



Proactive Promotion a Priority

Long been called the “invisible industry,” renderers have traditionally gone about their business largely unnoticed by communities, regulators, and the media. But since the discovery of bovine spongiform encephalopathy (BSE) and a recent drive by government to increase regulations, rendering has lately been on the radar scope more often than preferred. While each renderer deals with any publicity, whether wanted or not, in its own way, members of the National Renderers Association (NRA) decided at the group’s 77th Annual Convention in late October that it’s time to be more proactive and start promoting the rendering industry as the green and sustainable industry it is.

In almost every meeting, educating the public, government, and media was addressed. The Fats and Proteins Research Foundation, the research arm of the rendering industry, also focused on promoting its agenda at a meeting held in conjunction with the NRA convention (see “Research Foundation Focuses on the Future” on page 13). But while renderers decide how best to publicize the benefits rendering provides to the livestock, restaurant, biofuels, and other industries, far more hard-pressing issues required their attention at the convention, including an impending election.

While the outcome of the November 2010 mid-term elections is now known, one week prior, several speakers at the NRA convention attempted to make some predictions and forewarnings about the impending day. Jennifer Duffy, senior editor, *The Cook Political Report*, was up first with some polling statistics: 49 percent of U.S. citizens disapprove of the president and 73 percent are very unhappy with the job Congress is doing. She explained that the current political turmoil began in 2008 when the government started regulating heavily because of the collapse of private companies like Lehman Brothers and General Motors.

“Never underestimate any political party to screw things up,” Duffy warned. “Republicans still have a negative image, but the good news is this election isn’t about them, it’s about Democrats.”

As for the welfare of individual states, half of which voted in a new governor this election, Duffy doesn’t expect most will see an economic recovery until 2013.

Providing another perspective on the election was Sara Wyant, Agri-Pulse Communications, who said Congress will change, “but it’s going to be another ugly two years until the 2012 elections.” She thinks there will be some opportunities for compromise after the mid-term elections, and highlighted the amount of money being spent at the U.S. Department of Agriculture (USDA). President Barack Obama wants to double total U.S. exports in the next five years to \$1.6 trillion, which Wyant said is a lofty but laudable goal (agriculture accounts for

six percent of exports). She is, however, very concerned about the future of U.S. agriculture due to the increase in regulations, activity by animal rights groups, and other challenges.

Wyant sees only a mountain of debt in the country’s future, and stressed that 80 percent of farm bill spending goes toward feeding people so these programs will be spared budget cuts, but other agriculture programs, such as the Foreign Market Development and Market Access Program, will face the funding ax.

Ashley Peterson, American Meat Institute, didn’t have any good news about the Environmental Protection Agency (EPA), including its new greenhouse gas (GHG) reporting rule. Companies that emit over 25,000 tons of carbon dioxide (CO₂) per year must report annually beginning March 31, 2011, for data collected in the previous year. A tailoring rule released earlier this year increased the CO₂ threshold to 75,000 tons per year, but there are provisions to lower that threshold and Peterson warned that will happen eventually so all stationary sources, from the local Wal-Mart to a small cow producer, will eventually have to report their GHG emissions.

EPA is also establishing total maximum daily load requirements for the Chesapeake Bay, the biggest watershed in the United States, by the end of this year due to the threat of a lawsuit by environmentalists. Peterson stated that the agency has already admitted their model is flawed, but won’t



Jennifer Duffy, The Cook Political Report, shares her perspective on the U.S. political climate.

For the green and sustainable rendering industry

By Tina Caparella

accept assistance or make it public. EPA has also disregarded its own scientific advisory board recommendations on dioxin legislation.

Mike Miller, Cattlefax, didn't have a much brighter picture from the beef industry.

"At the end of the day, everything that impacts beef production will have an effect on you," he informed renderers. Miller said his sources predict it will be 2014 before the U.S. economy begins to resemble its past. On the positive side, the global stock market, for the most part, is fairly positive, except for Japan, which buys a lot of U.S. beef and pork. He cautioned that despite hide and offal prices at near record high levels, commodity prices are still volatile.

Another positive is that cattle are heavier, with an average increase of six pounds per year. This translates to carcass weight being 66 pounds heavier in 10 years, adding about 2.2 billion pounds of beef to production, assuming future slaughter rates remain at current levels. However, Miller pointed out that beef demand has been declining since 2004, although 2010 is up slightly from last year. His livestock outlook is that the beef supply will shrink but weight will be up, pork and poultry supplies will grow, there will continue to be increased regulations and costs, and the domestic demand for proteins will be slow to recover while the global demand remains strong.

