemon zest, cumin and remaining salt and pepper.
4. Stir together farro and Brussels sprouts. Divide among 4 bowls. Arrange mushrooms, avocado and alfalfa sprouts on top. Sprinkle with pumpkin seeds and drizzle with tahini sauce. Garnish with parsley.

NOTE: Use Shiitake stems to flavor vegetable broths and stocks. If desired, substitute broccoli, cauliflower or romesco sauce for Brussels sprouts.

sustainability experts believe mushrooms are the most sustainable produce throughout their growing process to harvest.

Each strain of mushroom has a unique flavor profile that when seasoned and cooked correctly can very closely mimic the taste of various proteins. For example, lion's mane mushroom has been said to taste like crab or lobster when cooked appropriately. More commonly, consumers use portobello mushrooms as a substitute for beef and other proteins when cooking. Many brands are also turning to mushrooms for alternatives to meat products, such as mushroom jerkies, mushroom burgers, even a fried chicken sandwich using mushrooms as a substitute for chicken. Some companies have even gone a step further by experimenting with growing fungi to mimic specific flavor profiles. Startup company Aqua Cultured Foods is using a microbial fermentation process to create lab grown seafood from fungi. They use unprocessed organic matter and add a nutrient-rich solution to feed and nurture the microbes, and then they introduce a strain of fungi. By controlling environmental factors like heat, humidity, and moisture, they're able to create a whole protein with a realistic texture and taste of traditional seafood. So far they've been able to create formulas to mimic tuna, whitefish, squid, and shrimp, which they've also used to make imitation calamari and popcorn shrimp.

Aside from protein substitutes, mushrooms are being cooked in all different forms. Enoki mushrooms have risen in popularity due to their texture and long noodle-like structure, making them

a much healthier alternative to noodles, as well as a fantastic option for those that are gluten free. I have even seen dried mushroom snacks in my local Trader Joe's. (And might I add, they were delicious.)

Not only are mushrooms a wonderful ingredient in our food, but there has been great advances in the use of medicinal mushrooms. Medicinal mushrooms have a variety of benefits, and being that they're new to Western medicine, there is still so much more to be discovered. The aforementioned lion's mane mushrooms are gaining in popularity for their ability to stimulate the growth of brain cells, thus boosting mental function. Lion's mane mushroom, along with chaga and reishi mushrooms, are now commonly being used in coffees, extracts, pills, and in powdered form. Chaga and reishi are both gaining a lot of attention as well for their properties to boost one's immune system, lower blood sugar, fight inflammation, reduce symptoms of depression, and so much more.

Fungus is all among us—quite literally. Fungi is not just outside—it's in your home, your office, and just about everywhere you go. It's even on the human body, but far too small for the human eye to see. With an innumerable amount of strains and still so much more to be discovered, you can expect to hear much more about mushrooms in the years to come. [UB](#)

Article contributed by **Stephanie Goldzman**
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SOMETHING TO CELEBRATE

The National Restaurant Association (NRA) is forecasting that foodservice sales will be on the rise this year.

In 2020 NRA released their annual State of the Restaurant Industry Report, forecasting that industry sales would reach a record \$899 billion. Well, as everyone knows, things didn't exactly turn out as planned. Just a few weeks after the report came out the U.S. went into lockdowns to prevent the spread of COVID-19, resulting in massive blows to the restaurant industry. Industry sales in 2020 ended up coming in at \$678 billion, \$221 billion below the predicted sales number and \$186 billion below 2019's sales.



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In 2021 NRA projected that sales would reach \$731 billion, and later adjusted that figure to \$789 billion in their mid-year report. Total food and beverage sales in 2021 ended up hitting \$799 billion—an impressive number, but still not as high as pre-pandemic levels. Well, NRA is now forecasting that foodservice sales in 2022 will reach \$898 billion. That's something to celebrate!



