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Rendered Products in Pet Food

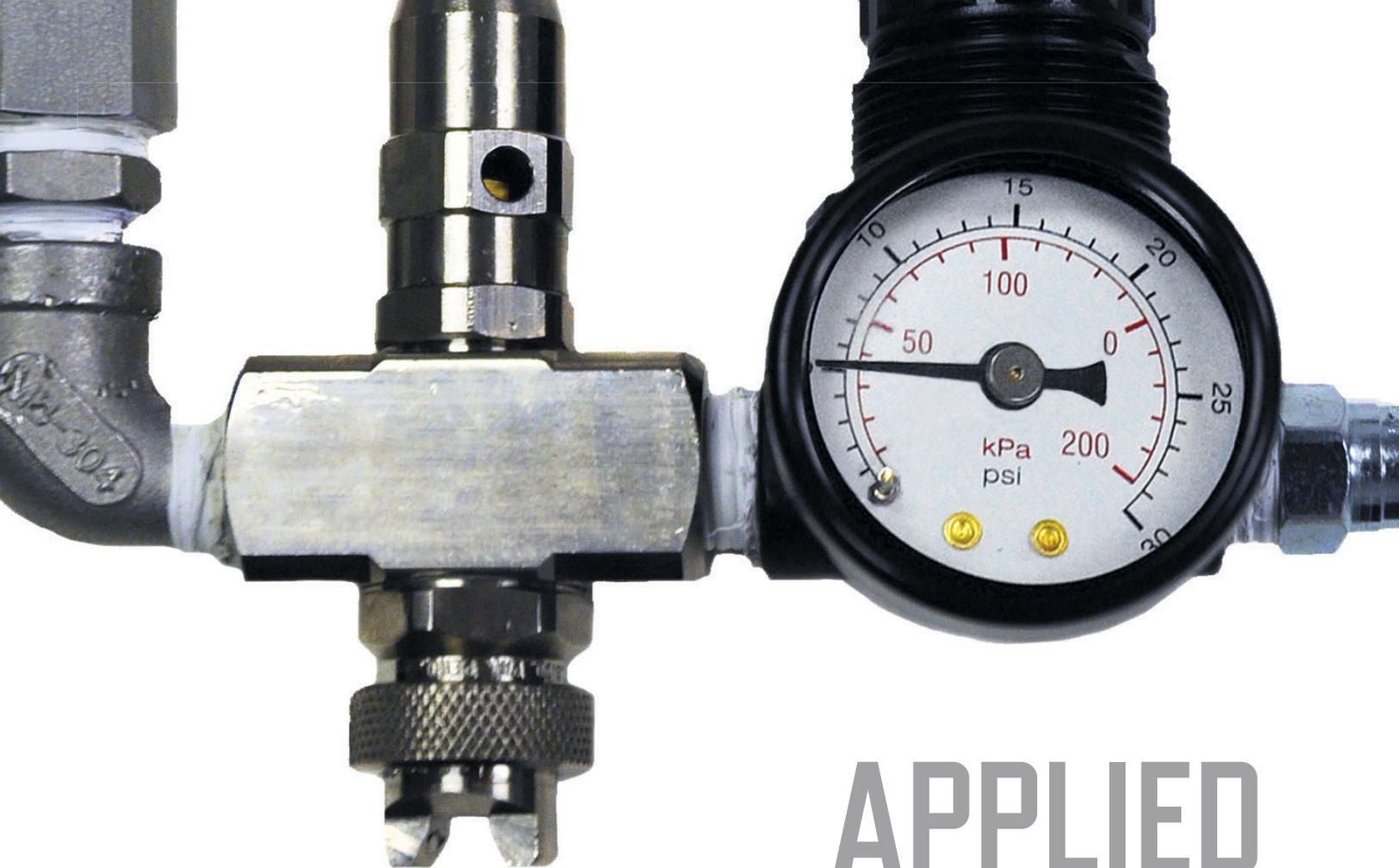
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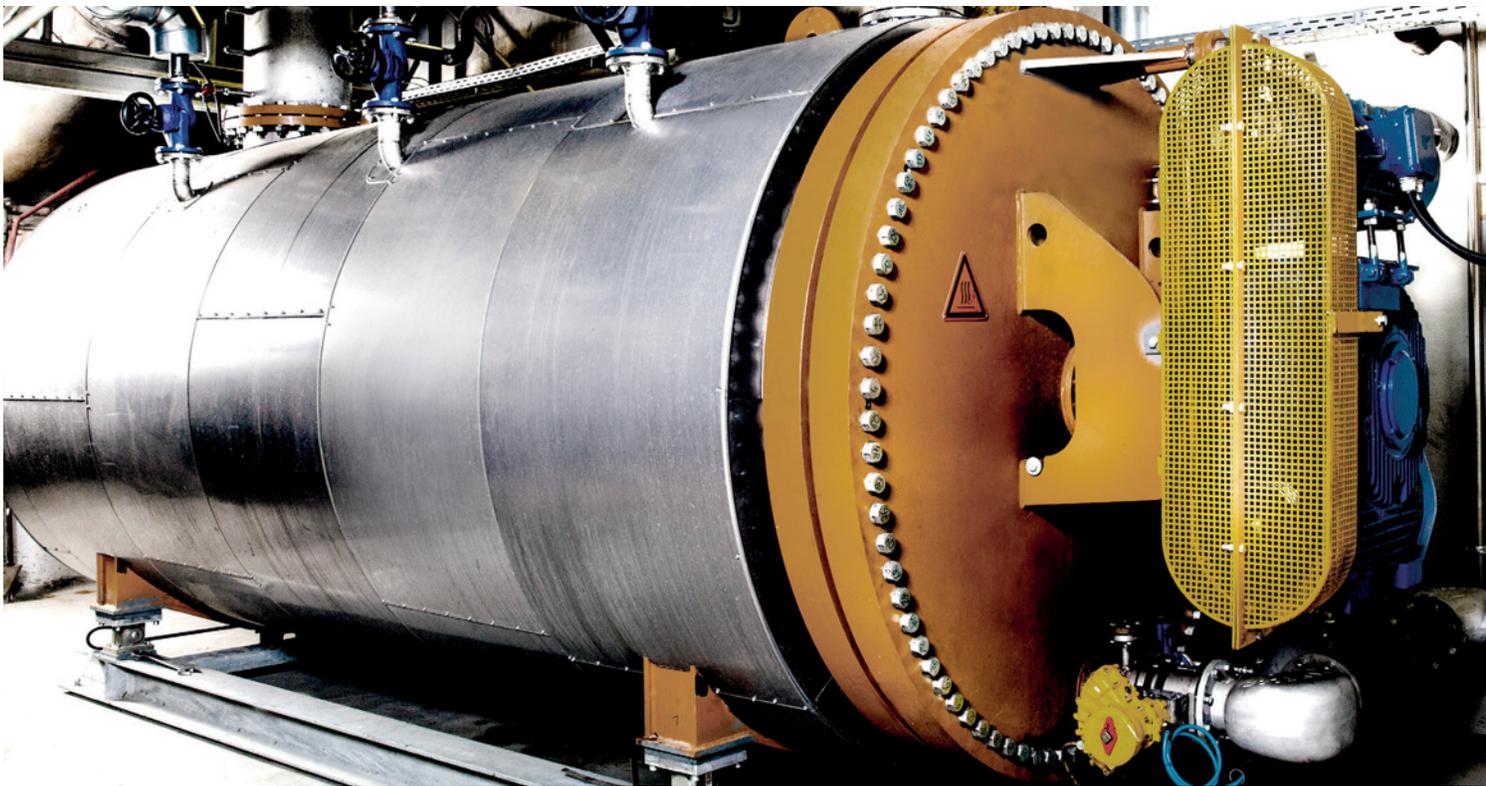
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Renderitorial