Mark Jekanowski, Informa Economics, presented very preliminary data collected from a rendering industry survey conducted over the summer. He said five million tons of protein was produced this year, which is comparable to the last survey conducted in 2005. In general, prices are up overall since 2001, on average, nearly double. On the down side, the percentage of dead stock rendered has dropped in the past few years, with 25 percent of calves and 43 percent of cattle rendered in 2010 compared to 40.5 percent of calves in 2003, and 52.4 percent of cattle in 2005. The number of cattle over 30 months of age collected and rendered is declining and will continue to do so since many renderers stated they have now stopped collecting these cattle altogether due to the cost of separating the prohibited material as required by the Food and Drug Administration (FDA).

Jekanowski reported that 10 billion pounds of animal fats and greases were produced in 2010, and grease thefts have doubled in the last five years with an average of more than 5,000 incidents a year over the last two years. Grease theft is rarely reported because it's often not taken seriously by authorities and is hard to prove. Besides lost material, renderers are also suffering equipment damage. Jekanowski is finalizing the survey results and will provide them to NRA very soon.

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Greg Sindt, left, Bolton and Menk, Inc., discusses environmental issues with Robert Vogler, Valley Proteins, Inc.



From left, Louis Russell, John Wheeler, and Jerry Frankl, APC, Inc., enjoy the convention's tabletop reception.



New WRO members Zhu Jin, left, and Li Hong, Shanghai Genon Biological Products Co., Ltd., share their thoughts.

Business Meetings

NRA committees gathered during the convention to address the hard pressing challenges the industry is facing. Environmental Committee Chairman Robert Vogler, Valley Proteins, also discussed EPA's GHG regulation, which he said will move forward despite efforts by many to stop the requirements. EPA is taking steps to ensure U.S. states will be ready to implement GHG regulations beginning January 2, 2011, or the agency will take over regulating a particular state that can't or won't act to legislate GHGs.

Vogler highlighted the numerous comments NRA has submitted on various environmental issues, such as fats as a

nonhazardous secondary solid waste material, boiler standards, ammonia standards, and a proposed new national ambient air quality standard for ozone, which NRA opposes because it will greatly increase the number of nonattainment areas with tighter restrictions on sulfur dioxide, nitrous oxides, and particulate matter. He commented that EPA is under fire for its top-down approach imposing unworkable standards and emphasizing enforcement.

Biofuels Committee Chairman Chuck Neece's, FUMPA Biofuels, bad news is that there is still no tax credit from Congress, the Renewable Fuel Standard 2 hasn't had the impact on the biofuels industry as expected, and the public is beginning to view biofuels as being more costly and of no additional benefit. The credit for ethanol is expiring at the end of this year and it appears to have more support than the biodiesel credit did. Neece said there is some hope that if the ethanol industry gets a tax credit, other alternative fuels will follow.

TSE (Transmissible Spongiform Encephalopathy) Committee Chairman Larry Angotti, Darling International, reported that "all the cows in Canada and the United States are happy so we don't have much on our agenda today." Ross Hamilton, Darling International, examined FDA investigation documents on this past summer's egg recall, noting FDA is most critical that the farms did not follow their own written procedures.

"So if you have written procedures, be sure you're following them," Hamilton encouraged.

Due to the *Salmonella* issue in eggs this past summer, the Animal Protein Producers Industry Committee has decided to allow additional testing of a member's rendered products to assure customers that rendered products are safe. Dr. David Meeker, NRA Scientific Services, said the association is fairly pleased with the FDA draft guidance document on *Salmonella* released in August 2010.

The Legislative Committee was told by NRA President Tom Cook that the \$1.75 million the association receives in matching funds from the USDA for international programs is in jeopardy. Steve Kopperud, Policy Directions, brought to light that the biggest issue with grease theft is no one knows the extent of the problem. The committee decided to determine how large the crisis is, which states/localities have laws currently in place, and then publicize the facts to a broader audience, including local media, in those areas with the most thefts.

Kopperud emphasized that with a lot of new Congress members arriving in Washington, DC, after the November elections, renderers need to attend the NRA Washington Fly-in next June more now than ever before to educate these new members of Congress.

Michael Koewler, Sacramento Rendering, updated the committee on various issues in California, including waste hauling companies that currently collect produce and food waste for composting now want to collect meat scraps as well, something renderers are fighting to defeat. Oregon and Washington are also considering extending their compost rules to include meat scraps. Hamilton said this trend, and that of meat scraps going into digesters, is spreading across the country and the rendering industry needs to step-up and promote rendering as the best way of recycling this material to prevent biosecurity issues.

