Nancy Foster
President & CEO
National Renderers Association
• Represent over 95% of rendering in U.S. and Canada
  – Packer renderers
  – Independent renderers
• Western, Central and Eastern regional assns.
• 8 Staff
• Headquartered in Alexandria, VA (Washington, D.C.)
Rendering Industry

- U.S. rendering industry exceeds $10 billion annual revenue
- Thousands of employees across the country
- Transform huge volumes of raw materials left over from livestock, poultry processing for human food
- Enough to fill 100,000 new Dallas Cowboys football stadiums a year
Without rendering, all available space in landfills would be used within 4 years

Rendering Is Recycling!  www.nationalrenderers.org
NRA Member Rendering Plant Locations

- Meat Packers/Poultry Processors who also Render
- Independent Renderers
NRA Programs to Benefit Renderers

Support the rendering industry through programs in:

- Biosecurity & Stewardship
  - Rendering Code of Practice
  - Animal Protein Producers Industry (APPI)
- Government Affairs—regulatory, lobbying
- International Market Promotion
- Communications
- Partnership with Fats & Proteins Research Foundation
Fats & Proteins Research Foundation

• Goals
  – Improve efficiency, lower costs, find new uses

• Research projects (Examples)
  – Animal nutrition, odor control, antioxidants, Omega-3 fatty acids, gloves, car parts, salmonella
  – Since 1962: 600 projects +, $15 mil invested

• We Welcome Your Support!
Animal Protein Producers Industry - APPI

- Rendering Code of Practice (COP)
  - NRA developed in 2005
- Biosecurity & stewardship commitment
- FSMA compliance
  - One audit joint certification for AFIA’s Safe Food/Safe Feed and NRA’s COP
- Important member training and education
NRA-FPRF-APPI Partnership
One Staff
NRA Here Today

- David Meeker – Sr. VP, Scientific Services
- Kent Swisher – VP, International Programs
- Jessica Meisinger – Director, Communications, Science & Education
- Tina Caparella, Editor, Render Magazine
- Heather Davis - Coordinator, Member Relations and Operations
Since IPPE Last Year

• President Trump, New Congress completed Year One
• NRA continues implementing 2020 Strategic Plan
• FSMA feed rule implementation continues
  – Education & outreach to NRA members
• New export challenges (incl. new NAFTA)
• Sustainability branding (communications)
• Membership focus
Since Last Year’s Meeting ...

- Major overhaul of U.S. Tax Code
- Sustained low energy prices (biofuels)
  - Uncertain outlook for biofuel tax credits
- AAFCO revised definitions
  - Working on animal proteins
- Completed 1st year for U.S. tallow into China
- UCO exports to EU face continued challenge
2020 Strategic Plan

NRA Mission

“To advocate for a sustainable food chain, public health and the environment through the production and marketing of rendered products.”
2020 Strategic Plan

To accomplish this, NRA:

• Promotes effective public policy, regulation and technology
• Encourages responsible business practices
• Supports free movement of rendered products in domestic and international markets
• Improves stakeholder awareness and understanding of the value of rendering
NRA’s 2020 Strategic Plan

- Sustainability
- Regulatory/Legislative Advocacy
- Growing Markets
- Communications
  - Promote, defend industry
- Membership
- Talent Stream
NRA Programs

• Promote rendering and rendered products
• Advocate to decision makers
  – Trump Administration, USDA, FDA, other agencies
  – Congress
• Grow export sales – foreign market development, buying teams, market access
• Communicate rendering’s important role
Top Ag Issues in Washington, D.C.

- Election-year politics - Mid-terms
- Trump Administration - “Buy U.S./Hire U.S.”
- Immigration Reform, Infrastructure spending
- New NAFTA Agreement
- Reversing Obama environmental regulations
- Future of federal support for biofuels
- 2018 Farm Bill
- 2018 GOP Agenda – Party Retreat (Not Health Care Reform)
Immigration - Trump Position

• Trump Administration
  – Campaign: Deport the 11 million illegals
  – Softening? – DACA fix *but* end “chain migration” to merit-based, tighter TPS
  – Top priority is border security (“Build The Wall”)

• Congress/Trump - Stalemate
• Needs Dems to pass bill
• Can both sides compromise?
• Fall elections
Meanwhile, Ag Labor Problem Continues