The American voters have spoken and the United States has a new president for the next four years. The outcome was surprising for most, good news for some, and upsetting for others. Only time will tell if the choice was the right one for the United States as a country.

Meanwhile, state elections had some controversial results of their own. A few legalized the recreational use of marijuana, others will now have stricter gun laws, and two states gave voters food for thought on agriculture.

In Oklahoma, a ballot question to protect state farms from new regulations unless there was a “compelling state interest” was rejected by 60 percent of voters. While the Oklahoma Farm Bureau was a supporter, one of the measure’s biggest opponents was a group known as the Oklahoma Stewardship Council, which included participants from various animal rights and environmental groups.

In Massachusetts, voters overwhelmingly approved a ballot question that phases out “extreme methods of farm animal confinement” even though it is estimated to increase their food bill by \$45 per person per year. The new law, which goes into effect in 2022, prohibits any confinement of pigs, calves, or hens that would prevent them from lying down, standing up, fully extending their limbs, or turning around freely. The measure passed despite a heavy ad campaign by the National Association of Egg Farmers to show the facts about today’s modern cage layers.

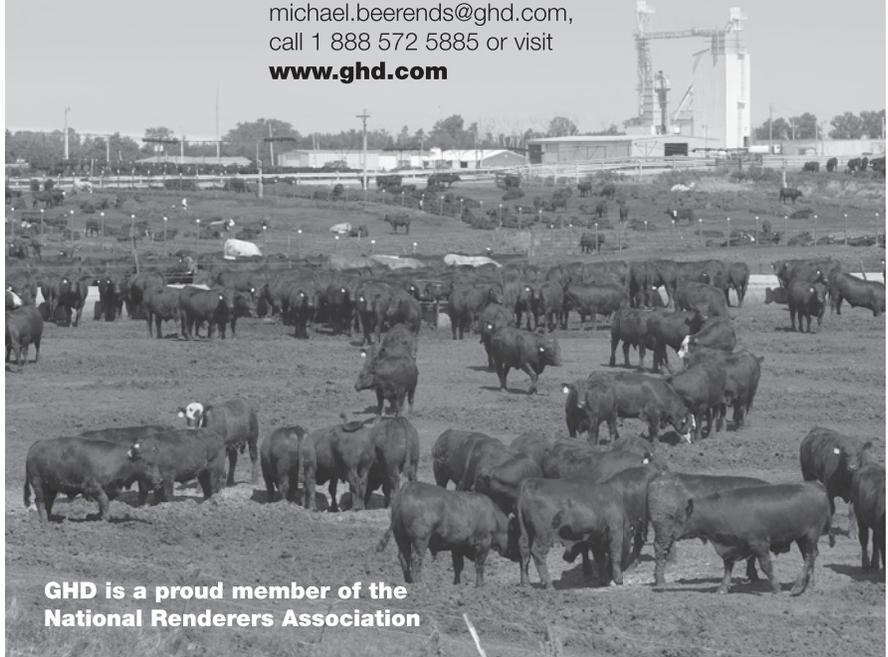
The above ballot measures show that Americans are increasingly being allowed to choose how agriculture conducts business. Why? By voting in Donald J. Trump as their next president, many Americans declared they are tired of big government telling them what to do. So why are they telling American agriculture what to do despite being provided facts to the contrary?

Whatever the reason, it is agriculture’s responsibility now more than ever to educate consumers on where their food comes from, how food animals are raised and processed in the most humane way, and how the industry is striving to be sustainable while feeding a growing population. **R**



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US Voters have Spoken – Now What?

When the smoke cleared in the wee hours of November 9, every pollster, pundit, and politico realized they got the United States (US) presidential election flat wrong. For 18 months, political insiders declared it could not happen, would not happen, and should not happen. Nevertheless, Donald J. Trump is now the 45th president-elect of the United States having “turned US politics on its head,” in the words of House Speaker Paul Ryan (R-WI), by handily defeating Democrat Hillary Clinton in the Electoral College, although Clinton won the popular vote.

For observers in Europe, the results of this US election is comparable to the recent United Kingdom Brexit vote to leave the European Union, another significant election outcome no one saw coming.

Trump won the White House by “overperforming” with rural, blue collar, and dissatisfied voters – many of whom voted for the first time – and his victory provided equally surprising coattails to help Republicans retain control of both the House and the Senate, suffering only minor losses in the process. For her part, Clinton admitted in her concession speech that she had underestimated “just how divided a country we are.” That underestimation was exacerbated by her campaign’s apparent write-off of “fly-over” Midwestern states, with the notable exception of Iowa. In the case of Wisconsin, a state that has not voted for a Republican presidential candidate since 1984 but was won by Trump, Clinton did not set foot in the state after her April primary loss to Senator Bernie Sanders (I-VT), apparently counting on history to repeat itself.

One veteran reporter for *Politico*, an inside-the-Beltway publication, wrote: “We were more than wrong. We were laughably oblivious. The entire Washington policy-media complex completely missed the mark. Not by inches or feet, but by miles. The joke is on us.”

Winning this political trifecta was on no one’s prediction list, save for Trump’s. The New York City real estate billionaire successfully transformed himself from East Coast dilettante and reality television star into “everyman,” the ultimate Washington, DC, outsider.