"FOOD FOR THE NEXT FRONTIER"

I have terrible news for any kid who has ever tried "Astronaut Ice Cream"... real astronauts don't actually eat it in space. But now for some good news. NASA has developed a Deep Space Food Challenge and they're seeking ideas for "novel food production technologies or systems" that can help fill food gaps for a crew of four for a three-year round-trip mission with no resupply. NASA has already awarded 18 U.S. teams with \$25,000 each during "Phase 1" and now a "Phase 2" part of the competition is open. Learn more by visiting [DeepSpaceFoodChallenge.org](https://www.deepspacefoodchallenge.org)

Of course, astronauts could always just order out. This past December Uber Eats teamed up with Japanese entrepreneur and delivery superfan Yusaku Maezawa to make their first food delivery to space. Ready-to-eat canned Japanese dishes—including boiled mackerel and beef bowl cooked in sweet sauce—were delivered to the International Space Station on December 11 at 9:40 a.m. EST after traveling 248 miles and eight hours and 34 minutes.

Photos by: Uber Eats



GOOD THINGS COME IN TINY PACKAGES



The global canned seafood market is expected to surpass \$71 billion by the end of 2029, but one company in the canned seafood space is already turning heads and will have you clicking "add to cart" in 2022—The Tiny Fish Co.

The Tiny Fish Co. is owned by Chef Sara Hauman, who competed on Season 18 of "Top Chef." Chef Sara launched Tiny Fish Co. to "inspire the canned fish industry by sharing products that are sustainable, flavorful and tell the fish's story from water to tin." The Tiny Fish Co. released their first product this past December—Smoked Mussels En Escabeche—and the "unique tinned sea treat" features Mediterranean mussels that are sustainably sourced from the Pacific Northwest and marinated in a savory sauce. And if that doesn't get your mouth watering then their Instagram-worthy packaging certainly will. Keep an eye out for their next product — Rockfish in Soy Sauce! [UB](#)

Photos by: The Tiny Fish Co.



USAPEEC COO Greg Tyler to succeed Jim Sumner

President and CEO of USA Poultry and Egg Export Council (USAPEEC) Jim Sumner is retiring. Current COO Greg Tyler has been named as his successor and will officially take over in June of this year.

A longtime friend and supporter of Urner Barry, Sumner held his title for the last 32 years, in which he helped the export community grow exponentially. During his tenure, export broiler tonnage advanced a stunning 589% compared to when he took the reins in 1990. Sumner was also instrumental in creating 16 new offices in four different continents and helped launch the International Poultry Council (IPC) and World Poultry Federation (WPF).

While Tyler may not have been with USAPEEC quite as long as Sumner, his 25 years of service are certainly no slouch. Tyler started as Director of Foreign Market Development and Asian Promotions before being promoted to Vice President, and Senior Vice President of Marketing. In 2020, he was again promoted to Chief Operating Officer. Most recently, Tyler was a speaker on Exports and Trade Trends at Urner Barry's own Global Protein Summit, held this past October at the Drake Hotel in Chicago.

Despite Sumner noting his decision to retire was difficult, he went on to speak about his pride in what was accomplished during his tenure. Said Sumner, "I'm so proud of what we've been able to accomplish in my time at USAPEEC and grateful to have worked with so many talented people on the council and throughout our industry. I've truly enjoyed it. They've helped make this far more than a job for me. It's been a passion. And while this is not an easy decision, I know that USAPEEC is in good hands with Greg and our staff in the U.S. and around the world and that they will continue to fulfill our important mission for many years to come."



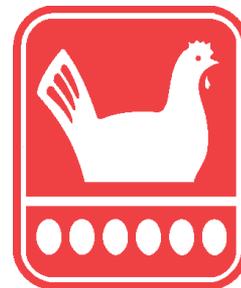
USAPEEC COO Greg Tyler (above) and President Jim Sumner (top right). Photos provided by USAPEEC.