NRA's International Market Development Committee (IMDC) said the \$1.75 million in matching government funds



Sara Wyant, Agri-Pulse Communications, shared her not-too-rosy outlook for the next Congress.



Bruce King, center, West Coast Reduction, Ltd., was the winner of a spa robe from Janet and Bud Hughes, Travis Body and Trailer, Inc., at the tabletop reception.

must be used for expenses outside the United States to promote rendered products in overseas markets. Chairman Mike Gilbert, Griffin Industries, reminded meeting attendees about the benefits all NRA members receive from IMDC activities, such as when overseas teams are brought to a U.S. rendering plant to examine its processes, or when an NRA member needs assistance in obtaining the proper permits when exporting a product. Dave May, Farmers Union Industries, LLC, provided his company's reason for recently joining IMDC: two years ago a finished product that contained its animal protein meal was having difficulties obtaining an export permit. The IMDC staff was able to get the problem resolved so the finished product could be exported. This incident convinced Farmers Union/Central Bi-Products to support and join IMDC.

Committee members vowed to actively encourage exporters to join NRA and IMDC since they often use IMDC staff for export assistance. Other potential members will also be recruited.

Worldwide Focus

Challenges don't stop at the U.S. border, and with the industry becoming more global, what happens in other countries can oftentimes impact how U.S. renderers do business.

World Renderers Organization President Alan von Tunzelman educated convention attendees on the Global Outlook for Aquaculture Leadership conference in Malaysia he recently attended, where WRO had a sponsorship role. Over 53 million tons of aquaculture was produced last year around the world, and processed animal proteins (PAPs) are recognized by the Global Aquaculture Alliance as a permitted ingredient in aquaculture feeds. Tunzelman said Brazil has a growing beef industry, and welcomed Argentina, India, Brazil, and Thailand as the newest WRO members.

Niels Nielsen, president, European Fat Processors and Renderers Association (EFPPA), said after 10 years of talking

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Research Foundation Focuses on the Future

The Fats and Proteins Research Foundation (FPRF) held its board of directors and annual membership meetings in late October in conjunction with the National Renderers Association (NRA) 77th Annual Convention. Like the NRA, FPRF members unanimously decided that promoting the foundation is a priority as is encouraging submissions of more research proposals.

FPRF President Sergio Nates informed the board that 19 countries are represented on the foundation, \$879,000 has been pledged for the next fiscal year, and membership consists of nine sustaining members, 23 full members, 17 associate members, and five allied, or association, members. Currently, 40 percent of the research funds being spent at the Animal Co-Products Research and Education Center (ACREC) at Clemson University are on biosecurity projects, with the focus shifting to higher-value uses for animal by-products in the future.

Foundation Chairman J.J. Smith, Valley Proteins, noted that the Poultry Protein and Fat Council of the U.S. Poultry and Egg Association has contributed \$100,000 to FPRF with most of the funding going toward ACREC research projects. He said the council has the same challenge as FPRF – they are not receiving a lot of research proposals so they are teaming up with other research groups. FPRF only received two outside research proposals before this year's meeting, both of which were tabled until the spring meeting in May 2011 in hopes of receiving additional proposals to be evaluated.

The bulk of the annual meeting focused on FPRF's path over the next five years. First addressed was a strategic plan to meet the objective of encouraging global food system stakeholders to approach FPRF members for sustainable solutions to their waste stream issues. Much discussion was also held on the various types of research that needs to be done: defensive,

such as biosecurity and regulation issues; and offensive that center on rendering operations and opportunities.

Communications was also a topic of conversation among members, including how the rendering industry needs to tell its "good" and "success" stories, such as biofuels. Increasing membership also received a good amount of meeting time, with a decision made to form a task force to approach those who are not yet members of FPRF but could benefit from their involvement.

The foundation concluded its meeting by voting in new officers for the next two years: Carl Wintzer, G.A. Wintzer and Sons, was named chairman; David Kirsten, Darling International, is vice chairman; and Erika Weltzien, Rothsay, was named treasurer and is the first woman to serve as an FPRF director. Outgoing chairman Smith was honored for his six years of serving on the FPRF board of directors, with the last two years as chairman. **R**



From left, new FPRF Chairman Carl Wintzer honors outgoing chairman J.J. Smith's service along with fellow FPRF officers David Kirsten, vice chairman, and Erika Weltzien, treasurer.

about it, the reintroduction of PAPs in animal feed in Europe is getting closer. He also said that in Europe, the rendering industry prefers not to use the word “waste” because of the negative connotation it brings. EFPPRA will soon launch a PAP Web site to ensure accurate information on animal proteins is accessible.