Trump’s campaign recognized early the deep divides along racial, gender, age, economic status, and rural-versus-city lines, but he also gave a very loud and often outrageous voice to those voters who felt voiceless. At the same time, opponents and analysts seriously underestimated the so-called “hidden Trump vote.” These were the voters of both sexes, all ethnicities, and from all walks of life and economic strata who saw Trump as the man who could “drain the swamp” in Washington, or those who could not bring themselves to vote for Clinton, for a myriad of reasons, but kept their political leaning a secret. Not only did Trump verbalize frustrations over stagnant wages, lost jobs, immigration, and taxes, he remained throughout the campaign beholden to no political action committee, special interest, or individual, save his personal banker.

Now that Trump has caught the firetruck that is the US presidency, what is he going to do with it? He rarely campaigned on specific policy alternatives but rather built support by speaking in headlines – “We’ll build a wall!” or “We’ll renegotiate NAFTA!” – or resorting to his infamous middle-of-the-night tweets. However, no matter the topic, relevant or not, it kept his message in the headlines and on television, saving him millions in political advertising.

Whether the successful strategy was his bombastic behavior or shunning of the conventional political playbook, Trump in many respects remains a policy cipher, begging the questions both at home and abroad: “What does this mean? What’s he going to do?”

Reality checks are needed. First, a bit of inside political baseball revealed in a presidential race most likened to hand-to-hand combat was the WikiLeaks item in which Clinton, during a 2013 private speech to the National Multifamily Housing Council, explained candidates and office holders generally hold two positions on political issues — a public position and a separate private position. This phenomenon is by no means limited to Democrats or to US politics.

The second reality check is that Trump does not occupy the far right of his party. Although he is no Tea Party member or arch conservative – the Republican far-righters evinced strong skepticism of his candidacy early on – Trump is more comfortable toward the middle right of the political spectrum, and it is from this position he will crank up his policy machine. This will test conservatives in the new Congress.

The third reality check when parsing Trump campaign promises is that while some of the reform he touted during the campaign (i.e., regulatory relief) can be achieved by unwinding President Barack Obama’s executive orders and through simple instructions to agencies and departments, the bulk of his marquee issues (e.g., border security, repeal/replacement of “Obamacare,” and Supreme Court nominees) rely on a cooperative Congress. The GOP controlling both chambers is about as comfortable as it gets for a Republican White House.

It is through these lenses that some of Trump’s sweeping policy statements should be viewed. For instance, take his opposition to the Trans-Pacific Partnership (TPP). In presentations by his surrogates to various agriculture and agribusiness groups during the campaign, it is obvious Trump understands the importance of international trade to growth within the livestock, poultry, and animal feed sectors. Given the priority placed on TPP by Obama – and Trump’s well-known distrust of multinational trade deals – his public position on trade is likely more open than it is protectionist or anti-global. In the final weeks of his campaign, he backed away from outright opposition of TPP, referring instead to the need to “fix the treaty so it creates and protects American jobs.”

Wall Street remains nervous that Trump truly is anti-trade and that his antipathy toward China may turn into high import

tariffs on imported goods, particularly those made in China. Again, imposing staggering import tariffs is not something Trump could do in splendid isolation and Congress is highly unlikely to stage a full retreat from the global marketplace.

The Reformer

Trump’s position on immigration reform can be tossed into the same public/private/middle-of-the-road position basket. Nearly 12 million undocumented workers in the United States cannot be rounded up and deported no matter how much that notion might appeal to the Trump base. Such a move would be chilling on its face as it runs counter to this country’s immigrant history, but perhaps more pragmatically, such a move would cripple several industries that rely upon immigrant labor, including meat and poultry processing, dairy, and fruit/vegetable harvesting and processing.

Trump must deliver on his promise of economic “reform” writ large. Exit interviews at polling places across the country revealed several voter blocs shifted slightly to Trump in the last days of the campaign, including a surprising number of Hispanics, women – educated or not – and educated white men, all who ignored Trump’s gaffes, held their noses, and voted for economic self-interest. It is this economic self-interest – both personal and corporate – to which Trump must pay laser-like attention in his first 100 days in office.

Reviewing Trump’s top 10 policy headlines from the campaign, tax reform in the form of lower corporate and personal rates and disappearing loopholes, infrastructure spending, border security, repeal/replacement of the

Affordable Care Act (ACA), and an end to the “war on coal” top the economic issues list. Seizing on that list, the National Association of Manufacturers (NAM) called for Trump to release a spending plan within his first 100 days in office. Such a plan, said NAM, must include:

- specific policy and program actions the Trump administration will take to accelerate US economic recovery;
- the administration’s plans to rehabilitate US infrastructure;
- a detailed plan for comprehensive tax reform, both corporate and private; and
- a blueprint for regulatory reform, such as which Obama administration rules disappear and when.

On the legislative front, Trump will no doubt make his debut on Capitol Hill with a plan to repeal and/or replace the ACA (known as “Obamacare”) along with naming a nominee for the vacant Supreme Court seat of the late Justice Antonin Scalia. Both of these actions will take place early in the first few months of Trump’s presidency.

Next, his team will begin working with House Speaker Ryan, Ways and Means Committee Chair Kevin Brady (R-TX), and Senator Orrin Hatch (R-UT), chair of the Senate Finance Committee, on comprehensive tax reform. Trump wants to see current personal tax rates shrink to three lower rates, capping at 33 percent, and cutting the corporate tax rate from 30-plus percent – “the most uncompetitive corporate tax rate

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Food Safety is the New Culture

“It’s really easy for renderers to think the [pet food] customer is crazy sometimes,” Dr. Michele Sayles, Diamond Pet Foods, claimed at the U.S. Poultry and Egg Association’s 2016 Poultry Protein and Fat Council (PPFC) seminar in early October in Nashville, Tennessee. “But we’re making a human-food-grade product from non-human-food-grade ingredients.

“We make infant formula that you just happen to feed to your dog,” Sayles continued, explaining that pet food manufacturers must meet the same Food and Drug Administration (FDA) microbiological standard as infant formula. “This is a huge undertaking,” she added. Because pet food is sold in grocery stores and ends up in the same shopping carts and bags as human food, FDA demands zero tolerance for *Salmonella* in pet food despite very low reported human illnesses and no deaths from pet food.

“Whether the *Salmonella* risk is real or perceived doesn’t matter, food safety is the new culture,” Sayles said. She noted that pressure isn’t just coming from regulators and the new Food Safety Modernization Act (FSMA) but also from retailers and consumers as there are now more pets than children in United States households. Sayles stated this new food safety culture for pet food is going to take commitment from everyone – suppliers, transporters, and customers – not just pet food manufacturers.