“...I know that USAPEEC is in good hands with Greg and our staff in the U.S. and around the world...”

Tyler also spoke about the mark Sumner made and what lies ahead for him and the council going forward. “Jim has an outstanding legacy at USAPEEC,” Tyler said. “I’ve learned a great deal from him in the 25 years we’ve worked together. My role now will be to build on that and ensure that we adapt to the everchanging global environment with the goal of continuing to increase U.S. poultry and egg exports. This will be achieved through a dedicated worldwide staff and the generous support of our members and funding sources.”

Sumner will continue to participate as a senior advisor to USAPEEC, as well as maintain his roles with IPC and WPF. [UB](#)

Article contributed by **Matt Busardo**
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Shifting foodservice trends continue to influence the European shrimp market

European shrimp trade remains somewhat in cloudy waters.

While sentiment suggests lockdowns are now behind us, market optimism remains subdued amid increasing inflationary pressure and ongoing sourcing challenges.

INFLATION

Inflationary pressure remains a key headline across Europe, with analysts debating whether policymakers should adopt more aggressive measures to curb price hikes.

Whether the European Central Bank (ECB) decides to take a more aggressive stance to combat inflation remains to be seen.

By most accounts, immediate action is desperately needed. Inflation reached 5% in December, compared to the same month in 2020, representing the highest rate of inflation on record.

At the time of this writing, European shrimp importers were hesitant to take onboard large volumes of stock partly due to uncertain demand and elevated costs for raw materials. In addition, many suppliers within Europe were still trying to rebalance inventories following subdued festive season orders, adding an extra layer of uncertainty over trade.

ADJUSTED MENUS

Isolations continue to amplify acute staff shortages across the foodservice sector, which has had a real impact on menus.

Some restaurants have been left with little choice but to de-skill their kitchens. As a result, foodservice orders continue to shift to easier to prepare items—away from the likes of block items to higher value-added items, such as breaded and skewered shrimp—in a bid to take pressure off kitchen staff.

While some restaurants have decided to stick with regular menus and adjust prices, others have opted to alter menus to entice clientele. In some instances, portion sizes have been reduced, in other instances key shrimp items, such as larger sized black tiger, have been removed from the menu.

Retail will continue to absorb the lion's share of value-added items, but the new foodservice trend has added yet another layer of demand to an already tight market.

Whether this is a long-term foodservice trend, or a temporary shift remains to be seen. For the time being, demand

for retail driven items are increasingly being demanded by foodservice outlets. According to European shrimp importers, the demand shift has increased sourcing challenges, as factories in Vietnam—the largest supplier of value-added shrimp to Europe—continue to report low production capacity, which has led to a decline in supply of higher value-added items.



“Some restaurants have been left with little choice but to de-skill their kitchens.”

©KarepaStock / Shutterstock.com

OUTLOOK

While eased restrictions bode well for the hospitality sector, terrace trade across popular tourist destinations is expected to be hindered in part by the introduction of mandatory health passes and rampant inflation.

Despite the ongoing sense of elevated uncertainty, shrimp demand is expected to be bolstered post-Lunar celebrations when importers begin stocking up for the European summer. This could potentially lead to price hikes on the wholesale market, especially if producers in Asia and Latin America continue to face capacity issues.

For the foreseeable future, sourcing challenges will remain a top concern alongside elevated prices. Inherently, demand for value-added items is likely to outstrip supply. [UB](#)

Article contributed by **Michael Nesbitt**
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Cold storage in HOT WATER



Logistics and operations are at top of mind for everyone throughout the protein industry. *Urner Barry's Reporter* spoke with Paul Schulick, the Operations Manager for PSP Raw, a third party logistics company located just outside of Rochester, New York. Schulick shed some light on some of the struggles that cold storage companies have been facing, rising costs and more.

Urner Barry's Reporter: What pandemic-related issues are causing the most difficulties for cold storage?