• Americans won’t work dairies, pick produce
• Ag must use immigrant labor
• Unstable workforce
  – On farms, at processing plants (stolen Social Security #’s)
• Many documented foreign workers resent treatment of illegal immigrants (Latinos)
Infrastructure

- Trump promise
- $$$$$$$ - Involves huge spending
- GOP not sure how to pay for
- Would add to already large deficit
- House Freedom Caucus
- Unlikely this year
NAFTA

• Current NAFTA a win
• Rendered product exports since 1990:
  – + 460% to Canada
  – + 180% to Mexico
• Trump Administration renegotiating
• Important for rendering!
NRA’s 3 NAFTA Goals

1. **Do No Harm.** Keep our *zero tariffs* into both countries

2. **Gain market access into Mexico for U.S. ruminant MBM**
   - International animal health standards permit this trade but Mexico has delayed for years
   - Want to regain this $30 mil market
   - U.S. government strongly supports us
NRA’s 3 NAFTA Goals

3. Allow U.S. imports of Canadian mixed animal fat and used cooking oil
   1. Renderers need these products
   2. Support USDA finalizing the Small Ruminant Rule to allow imports.

U.S. Agriculture United

– NRA in NAFTA Ag Trade Coalition, promoting strong market access, not trade restrictions
NAFTA Challenges

• US “poison pills,” including:
  – 5-year sunset
  – Autos - 50% domestic content

• Canada wants to protect its dairy, poultry sectors v. U.S. demands for more access

• Mexico highly offended with U.S. but wants agreement

• Subtext - U.S. threat to pull out of NAFTA
2018 Farm Bill: USDA Funding, Food Waste

- USDA Grant Funding – MAP/FMD
- Food Waste Legislation (California experience)
  - Would provide federal funding to build large-scale composting and food waste-to-energy facilities
  - Need urban votes to pass Farm Bill
  - **Good News - Must follow EPA Food Waste Hierarchy**
    - Rendering is the “highest and best use”
  - Next slide
Food Recovery Hierarchy

Most Preferred

Source Reduction
Reduce the volume of surplus food generated

Feed Hungry People
Donate extra food to food banks, soup kitchens, and shelters

Feed Animals
Divert food scraps to animal feed

Industrial Uses
Provide waste oils for rendering and fuel conversion and food scraps for digestion to recover energy

Composting
Create a nutrient-rich soil amendment

Landfill/Incineration
Last resort to disposal

Least Preferred

*Added by NRA
NRA Supports Biomass-Based Diesel - RFS

- RFS faired well under Obama, NRA supported steady increases (our GHG reduction a win)
- Now – Jobs, jobs, jobs; Grow the economy
- Political struggle
  - EPA wanted RFS cuts
  - Grassley et al fought against
  - Trump call to Pruitt
  - Our side won – for now
  - Petroleum industry effort
Biofuel Tax Credits

• NRA strongly supports
• Expired Dec. 31, 2016
• $1/gal biodiesel & renewable diesel
  – 50 cents/gal alternative fuel mixture credit
• NRA advocating to reinstate
• Hill vehicles this year
• NRA & NBB together
• Petroleum industry, some conservative GOP against
NRA’s International Marketing and Promotion Program

• Almost 20% of rendered production exported
• NRA - $1.7 million/yr in MAP-FMD funds
  – 70% industry match
  – Foreign market development, market access
• 45 programs, 57 countries
• Got Chinese agreement for U.S. tallow imports
• Regained $60 million China market for U.S. poultry meal – precedent!
Market Access Challenges

• NAFTA - Gain MBM access into Mexico
• Finalize small ruminant rule – imports from Canada
• Gain access to UCO market in Europe
  – UK legislation would establish an “Indirect Land Use Change” (ILUC) for UCO
  – Having ILUC means less sustainable
  – NRA opposes ILUC
  – Harmful EU market impact, dangerous precedent for biodiesel in U.S. (ex-CA)
Communications

Our Brand: Rendering is Sustainable

• Protects the environment
• Protects human health
• Protects animal health
• Contributes to sustainability of animal agriculture
• Essential link in food and feed chain
NRA Communications

- People use rendered products daily, but don’t know it
- Important part of food/feed chain
- Help feed people, support growing population
- Sustainable – well positioned in market
  - “Upcycling”
  - Good for the environment - reduce GHG’s
NRA Communications 2018

- *NRA Update* monthly newsletter
- Rebranding to sustainability
- New infographics
- Website refresh
- Community toolkit for members
- Media promotion
- Collaborations with allies (AFIA, NBB, NAMI, NPPC, others)
Render Magazine