Sayles reported that the number one quality issue specific to rendered ingredients is consistency. As a dog’s nose is 50 times more sensitive than a human’s nose, suppliers of flavor and aroma ingredients (i.e., animal fat and proteins) not only must meet specific requirements but must also provide the highest quality product to ensure consistent smell, taste, and color.

“I think we can make a lot of headway on all fronts by working together,” Sayles concluded.

Many of the other presenters during the day-and-a-half PPFC seminar were rendering plant workers who shared their and their company’s experiences and actions with plant operations, safety, and product quality.

Jacob Swann and Steve Smith, both from American Proteins Inc., discussed foreign material contamination in finished product and raw material. Swann stated that pet food buyers and manufacturers along with FSMA all require higher standards to ensure pet safety so renderers need to work hard at ensuring a clean finished product. He put contamination into perspective by explaining that five specs of plastic or non-ferrous material found in a one-pound sample translates to 250,000 specs in one truckload of finished product. For ferrous metal, .22 pounds in a one pound sample can mean up to 11,000 pounds per load.

“I wouldn’t want to feed this to my animals either,” Swann exclaimed. As the first line of defense, collection truck drivers should be trained to inspect and examine raw material for physical contaminants prior to loading. Smith suggested using cameras to view a truck’s load as it enters the plant before offloading. Posters and tabletop materials placed throughout plants will help educate employees on the importance of ensuring raw material is clean from physical contamination. Video training of new employees and at monthly or quarterly safety meetings also provides continual education. Smith said renderers need to be vigilant about educating raw material supplier workers on the hazards of physical contaminants due to personnel turnover.

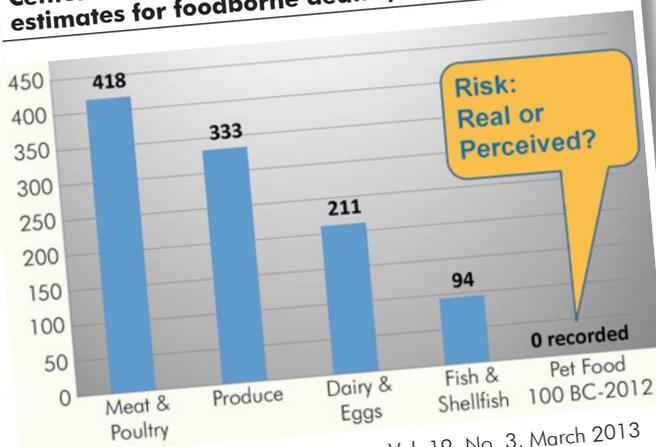
Jim Rofkahr, Tyson Foods, addressed hydrogen sulfide (H2S) safety, sharing how the poultry renderer ensures employees are safe from this colorless, flammable, extremely hazardous gas after a 2003 worker fatality. Smoke bombs are used to determine air pathways so decisions can be made on where to install fans in wastewater, raw material collection, and processing areas. Personal H2S monitors are also worn on workers’ shirt collars so they are near where employees breathe and stationary alarms are strategically located throughout the plant. The Occupational Safety and Health Administration offers H2S training available online.

James Emerson, Pilgrim’s, spoke about the new FSMA regulation that saw its first compliance date in September.

“Most of us have already been doing for years what FSMA requires,” Emerson stated. Renderers need to properly document training of plant personnel and prove the plant is meeting operational standards by using analysis records, cooker charts, and by participating in the Animal Protein Producers Industry testing program. He warned that many auditors who come into a rendering plant have no idea what they are looking at.

Several speakers at the seminar examined rendering equipment efficiencies, from centrifuge rebuilding and applications to conventional cookers and wastewater pretreatment technology using suspended air flotation.

Centers for Disease Control and Prevention yearly estimates for foodborne deaths, 2012



Source: Emerging Infectious Diseases, Vol. 19, No. 3, March 2013

Dave Millé, Mid-South Steam Boiler and Engineering Co. Inc., addressed the common causes of pressure vessel failures and the importance of proper inspection, noting that 40 percent of failed vessels contained cracks that were not visible.

Ken Wilson, Simmons Foods Inc., stepped up to the plate to discuss aquaculture on behalf of an absent presenter. One surprising note to all was that globally, farms now raise more seafood than beef, which means alternative feed ingredients will be needed to feed the more than 500 species of fish raised worldwide. Research shows that rendered fats help maintain nutritional value in aquaculture feed and are a good alternative to replace expensive fish oil.

The generational mix of attendees heard how to engage with millennials, a group born between the early 1980s and early 2000s that will make up 50 percent of the workforce by 2020. Chelsea Eller, U.S. Poultry and Egg Association and a millennial herself, noted that 75 percent of managers agree that managing multi-generational teams is a challenge.

“Because millennials grew up with technology, baby boomers can be intimidated by us,” she commented. “But we’re intimidated by baby boomers, so we all need to work together.” Eller said millennials are dedicated to their jobs if they have a good relationship with their supervisor, but are not afraid to leave a position if they do not like their boss. Often called the “entitled” generation, millennials do have trouble following protocol yet are motivated by growth opportunities and prefer regular performance feedback instead of the traditional yearly review. Eller advised bringing together the strengths of multiple generations and show mutual respect for the different work styles.

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Washington Continued from page 7

in the world” – to 15 to 20 percent, while devising a one-time repatriation scheme on US corporate profits stashed abroad to avoid US taxes.

The Republican commitment to a rewrite of Dodd-Frank financial regulations will take a back burner to tax reform. As one senior Republican senator said on election night when asked about Senate priorities, “Dodd-Frank has many tentacles; unwinding it will take time.”

On the regulatory front, Trump the candidate promised at every opportunity he would return regulatory certainty to business. To that end, he has pledged to immediately rescind the Environmental Protection Agency’s (EPA’s) and US Army Corps of Engineers’ waters of the US rulemaking, deemed a regulatory power grab by the Obama administration and opposed by just about all affected industries, including agriculture and agribusiness. At the same time, expect Trump to instruct EPA to withdraw or shelve Obama’s clean air plan, rescinding proposed rules to force mandates on existing and new utility plants to effectively eliminate coal as a fuel in order to reduce carbon dioxide and other greenhouse gas emissions. Also likely to be scrapped or ignored will be US participation in the Paris Agreement on global warming and climate change. In essence, Trump will kill off the Obama environmental legacy within days of taking office.