Paul Schulick: Booking and managing refrigerated freight has become extremely expensive and difficult, particularly moving less than truckload (LTL) quantities, which is what many of our clients rely on us for. Freight prices continue to increase because of increased cost of fuel and decreased supply of trailers and drivers. Supply of available trailers and drivers is so bad that many times we are unable to book loads at all. Occasionally loads will be booked only to find out later that the carrier is unable to pick up and the load then needs to be re-booked at a higher price.

UBR: How is this impacting small businesses in the food industry?

PS: Small businesses have been unable to stabilize their supply chains and because of this, they are experiencing significant increases in cost and stocking/inventory issues due to being unable to consistently receive deliveries of their raw materials. Ultimately this results in customers at the grocery stores paying higher prices and seeing empty shelves. Businesses of all sizes are experiencing these issues. However, vendors such as refrigerated warehouses and freight carriers prioritize the needs of their larger clients before the needs of their smaller clients. This means the larger companies will be able to weather the storm while the smaller companies will take on most of the damage.

UBR: With transportation costs being so high, how expensive is it for a small food service business to use less than container load (LCL) freight?

PS: It is difficult to put a number on it. For us, most rates are double to triple what they were pre-pandemic. The bigger issue is how quickly prices are increasing and how unpredictable the price increases have been. When a small business makes its pricing to a customer, usually the pricing is delivered. When pricing is delivered it means that the freight cost has been baked into the overall price that the customer is charged. If a customer agrees to the vendor's pricing, then the cost of freight increases, and it means the vendor will then have to issue a price increase to the customer. Many small businesses have not been able to increase their prices as quickly as their costs have increased, which means the additional money being spent is coming right out of the margin. Large companies can increase their prices and there's not much that their customers can do about it because the large companies have more leverage over their customers. If a small company increases its prices too much, then there is a chance that they will be kicked off the shelf.

UBR: With there still being a labor shortage, what kind of delays are expected using LCL freight?

PS: The labor shortage is making it very difficult to get full truckload and LTL freight delivered on time. Pickups being missed and canceled have become commonplace. International products that need to travel through ports are taking much longer to be delivered due to ports not having enough labor to unload containers. We import products from Italy. Pre-pandemic, it would take around four weeks for a container to get from the warehouse in Italy to our warehouse in Port Reading, New Jersey; now it takes around eight weeks.

UBR: With the demand of certain protein commodities being so high, how long are

these products usually staying in cold storage facilities?

PS: We have had less inventory in our warehouses because we have been unable to keep up with the demand of our clients. Pre-pandemic we were always able to keep minimum levels to avoid any out-of-stock situations. Now, out of stock situations are normal and as soon as inventory is available, we must prep and ship it because it is usually going to fill an overdue PO. UB

Article contributed by Brian Carey
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El Salvador Bitcoin Law opens new doors

Cryptocurrency has changed the perception of money for a large segment of the world population. As we become more wired into social networks and on-demand services, cryptocurrency continues to mature, providing endless capabilities to many different industries, as well as the entire country of El Salvador.

In 2009, Bitcoin stormed into the world as the first encrypted peer-to-peer electronic payment system that is fully decentralized with no governing body, single administrator, or central bank.

Bitcoin was built using blockchain technology by a pseudonym known only as Satoshi Nakamoto. Satoshi Nakamoto—whether a single person, group of people, or possibly even artificial intelligence—kept their identity a secret, which has been a point of scrutiny for detractors of what Bitcoin represents. People who own bitcoin have a digital wallet to store it, which can be used to send and receive the currency to individual addresses tied to the wallet. While all transactions are logged on the blockchain, the identity of the senders and receivers are not.

After a few years of relative obscurity, cryptocurrencies surged into the spotlight as the overall market capitalization continued to trend upward. The surge in the market brought investors from all over the world into the technology, including celebrities, athletes, and politicians, which helped to continue the wave of momentum. This innovation is like the mainstream adaptation of the Internet in the 1990s and the various branches of technology that came along with it.