- International magazine for rendering
- Bimonthly
- Handouts today
- Editor: Tina Caparella
- Free subscription – see Tina or signup online
Membership Outreach

• “The Voice for Rendering”
• Strong membership is essential for association strength
• Recruitment & retention
• 3 membership categories
  – Active
  – Associate ("upstream")
  – Allied ("downstream")
• New Members (Heather Davis)
Future NRA Meetings

• 2018 NRA/FPRF Spring Meeting
  – April 24-26, Vancouver

• 2018 NRA Congressional Fly-In
  – June 11-13, Washington, D.C.

• 2018 NRA/FPRF Convention
  – Oct. 22-26, Dana Point, California
Nancy Foster
President & CEO
National Renderers Association
## Rendering is Recycling

### What Materials are Rendered?

- **Farms**
  - Some animals die on the farm from injury, old age, or other issues. Renderers prevent this from becoming a public health hazard by killing pathogens in the rendering process. Fallen animals only represent about 4.5% of rendered product.

- **Packing Plants**
  - 147.2 MILLION head of cattle, calves, hogs & sheep are slaughtered annually in the US.

- **Grocery Stores**
  - 1.92 BILLION POUNDS of scraps, fat, bone, expired meat & used cooling oil annually

- **Restaurants**
  - 4.69 BILLION POUNDS of used cooking oil per year

### What are the Products of Rendering?

- Renderers collect:
  - 50 BILLION POUNDS of raw materials every year.
  - That amount would quickly overwhelm landfills without rendering!

- Renderers recycle these materials into:
  - 10 BILLION POUNDS of fat and oil products
  - 9 BILLION POUNDS of protein products annually

- Rendered products are ingredients in:
  - Pet food
  - Food for cattle, pigs, sheep, poultry, fish and other livestock
  - Biofuel
  - Fertilizer
  - Plus: other products like soaps, lubricants, detergents, and more.

### Rendering is Green!

- Rendering is recycling!
  - Carbon- and nitrogen-rich materials are recycled into useable products.

- Rendering reduces greenhouse gases.
  - Carbon dioxide, methane, and other greenhouse gas emissions from natural decomposition like in a compost pile or landfill are avoided.
  - A single decomposing dairy cow releases 1.2 METRIC TONS of carbon dioxide. Rendering avoids this!

- Removing renderable products from the waste stream has the same effect on greenhouse gas emissions as removing 12,263,316 CARS FROM THE ROAD.

- Rendering is the process of breaking down animal by-products into fats & proteins.
International Market Access

• First tallow shipments last fall to China after market opened

• Avoided China market closing for ruminant exports on Dec. 31
  – Hosted AQSIQ team for audits of U.S. plants with PFI and AFIA

• To ensure product integrity, NRA developed new audit process with APHIS for 3rd party exporters to Indonesia
Government Affairs

- FSMA Implementation
- Biodiesel & renewable diesel
- Exports and trade
- Environment
- Trucking
- Food waste
Trump Administration- GOP Congress

• New World Order in DC
• Many Executive Orders
• Possible Changes ahead:
  – Overhaul entire federal tax code
  – Supreme Court Justice nominee Neil Gorsuch
  – New Trump federal budget likely shrink govt
  – Repeal/replace Obamacare
  – Infrastructure spending bill
D.C. Rendering Preview

• Exports
  – 20% of rendered products are sold overseas
  – “Border adjustment tax” proposal
• Imports – “Value Added Tax”
• Corporate tax reform – 20% top rate
• Biodiesel
  – Tax Credits, RFS
• Food Safety Modernization Act
• Strong voice for rendering
  – Promote, protect and defend
• Add value to members
  – Regulatory intelligence, advocacy, growing markets, information, networking
• Partnerships – collaborations
  – Supplier and customer groups
• Earn public trust & positive image
International Marketing

• $1.7 mil in USDA export funding
• 45 programs in 57 countries
• Offices in Mexico City, Hong Kong
• Consultants in Brussels, China, Thailand, Vietnam and Chile
10 Rendering Facts

1. Rendering is Recycling

2. People Use Rendered Products Every Day
   - Personal Care Products: Soaps, cosmetics, pharmaceuticals, shaving cream, deodorant, perfumes
   - Industrial Products: Paints, crayons, varnishes, lubricants, caulking compounds, cleaners, polishes, rubber products, coatings, plastics, candles, fertilizer, explosives
10 Rendering Facts