The Office of the US Trade Representative under Trump will be a very busy bunch in 2017 given the president-elect’s

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Presenting the Sustainable Industry

By Tina Caparella

In 2015, the National Renderers Association (NRA) formed a committee to examine how best to present the North American rendering industry as the sustainable industry it is to regulators, customers, world leaders, and the general public. Over the past year, committee members have worked diligently to develop parameters that best depict the four main principles of rendering sustainability:

1. Produce safe animal food.
2. Practice environmental stewardship and operate efficiently.
3. Care for local communities and employees.
4. Help feed a hungry world by providing nutritious feed ingredients for animal production by recycling responsibly.

The steps taken to show the industry's sustainability were presented in October at NRA's 83rd Annual Convention on Amelia Island, Florida. They comprise of promoting industry-wide data on rendering's low carbon footprint, joining the U.S. Sustainability Alliance, and working with livestock groups to ensure rendering is included in their sustainability models. Dr. David Meeker, NRA scientific services, suggested that renderers track their own data using tools NRA has developed to confirm improvement in their own sustainability goals and then promote the results. NRA has developed a white paper on the industry's sustainability for renderers to share (posted on *Render's* website at www.rendermagazine.com).

As part of meeting the socially responsible aspect of sustainability, NRA once again held an auction at the convention to raise funds for Canine Companions for Independence, a non-profit organization that provides assistance dogs to United States (US) war veterans across the country. A variety of items were available for bidding and at the close of the auction, \$25,000 was raised for the Canine Companions for Independence Wounded Veterans Initiative.

One growing area of interest where rendering already plays a sustainable role is in reducing food waste. NRA President Nancy Foster informed members that legislation has been introduced in Congress that would provide loans and grants to municipalities for anaerobic digestion and composting of food waste. Although the bills most likely won't advance this year, NRA educated one bill's author, Maine Representative Chellie Pingree, about rendering who appreciated the knowledge and decided to reintroduce her bill next year. NRA has vowed to work on providing assistance on drafting any food waste bill.

"Also expect to see food waste addressed in the next farm bill in 2018," Foster warned.

Michael Koewler, Sacramento Rendering Company, informed convention attendees that the California Department of Resources Recycling and Recovery, or CalRecycle, has earmarked \$100 million per year for the next 10 years aimed



at reducing methane and food waste in the state through anaerobic digestion. California renderers have told CalRecycle that rendering already reduces both but since the agency does not regulate rendering, renderers cannot partake in the subsidized program.

Other matters discussed at the convention included the US Environmental Protection Agency's (EPA's) waters of the US rule. Steve Kopperud, SLK Strategies, shared with the NRA Environmental Committee that Congress has tried six times to force EPA to withdraw the rule and rewrite it, but President Barack Obama has said he would veto any bill as this is part of his legacy on environmental issues. Many states and industry groups have sued EPA over the intrusive regulation.

"We will continue to fuss about it but the rule will end up in the Supreme Court next year," warned Kopperud.

NRA's Biofuels Committee Chairman Doug Smith, Baker Commodities Inc., noted that continued low heating oil prices have kept biodiesel producer profits down while the industry awaits EPA's final rule on Renewable Fuel Standard volume requirements for 2018. The rule is currently at the Office of Management and Budget and was expected to be published by the end of November. Kopperud predicted that Congress will pass a biodiesel tax extenders bill tacked onto another bill by the end of this year as has happened in the past.

"Don't expect to see any major changes, like making it a producer's credit," he commented. Foster alerted renderers to a bill introduced in Congress by the oleochemical industry that would exempt animal fat from the biofuels tax credits. NRA opposes the bill as it is discriminatory and is concerned it might slip in at the last minute attached to another bill.

Meeker updated members of the Animal Protein Producers Industry Committee (APPI) on the Food Safety Modernization Act (FSMA) that saw its first compliance date in September. He said of the 6,000 animal feed and feed ingredient facilities registered with the Food and Drug Administration (FDA), just over 1,000 individuals have been certified as "preventive control qualified individuals" as required by FSMA. Within the

rendering industry, over 100 individuals have been certified to date out of 250 facilities.

APPI Committee Chairman Dr. Ansen Pond, Darling Ingredients Inc., said training of FDA and state inspectors is of utmost importance but the agency has only held one training thus far. FDA asked to conduct a joint training with industry so committee members voted to invite federal/state FSMA inspectors to APPI's *North American Rendering Industry Code of Practice* training session in June 2017.

Pond developed several white papers on thermal validation explaining why rendering process temperatures are appropriate to destroy *Salmonella* and other pathogens. NRA is looking to have these papers published in a peer-reviewed journal. Pond also wants to identify the benefits APPI brings to the rendering industry and develop a strategic plan for the next four to five years.

"It is a very different environment than it was 10 years ago," he noted, especially with FSMA now in place.

An Interrogator, Farmer, and Meat Producer Went to a Rendering Convention

NRA's convention featured several notable guest speakers, including Eric Maddox who, as a staff sergeant in the US Army, conducted over 300 interrogations in Iraq in 2003 and collected intelligence that directly led to the capture of Saddam Hussein. He explained that his interrogation technique is about listening.

"When you sit across from a human and can increase your ability to really listen, you become the ultimate problem solver," Maddox shared, adding that a person only listens to 25 percent of what they hear primarily due to internal and external distractions. The biggest distraction is listening to respond.

"We need to learn to listen through empathy without distraction," Maddox stated.

Chuck Conner, National Council of Farmer Cooperatives and former deputy secretary of agriculture, discussed three issues and the "elephant in the room": genetically modified

organisms (GMO), trade, regulations, and the 2016 presidential election. He noted that the agriculture industry is only about two percent of the US population but was instrumental in guiding a workable GMO bill through Congress.

"Senate Bill 764 was a victory for science over social media," Conner declared. As for the election, he said the biggest challenge for the next president will be the budget. The US Congressional Budget Office and the Office of Management and Budget predict that by the year 2031 just four programs will consume the entire budget of the US government: Medicare/Medicaid, subsidized healthcare, social security, and interest on the nation's debt.

"Entitlement reform is a must," Conner declared.

Randy Blach, CattleFax, presented his annual US and global livestock industry report that renderers look forward to at each convention. The past year presented no big surprises in US raw material supplies with the cattle market able to maintain its current inventory going into 2017. Blach showed that beef production is up 5.8 percent from last year, poultry production up 3.0 percent, and pork production up 1.2 percent. He remarked that late 2012 going into early 2013 was a tough time for livestock producers because of porcine epidemic diarrhea virus, the drought, and \$8-a-bushel corn, but cattle inventory is now on the rise with total herd size forecasted to be nearly 8 million head larger by 2018-2019 than in 2014. Cattle weights continue to be higher but are moderating at an average 893 pounds. Regionally, cattle on feed is shifting away from the Southwest and California and moving into the central region, especially into Kansas.