On June 8, 2021, El Salvador's President Nayib Bukele passed The Bitcoin Law, which made bitcoin a legal tender as of September 7, 2021. This is the first country to fully embrace bitcoin, urging their citizens and businesses to use it for everyday transactions. El Salvador started their investment into Bitcoin by creating a \$150 million trust fund. With the passing of The Bitcoin Law, El Salvador has now purchased over 1,500 bitcoins and plans to issue a \$1 billion, 10-year Bitcoin bond in 2022.

This adaptation of Bitcoin in El Salvador has brought recent scrutiny from The International Monetary Fund (IMF), who is urging the country to “scale back” their initiative and dissolve their initial \$150 million trust fund. The IMF has concerns about the volatile Bitcoin market and how it can negatively impact the overall El Salvador economy. President Bukele doesn't seem to have any interest in slowing down now. He believes that Bitcoin will be a long-term success, considering that there will only ever be 21 million bitcoins. No more, no less.

McDonald's locations in El Salvador started to accept Bitcoin shortly after The Bitcoin Law was passed, using a California-based payment system called OpenNode. Citizens in El Salvador were able to immediately use Bitcoin to purchase menu items at all 19 McDonald's locations in the country, including through online and delivery services. Technically, this is the first American company to embrace the use of Bitcoin in El Salvador. This could, in theory, be a sign of future Bitcoin adaptation into McDonald's restaurants around the world if successful.

In 2021, Burger King teamed with one of the largest cryptocurrency exchanges in the world, Robinhood, to give away Bitcoin, Ethereum and Dogecoin (other popular cryptocurrencies) to people who purchased through the Burger King app. This was a unique way to open their customer base to this market and perhaps a look into future adaptation.

It remains to be seen if other countries around the world can perhaps utilize Bitcoin and other cryptocurrency innovations to provide a new, decentralized legal tender. It will also be interesting to see how establishment payment systems either embrace or push back on this technological advancement.

El Salvador has provided a use case for other countries to use as a blueprint for what to potentially do, or not do, pertaining to future cryptocurrency adaptation.

Most recently, a state senator in Arizona introduced a bill to allow Bitcoin as legal tender in the state, although this goes against the United States Constitution as states are not permitted to create their own legal tender.

But would bitcoin be considered a “state created” legal tender or a decentralized cryptocurrency that cannot be manipulated?

The conversation around Bitcoin is just getting started, only 13 years after Satoshi Nakamoto unleashed it onto the world. [UB](#)

Article contributed by **Jason Alletto**
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With unwavering support from the industry, Urner Barry's parent company, AgriBriefing, proudly hosts the Women in Food and Agriculture (WFA) initiative. This global community supports diversity and inclusion across the food and ag sector by bringing companies and individuals together to become a positive force for change.

Adversity calls for diversity. That is the theme of the WFA directive heading into 2022. With an increasingly challenging business environment, a growing population to feed, and pandemic-related complications hitting each area of the supply chain, the call for diverse thinkers and leaders has never been louder.

WFA exists to amplify those voices.

An international community with shared goals, WFA is a constant presence, culminating in an annual Summit that brings together people from all over the globe to enact real change and open the dialogue on diversity and challenges the industry is facing. The last two years have featured a digital event showcasing presentations, networking opportunities, and online resources.

December's digital event featured an inspiring keynote address from Professor Louise Fresco, President of the Executive Board at Wageningen University & Research and formerly of the Food and Agriculture Organisation of the United Nations. Additionally, virtual sessions on Diversity and Inclusion Challenges, Male Allyship in the Workplace, and the Future of the Food and Ag Workforce featured exceptional panelists and incredible insights.

Photos provided by WFA

WFA is a force for change



Now, the WFA community looks forward to the return of the live event in June 2022!