3. Good for Animal Health – Improved nutrition
4. Recycled Restaurant UCO → Biodiesel
5. Rendering is Sustainable
6. Rendered Producers are Clean and Safe
7. Consumers Can Have Confidence- Hi Reg Stnds
8. Volume In, Quality Out
9. Skilled Workforce, High Retention
10. Huge Truck Fleets
“Highest and Best Use”
Food Waste

- Some waste management companies want to dispose of animal raw materials for “lower value uses:”
  - Anaerobic Digestion → Methane, Soil Amendmts
  - Composting → Soil Amendmts
- NRA supports rendering as best use
- Opposes government subsidies for lower uses (CA, federal legislation)
“NRA Past, Present & Future”

Stakeholder Advisory Meeting

March 23, 2015

Nancy Foster
President & CEO
National Renderers Association
Communications

• Rebranding & Outreach
  – Key positive messages
  – Speaking up, engaging media, influencers
• Twitter, blog, video
• www.nationalrenderers.com
• Crisis management
  – PEDv, HPAI
Rendering = Sustainability

• Public opinion strongly pro-sustainable
• A “key positive” for us
• Our customers don’t fully recognize value
• Marketplace is driving there
• Challenges: non-traditional foods (plant-based, natural, organic, local)
Promoting Sustainability

“Rendered Ingredients Significantly Influence Sustainability, Quality and Safety of Pet Food”

- by David Meeker and Jessica Meisinger
- American Society of Animal Science
- February 20, 2015
Communications

- If we don’t fill the information void, who will?
  If we don’t tell our story, who will?
- Proactive, rather than reactive
- Twitter, blog, video
- www.nationalrenderers.com
Without rendering, all available space in landfills would be used within 4 years

Rendering Is Recycling!  www.nationalrenderers.org
Rendering Services The Food Industry

- 2.7 billion pounds of meat and seafood lost in retail (spoiled, dated)
  - 1.9 billion pounds recycled by renderers
- 4.7 billion pounds of used restaurant grease
  - 2.4 billion pounds recycled by renderers
Alternatives
## Scoring Disposal Options Against Hazards

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<th>Potential Public Health Hazards</th>
<th>Disposal Options</th>
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<td>Rendering</td>
<td>Incineration</td>
<td>Landfill</td>
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<td>Burial</td>
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<td>Cryptosporidium</td>
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<td>Sulphur Dioxide</td>
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<td>Particulates</td>
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<td><em>E. coli, Campylobacter</em></td>
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<td><strong>Rank by Lowest Risk</strong></td>
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</tbody>
</table>

- Risk is non-existent or negligible
- Risk is intermediate
- Risk is greatest for human exposure

* For cattle over 30 months only, the “blank” cell for rendering is dependent on solids going for incineration

UK Department of Health, *A Rapid Qualitative Assessment of possible risks to Public Health from current Foot & Mouth Disposal Options*, June 2001
Public Health
Raw Materials

• Grocery stores supply almost 2 bil lbs of meat scraps, bones, expired meat, Used Cooking Oil (UCO) a year

• Billions lbs raw material recycled into:
  – Fats and oils
  – Protein and ash

• 4.4 bil lbs of UCO from restaurants each year
Health Care Reform

• Congress will repeal/replace Obamacare
• Will eliminate individual, employer mandate
• How pay for reform if keep high cost items?
  – Pre-existing conditions - Spend how much on high-risk patients?
  – Shrink essential health benefits?
• Guaranteed access to coverage vs. guaranteed affordable coverage
Other Disposal Options

• **Anaerobic Digestion**: Yields energy (recaptured methane) and soil amendments, No uniform standards

• **Composting**: Yields soil amendments, uncaptured greenhouse gases, possible water contamination. No uniform standards

• **Landfill**: Would reduce space by 25% a year, produce greenhouse gases
Other Disposal Options

- **Burning**: high cost, air quality issues
- **Burial**: Ground and water contamination potential
- **Abandonment**: Greatest threat to environment and human/animal health
- **UCO Down the Drain**: Municipal sewers become clogged, cause sanitary sewage overflows damaging environment, cost millions to repair
“Rendering: The Greenest Option” Infographic

“Comparison of 3 Alternatives for Large Scale Processing of Meat and Meat Byproducts”

On NRA website, handout today