Blach pointed out that US pork exports are up 4 percent with a lot of new pork processing plants coming online, increasing 6 percent by the fall of 2017 and 8 percent by 2018.

"Those are big numbers," he stated. Poultry exports are also up 4 percent. "The poultry side has been pretty consistent and has gained a huge share of the beef market in the past

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Eric Maddox shares his interrogation listening techniques with renderers.



Randy Blach, CattleFax, discusses the steady growth in global and US livestock production.

25 years,” Blach commented, adding that meat and poultry consumption overall continues to rise in the United States.

As for global livestock production, beef has seen slow growth over the past 10 years but is forecasted to increase 1.4 percent next year while poultry production will be up 2.6 percent and pork up 1.0 percent. The United States is the largest poultry and beef producer followed by Brazil. Collectively, both countries produce nearly 48 percent of all global protein. Although China is the number one pork producer, the country’s production is on a downward trend while other regions (Brazil, European Union, Russia, and United States) are slightly higher.

Blach finished up by mentioning that crude oil and tallow prices are still tracking together, although tallow is higher. With crude oil inventories plentiful, he doesn’t see prices going above \$60 per barrel in the foreseeable future.

Barry Carpenter, North American Meat Institute (NAMI), focused on challenges the meat industry is facing, including recent studies declaring that red meat causes cancer and processed meat “probably” causes cancer.

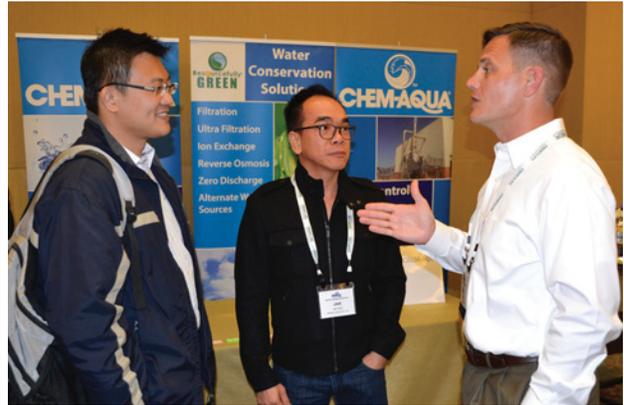
“These conclusions are hazard analysis-based, not risk analysis-based,” Carpenter stated. Another challenge is the use of antibiotics in food animals as consumers lump all antibiotics into one group. Some in the industry are moving away from antibiotic use but NAMI supports the prudent and judicious use of antibiotics in food animal production to maintain the highest standard of animal welfare practices.

“There is a real need to educate the consumer on antibiotics,” Carpenter noted. “That is a tough challenge.” NAMI is working on building industry transparency to reach millennials and squash some of the bad myths about meat production by posting educational videos on YouTube, social media interaction on Facebook and Twitter, and creating infographics.

Trade is critical to meat producers and agriculture as it keeps industry on a level playing field with foreign competitors, Carpenter commented. Currently, US beef has a 38 percent tariff imposed by Japan, dropping to 9 percent in 16 years, while Australia already enjoys a lower 11 percent tariff.



Chuck Conner, center, National Council of Farmer Cooperatives, is thanked by NRA Vice Chairman Ridley Bestwick, right, West Coast Reduction Ltd., and NRA President Nancy Foster for speaking at the convention.



Doyle Leefers, right, National Beef, talks exports with Hendra Wong, left, and Jak Hoa, Spring Leaves Pte. Ltd.

Around the World

Overseas markets are important to US renderers as another outlet for their finished products besides domestic consumption. NRA’s International Market Development Committee focused on various trade issues at the convention beginning with Kent Swisher, NRA international programs, reporting that Singapore is the biggest global importer of tallow and Australia is the largest exporter of tallow at 473,800 metric tons. US tallow exports are down by over half from 2010 highs at 407,000 metric tons in 2015 but are now being shipped to Singapore for Neste’s renewable fuels facility. Swisher said that use of rendered fats and greases as feedstock in biodiesel and renewable diesel across the globe is growing. In 2010, 2.2 million metric tons (MMTs) were used in the European Union, United States, Brazil, Canada, and China. Forecasts for 2016 show about 6.6 MMTs will be used worldwide with Europe consuming nearly 3.2 MMTs, the United States using 1.2 MMTs, and China turning 1.1 MMT of used cooking oil into biodiesel. In the United States, 80 percent of used cooking oil/yellow grease production was used in global biofuels in 2015.

Peng Li, NRA regional director for Asia, announced that the first shipment of US tallow has arrived in China after the market reopened earlier this year, but more effort is needed for registration of renderers, importers, infrastructure for storage and transportation, and end users such as soap manufacturers. In Taiwan, a ban remains on ingredients from meat, bone, and blood of all species of terrestrial animals in countries with bovine spongiform encephalopathy; however, US feather meal and tallow are allowed to be imported and US porcine plasma is exempt from the ban. Li pointed out that Indonesia is a stable and important market for US renderers who export.

German Davalos, NRA regional director for Latin America, said the association is working with two large feed groups in Mexico to export US ruminant meat and bone meal into the country. The pet food and poultry markets are growing in Mexico so imports of competitively-priced feed ingredients are needed as the country is deficient in raw materials. Costa Rica is now allowing imports of US ruminant meat and bone meal while other Central American countries are still working on regulations to formally do so. Davalos stated that exports

Continued on page 14

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of US animal protein meals to Latin America have increased 227 percent since 2003, from 64,492 metric tons to 211,000 metric tons in 2015.

Bruce Ross, Ross Gordon Consultants, reported that the Federation of Oils, Seeds, and Fats Associations (FOSFA) in Europe has put used cooking oil and used cooking oil methyl esters on its list of “banned immediate previous cargos.” The federation claims the action is over concern on the “lack of transparency and traceability of used cooking oil origination.” NRA protested the action to FOSFA, which was rejected. In addition, changes to Europe’s Renewable Energy Directive after 2020 would most likely eliminate the double-counting of waste oils such as used cooking oil. NRA is now working with US allies to ensure the best market conditions for used cooking oil as a feedstock for biofuels in Europe. US renderers exported 150,000 metric tons of used cooking oil to the region in 2014, 130,000 metric tons in 2015, and 113,000 metric tons in the first nine months of 2016.