The 2022 Women in Food and Agriculture Summit will take place in Frankfurt, Germany, June 14-15.

A Force for Change, the 2022 Summit will welcome hundreds of attendees and 35+ speakers to participate in a robust 2-day agenda. It's an unparalleled opportunity to connect with like-minded individuals and organizations committed to growth and overcoming modern challenges.

Fostering empowering conversations, the WFA Summit allows you to challenge the status quo by supporting collaboration among the leaders in the food and agriculture supply chain.

Diversity and inclusion are key for all of us to achieve better business results and support our workforce. Come together to inspire the next generation and demonstrate how the industry is already changing. Join us in June to work together for diversity!

Be a force for change!

Visit www.wfasummit.com to learn more about how to get involved and to register for this year's Summit in Frankfurt. [UB](#)

Article contributed by **Jamie Chadwick**
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The 2022 Women in Food and Agriculture Summit will take place in Frankfurt, Germany, June 14-15.



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CELEBRITY MEALS BOOSTING QSR SALES

If your favorite celebrity collaborated with your favorite fast-food brand, would you purchase the product? Celebrity features and limited time offers in fast-food companies are becoming more popular than ever, and they are helping sales for these QSR brands.

In September 2020 McDonald's had their first celebrity feature since the early 1990s: The Travis Scott Meal. The meal included a medium sprite, a quarter pounder with bacon, and fries with barbeque sauce. It's not anything that wasn't on McDonald's menu before, yet the high demand resulted in some McDonald's locations running out of some of the ingredients. While most in-store sales for fast-food chains were declining in 2020, McDonald's reported a 2.2% increase for in-store sales in Q3. And the deal wasn't too bad for the rapper either. Scott reportedly made \$5 million from the original endorsement and an additional \$15 million in merchandise sales. (\$90 Chicken McNugget body pillow, anyone?)

The Travis Scott collaboration was only the beginning for McDonald's. In May 2021 came a collaboration with K-POP band BTS. The BTS Meal featured a 10 piece Chicken McNuggets, new limited time sauces picked by the group, fries and a Coke. According to HypeBeast, McDonald's Korea had a 250% increase in Chicken McNuggets sales during the first four weeks of the BTS meal collaboration. U.S. same-store sales increased 25.9% in the quarter and net sales increased by 57% to \$5.89 billion.



Photo credits: McDonald's Corporation

Food Institute also reported that within the first seven days of the BTS Meal, McDonald's restaurant visits went up 12% from the week prior. As for BTS? They walked away with a reported \$8.89 million from their meal deal.

With these numbers, who wouldn't want to cash in on the success that comes with collaborating with celebrities? In September 2021 Burger King teamed up with Lil Huddy, Nelly and Anitta to launch their "Keep It Real Meals." In October 2021 Popeyes threw their hat in the ring and collaborated on a meal and new sauce with rapper Megan Thee Stallion. That deal even included a franchise development agreement for the rapper to open up to five restaurants.

With 2020 and 2021 showing that limited time offers and celebrity collaborations are boosting sales, it is only a matter of time to see what new celebrity endorsements and trends 2022 will bring to the QSR industry. [UB](#)

Article contributed by **Georganne Nigro** | gnigro@urnerbarry.com

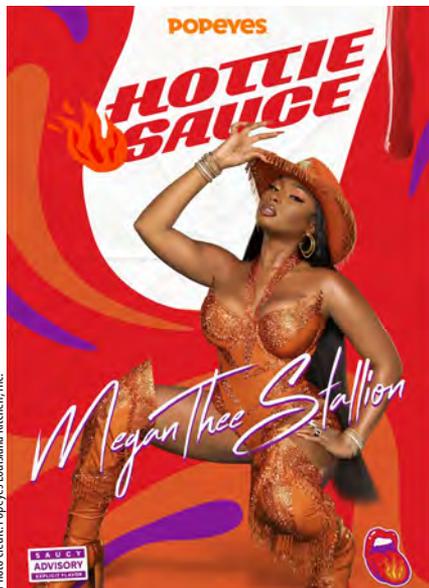


Photo credit: Popeyes Louisiana Kitchen, Inc.