Tim Juzefowicz, Australian Renderers Association (ARA), quickly pointed out that Australia does not have BSE and “is very fortunate for that.” The country boasts 100 rendering plants employing from 600 to 700 people, and produces about 1.2 million metric tons of product with a value of about \$800 million. About 30-35 percent of protein meals and 65 percent of tallow is exported.

“The Asian market has been good to Australia,” Juzefowicz commented. The land down under has not been affected by the global recession and currently has a strong economy, although export values are currently down due to a lower supply and higher Australian dollar.

ARA members represent about 80 percent of the country’s production, and the group offers a five-day intensive training workshop covering *Salmonella*, laboratory testing, hazard analysis and critical control point programs, plant processes, and other industry-related subjects. To date, 25 workshops have been held with 677 individuals accredited. Juzefowicz echoed the NRA members’ sentiment that it needs to be made clear to regulators how valuable the rendering industry is to the environment and society.

A glimpse at other world markets was provided by the NRA international team, starting with Kent Swisher, International Programs vice president, who began by welcoming first-time convention attendees from Brazil, China, Argentina, and France. He then provided some key messages on the rendering industry: sustainable – yes, as long as humans eat meat; green – yes, since rendering recycles products that would otherwise be added to landfills into high quality products; eco-friendly – yes, as rendering is relieving pressure on the world stocks of ocean fish; and renewable – yes, as rendering produces an

excellent affordable raw material for clean biofuels.

Swisher pointed out emerging world markets for rendered products as Peru, Columbia, Ecuador, Costa Rica, Mexico, Vietnam, and the Philippines, and new product markets as fish meal replacement.

German Davalos, NRA Latin America director, said the association was instrumental in assisting a major Mexican feed manufacturer resolve some quality issues that were determined to be caused by grain products. This company is now looking for additional U.S. rendered product suppliers. Davalos said Mexico is experiencing a white spot virus in its shrimp so production is down about 40 percent thus the reduction in the use of animal by-products. However, despite the current problems with shrimp production, the sector will recover and continue to grow.

Peng Li, NRA Asia director, reemphasized the continued growth in the aquaculture industry even though fish meal production is not growing. NRA sponsored various seminars throughout Asia the past year educating feed manufacturers on the use of animal proteins, especially in aquaculture.

Bruce Ross, NRA European consultant, put the spotlight back on Europe, and encouraged renderers to read *The TSE Road Map 2, A Strategy Paper on Transmissible Spongiform Encephalopathies for 2010-2015* released in July 2010 by the European Commission because “it makes clear the EU’s idea on reopening the feed markets to PAPs.” His optimistic timetable is first a proposal that the feed ban be relaxed expected in the second half of 2011, and then an agreement in the European Council and European Parliament could take up to two years.

Albert Tacon, NRA consultant, reiterated the importance of the aquaculture industry, which only represents four percent of all global animal feed but is the fastest growing food producing sector in the world in the past 25 years. He said animal proteins and fats need to be part of the mix in providing the 40 essential nutrients required in aqua feeds. Tacon also encouraged renderers to tell their “great” story.

The WRO held its annual meeting in conjunction with the NRA convention and promotion was the key subject of discussion. A draft roadmap has been drawn that addresses the challenges faced by the global rendering community, positive messages the industry needs to promote and ways to get the message across, the negative perceptions the sector needs to counter, and, most importantly, identifying the opinion-formers who need to be influenced. The goal is to have the roadmap finalized by the next annual meeting in Sydney, Australia, July 2011. WRO members also agreed upon the various affiliated meetings WRO should participate in over the next year, and welcomed its newest member from China, Shanghai Genon Biological Products Co., Ltd., the largest local provider of animal protein blood.

“It is a big honor for us to become a member of WRO,” said Li Hong. He said China has a young rendering industry that began in 2004, and believes they can contribute to help communicate with the Chinese agriculture government.

NRA will hold its next annual convention October 18-21, 2011, in Tucson, AZ. **R**



Fernando Mendizabal, Rengra SA DE CV, left, listens to Terry Medemblik, Walinga USA, Inc., explain various rendering trailers at the tabletop reception.

More photos from the convention are available on Render magazine's Facebook page. Search for us!