Reports from other parts of the world provided US renderers with a snapshot of the global industry. Niels Nielsen, president of the European Fat Processors and Renderers Association, reported that renderers in Europe are still struggling due to a feed ban. Presently, only non-ruminant processed animal proteins can be fed to fish. Before proteins can be included in poultry or swine diets, the European Commission wants a reliable method to test finished feed, although renderers want protocols in place to test feed ingredients. Andy Bennett, Australian Renderers Association, explained that China has not yet lifted its ban on Australian poultry meal following an avian influenza outbreak in the country three years ago. In addition, a concern in the Indonesian market is a decree deeming the use of European Union processing conditions for all animal protein meals.

“If this was implemented, the majority of [Australian] traders would be unable to supply product,” Bennett

announced. He then confirmed that Neste’s renewable fuels refinery in Singapore has become the major destination for Australian tallow followed by China, Taiwan, and Pakistan. Australia is seeing a slight drop in beef and sheep slaughter due to drought while poultry and pork production is higher because of increased consumption.

Lucas Cypriano, Associacao Brasileira de Reciclagem Animal (ABRA) in Brazil, shared that it has been a busy year in his country with the Olympics held this past summer, ABRA celebrating its tenth anniversary, and corruption in politics being eliminated.

“It’s a completely new country, changed by the people,” he declared. “We’ve learned that complaining works.” On meat production, in 2015, beef dropped 3.1 percent while poultry increased 3.6 percent and swine rose 6.2 percent with forecasts for slight increases in all meat segments this year. Brazilian renderers currently process 12.3 MMTs of raw material – 57.6 percent beef, 32.2 percent poultry, 6.8 percent swine, and 1.2 percent fish – into 2.0 MMTs of fat and 3.3 MMTs of protein meals. Although 141,000 metric tons of Brazil’s meals are forecasted to be exported in 2016, very little animal fat is since it is used in biodiesel, currently mandated at a 7 percent blend rate with Brazil’s petroleum diesel and scheduled to increase to 8 percent in March 2017.

Cypriano has been working on an animal carcass collection program with Brazil’s government for more than three years that is finally moving forward. The earliest the program could be implemented is in 2018 with the potential of 1.7 MMTs of raw material available. There is much support from Brazil’s agriculture department, livestock producers, and the biodiesel industry, which could benefit from more than 300,000 liters of fat per year from these animals. The challenge is whether the government will allow the resulting protein meal to be used in animal feed or if the collection of carcasses will be only a public service.

NRA’s next convention will be held October 23-27, 2017, in San Juan, Puerto Rico. **R**

Canadian Renderers Deal with Exports

Members of the Canadian Renderers Association met in October while attending the National Renderers Association convention on Amelia Island, Florida. There was no shortage of issues to address.

There has been no progress made in exporting Canadian meat and bone meal to Indonesia but with a new director-general of agriculture there, renderers hope there might be a change in policy. In the meantime, Vietnam has been approached and negotiations are underway to open this market. Currently, Canadian meat and bone meal is only used in Eastern Canada, British Columbia, and the Philippines, although this market is saturated with product from other countries.

Bruce Ross, Ross Gordon Consultants SPRL, reported that the United Kingdom (UK) will leave the European Union (EU) most likely by mid-2019, opening up the possibility of a new trade agreement between Canada and the UK. Ross stated that with only five cases of bovine spongiform encephalopathy in the EU in 2015, industry looks to further relax the feed ban

in the region although a reliable testing protocol to determine species in feed ingredients is still not available.

Canadian renderers are anxiously awaiting the outcome of a United States (US) rule that will finally allow export of yellow grease and used cooking to their neighbors to the south. The US Department of Agriculture is now reviewing the 55 comments received, which were mostly positive, with hopes the rule will be finalized before the new US president takes office in late January 2017.

One issue of contention for Canada is the discovery of ractopamine residue in poultry litter that was traced back to a feed mill that claimed it came from meat and bone meal. This could be a potential problem since the Chinese market, which has a zero tolerance for ractopamine, is a very high priority for the Canadian pork industry. Neither the Canadian Food Inspection Agency nor the poultry or feed industries have requested any changes to feed diets as testing of meat and bone meal for ractopamine has resulted in negative findings to date. **R**

Freeze Frame

Along with taking care of business, attendees at the National Renderers Association 83rd Annual Convention managed to find time for some camaraderie, whether at the tabletop exhibit, the various optional tours such as fishing, or building sandcastles at the beach party!

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Building
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Andreoli Awarded for Distinguished Service

The National Renderers Association (NRA) presented James M. Andreoli, president of Baker Commodities Inc., with the Don Franco Distinguished Service Award at its convention in October. The award honors Andreoli for his outstanding work in the rendering industry over his lengthy career.

In 1951, Andreoli joined what was then called the Baker Rendering Company as a bookkeeper, working his normal office shift then volunteering to work in the plant after hours. He was appointed president in 1971 and bought the company in 1985. An early lesson he practices and taught his three sons – Jim Jr., Tony, and Andy – is that “everyone in the company is as important as the next.” His sons are now renderers alongside their father at Baker Commodities, which employs over 700 people throughout the United States (US).

Andreoli has been an innovator in rendering production, logistics, and marketing. He jointly developed the first continuous rendering system with Keith Engineering that is still used today. They also invented the Duke press. Andreoli has been a champion for the rendering industry and a major supporter of NRA and the Pacific Coast Renderers Association, serving on boards of directors and numerous committees. When problems for the industry arose due to bovine spongiform encephalopathy regulatory overreach and biodiesel feedstock equality, he was among the first to demand and monetarily support the work needed.

Andreoli’s contributions to people and communities have also included work with two foundations. The Jerome Foundation, founded by the Jerome family who started Baker, is dedicated to the care and protection of children in the United States and Philippines. The Andreoli Foundation supports US charities that promote care and education for children. Together these foundations have helped tens of thousands



James Andreoli, *left*, receives the Don Franco Distinguished Service Award from NRA Chairman Tim Guzek.

of children over the years with everything from much-needed surgeries to scholarships.

The Don Franco Distinguished Service Award was established by NRA in 2015 to honor a member, staff, or friend of the association for meritorious service to the rendering industry. Franco had a distinguished and lengthy career in government and the private sector, including in the rendering industry and agriculture. He served as both vice president of NRA’s scientific services and president of the Animal Protein Producers Industry from January 1992 until his retirement in December 2002. Franco was one of the editors of *The Original Recyclers* and a contributing author to *Essential Rendering* in 2006. He cared deeply about the rendering industry and the plight of poverty in third-world countries. Franco passed away in January 2015. **R**



During NRA’s 83rd Annual Convention, Jesus Sanchez and his companion animal, Nordy, demonstrated how they work together.