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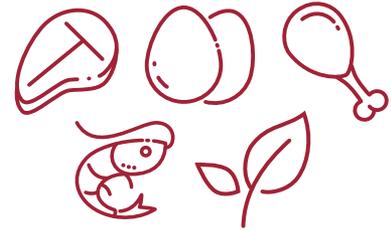
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The completion of several key elements from the 2021 COMTELL product roadmap, and various performance enhancements over the last few months provided COMTELL subscribers with an all-encompassing platform that continues to grow and improve.

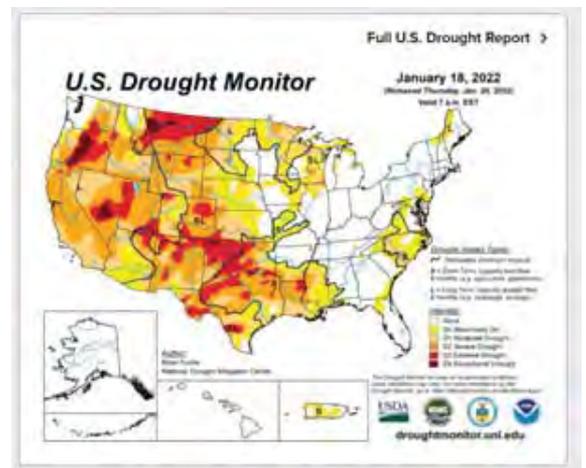
A sizable amount of effort during Q4 was spent on finalizing Urner Barry's Excel Add-In and introducing it in a beta phase. Beta testers included the COMTELL Advisory Board members and a few key account users in the beginning of December. Their feedback was positive, and we are looking forward to creating even more utility and efficiency for customers as this powerful new tool becomes adopted.

Another exciting accomplishment from the 2021 COMTELL roadmap is the addition of a refrigerated truck rates table located within the pricing menu. Urner Barry customers have been greatly affected by logistical issues due to the pandemic and have long been requesting more information on this subject. The data is sourced from the USDA and includes pricing history dating back 10-20 years. We plan to build out this section with more information as customers continue to provide feedback. In addition to the truck rates, COMTELL subscribers will also notice a new weekly editorial column about transportation and logistics, along with the regularly published news stories in this category.

Origin	Destination	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
California	Milwaukee	4.30	4.84	3.20	4.22	3.41	18.49	4.12	4.02	3.80	4.54
Florida	Atlanta	3.24	3.58	3.30	3.34				3.74	3.20	
Great Lakes	Atlanta	5.20	5.27	4.44	5.51	4.40		4.51	5.47	5.47	
Indiana	Atlanta										
Mexico/Arizona	Milwaukee	3.81	4.82	3.98	3.75	4.23	3.57	3.74	4.06	4.06	
Mexico/Texas	Milwaukee	4.88	5.12	3.75	3.29	4.00	2.44	4.08	4.00	4.00	3.58
Midatlantic	Milwaukee										
New York	Milwaukee	5.44	5.44	46.47				4.44	41.51	18.51	
Puerto Rico	Milwaukee	3.85	4.84	4.02	3.84	3.86	3.54	3.71	4.27	4.00	7.50
Southwest	Milwaukee	4.25	5.24	3.41	4.32			3.50	5.29	5.29	
Other	Milwaukee	3.41	3.27	3.19	3.11	3.24			3.59	3.59	

A few other enhancements accomplished during Q4 include:

- **130 New Historical Items** added since October
 - ◆ Most of which can be found in the **new refrigerated truck rates table**.
- Other new reports and items include:
 - ▲ **New Cage Free Eggs Table**
 - ▲ **Shrimp**—added **Asian 8-12 ct. farm**
 - ▲ **West Coast Shell Eggs and Egg Products**—added **graded loose index**
 - ▲ **UB Scallops**—added **Peruvian coverage**
- **New Global Drought Maps**
 - ◆ Located in the weather section of the news menu, these maps provide insight into ground water and soil moisture conditions sourced from NOAA and NASA.



The 2022 COMTELL product roadmap includes several new features and enhancements that will continue to increase efficiency and improve the customer experience. Of course, with the launch of the Excel Add-In we will be monitoring the customer experience and expanding on its functionality and toolset as needed.

Other key elements of the 2022 COMTELL product roadmap include:

- ◆ Expanding transportation coverage
- ◆ Additional hands-off customer success tools (how-to videos & tool tips)
- ◆ Ability to share content with other COMTELL users within an organization
- ◆ Overhauling the retail section
- ◆ Integrating forecasting into COMTELL charts

As always, Urner Barry welcomes any feedback and suggestions on how to provide the most value to our customers and improving our customer's experience on COMTELL and all our services. [UB](#)

Article contributed by **Sarah Hartig**
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Eric Oullette,
COO,
Semper
Foods

Semper Foods brings new school approach to old school business

Semper Foods may have been founded just four year ago, but the niche frozen food distributor has already made a name for itself in that short time. Founded by three friends and partners who combined have more than 40 years of experience in the foodservice industry, the company stands for integrity, innovation, agility, technology, relationships and loyalty. And they're making customers happy across the board, from casinos, cruise lines and theme parks, to discount grocers, QSRs, and colleges and universities.

Urner Barry's Reporter spoke with Eric Oullette, a founding partner and U.S. Marine Corps veteran, about Semper Foods' customer service and growth in the business.

Urner Barry's Reporter: What sets Semper Foods apart as a food distributor?

Eric Oullette: When it comes to the further processed and commodity 1st and 2nds market, Semper Foods is unmatched in our supplier network and collective team knowledge. With a technology stack that's solely focused on servicing customers and a robust array of 3PL, we're the quintessential food distributor for further processed or commodity poultry and beyond. Whether our customer is looking to save money on their bottom line or in need of a custom food solution our team is ready to deliver.

UBR: How has Semper Foods adapted to pandemic-related challenges such as labor shortages and logistical complications in order to continue serving their customers?

EO: We think of ourselves as a technology company just as much as we are a food distributor. This ethos is what allows us to be agile, making it much easier to onboard new 3PL partners, suppliers or change which customer segment we focus on for selling. That exact mix is what has allowed us to not just survive but to thrive during these challenging times.

UBR: Semper Foods brings "a new school approach to an old school business."

What does innovation look like to you and how are you changing the game?

EO: To us innovation is the constant transformation without limits, to how we do business day-to-day. We use the real-time feedback that is captured from our sales team, customers and vendors to constantly develop improvements to existing or new solutions in our technology stack. We take a user-centric approach to how we build these solutions, allowing us to focus on an optimal experience being delivered without constraint to the technology system(s) that support it.

UBR: How are consumer trends changing and how does that impact your business and that of your customers?

EO: We've noticed that since the pandemic has started the average buyer is more open minded when it comes to #2 products. Not just due to limited product

availability in the market but also because of the spike in pricing. This has allowed our business to penetrate many new customers with cosmetically imperfect items, overruns, line discontinuations, limited time opportunities, one-time buys, and more.

UBR: What does 2022 and beyond look like for the food industry and for Semper Foods?

EO: We anticipate a continuation of price increases in the market as supply limitations have proven to be an ongoing challenge. For Semper Foods, our sales team, the geographic region we cover and the customer segments we focus on will all grow. We expect to face new unforeseen challenges as the business scales. With that in mind we plan to further invest into technology resources. **UB**

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