CCI Salutes the Generosity of NRA’s Membership

It is with tremendous gratitude that Canine Companions for Independence congratulates the National Renderers Association and salutes the generosity of its membership for the success of the 2016 Annual Convention’s “Rendering for Good Silent & Live Auction.” Thanks to NRA’s efforts, the auction raised a total of \$25,000 to support CCI’s Wounded Veterans Initiative. Additional donations can be made by visiting www.cci.org and clicking Wounded Veterans Initiative under the Donate button.

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Rendered Products in Pet Food

Delivering protein and sustainability

By Kelly S. Swanson, PhD, and Maria R. C. de Godoy, PhD
University of Illinois at Urbana-Champaign

Americans currently have an estimated 170 million pet cats and dogs, outnumbering children by a 4-to-1 margin (APPA 2016). Many of these animals live inside homes and are important members of the family. As with humans, the nutrition, health, and lifespan of these furry companions are top priorities. The emotional tie that people have with their pets and the increasing humanization of these animals in society is reflected in the steady growth, marketing trends, and spending patterns of pet-related products and services. Although American pet ownership numbers have remained relatively stable over the past few decades, annual pet expenditures in the United States have grown from approximately \$17 billion in the mid-1990s to over \$60 billion today (APPA 2016).

The largest industry serving pets is the production of pet food and treats, which is nearing the \$25 billion mark in the United States and is over \$70 billion worldwide. Revenue growth in the United States is not due to greater volume sold but to a shift toward higher-quality products that are more expensive. Although price, marketing terminology, or pet food category do not necessarily translate to quality, products deemed to be superior by owners are often chosen. Pet food trends are increasingly following that of human food, with the terms “natural,” “organic,” and “fresh” being increasingly used.

In addition to the attention these particular product segments have received lately, the ingredient and nutrient profiles of pet foods are heavily scrutinized by today’s consumers. Although domestic dogs are now more omnivorous in nature – they evolved eating high-protein, high-fat diets – cats are still strictly carnivores today. Therefore, protein is the nutrient class that usually attracts the most attention, with diets containing increased amounts and animal-based proteins being more popular. The terminology used on pet food labels is also important, with many owners preferring ingredients similar to those listed on human food labels.

The rendering industry plays an important role in the production of commercial pet foods, with about 30 percent of animal protein meals and 15 percent of animal fats produced in the United States making their way into such products (Informa Economics 2011). While the pet food industry provides many opportunities for sustained or increased revenue for renderers in the future, several challenges and research needs also exist and must be considered.

First, on the positive side, consumers continue to demand pet foods containing increased protein concentrations and are often willing to pay a premium for those of superior quality. Second, animal-based ingredients have a high-protein quality (amino acid profile) in comparison to plant-based sources and are highly digestible if processed appropriately. Finally, rendered products are decidedly sustainable (Meeker and Meisinger 2015).

Moving forward in a world with a rapidly increasing human population and limited supply of land and water resources for food production, the use of sustainable ingredients in pet foods will be essential. For any food system to be sustainable, it must meet the needs of the present without compromising those in the future, considering environmental, economic, and social issues. Environmental factors to be looked at include global warming potential/greenhouse gas emissions (carbon footprint); land use; water use, acidification, and pollution (water footprint); and soil quality, waste management, and biodiversity of wild plants and animals.

When evaluating a food system where a standard of nutrition and health of the consumer must be maintained for it to be considered sustainable, the discussion should be taken one step further toward the concept referred to as “nutritional sustainability” (Deng and Swanson 2015). Nutritional sustainability is the ability to provide safe and adequate nutrition to maintain health in a population without compromising the nutritional needs of future generations (Swanson et al. 2013). Few ingredients or foods are either sustainable or unsustainable but rather are on a continuous scale of sustainability. A wide range of sustainability scores exist and depend on source (e.g., animal or plant), production strategy, global region, and more.

Although animal-based proteins and fats typically have a larger footprint than plant-based sources, the calculations are based on foods meant for human consumption. Rendered products are unique in this regard as they do not compete directly with human food. In addition to being safe and highly nutritious ingredients, animal proteins and fats are secondary products of



the human food system and essentially reduce the footprint of human foods. This will continue to be an important concept for the rendering industry to embrace and promote.

Despite the positives that exist, the rendering industry faces various pressures and challenges from regulatory bodies, animal activists, and pet owners. While few take it to the extreme by demanding the use of animals and animal products be eliminated altogether, a considerable portion of the population has developed a negative connotation with the term “by-product” when it comes to pet food. Although the pet food industry was established and is still largely based on the use of secondary products of the human food system, a perception of inferiority is often attributed to animal by-products. In addition to a few pet food companies that have aggressively marketed against the use of these ingredients in the recent past, the nonstop digital media that exists in the world today has likely contributed to this viewpoint. Furthermore, anecdotal evidence and opinions found on the internet are often accepted as facts. Similar to pet food companies that use animal proteins and fats in their formulas, the rendering industry must strategically and actively promote the benefits of their ingredients.

One of the best ways to demonstrate value and promote the use of rendered products is by conducting and publishing the results of novel research studies. Considerable emphasis must be placed on areas in need of immediate solutions and opportunities to demonstrate the high quality or value of these products should not be overlooked. For instance, ingredient consistency – in terms of nutrient profile, quality, and digestibility – is one of the biggest challenges with the inclusion of animal-based proteins and fats in pet foods today, and is an area in great need of research. The identification,

isolation, or testing of value-added products with specific nutrition- or health-related properties is another potential avenue of research. For example, the characterization and/or evaluation of novel ingredients or bioactive molecules of rendering streams, which could be done using a combination of chemical, in vitro, and animal testing, could be of great value to the industry. These are only a few of the many new research areas that pertain to rendered products.

In summary, the pet food industry has a history of steady growth and a future full of optimism. While the passionate consumer base driving the industry creates challenges at times, its continued demand for safe, high-quality, animal-based products provides the rendering industry with many opportunities. Those that identify, develop, and market value-added streams to their business and/or consistently produce and deliver superior ingredients to pet food manufacturers will reap the rewards the industry has to offer. **R**

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Pet Food Sustainability Paper Published

A peer-reviewed scientific paper entitled “Rendered ingredients significantly influence sustainability, quality, and safety of pet food” was published in the *Journal of Animal Science* in February 2015. The paper was written by Drs. David Meeker and Jessica Meisinger of the National Renderers Association and is available for download through *Render’s* website at www.rendermagazine.com/industry.

Highlights of the article are:

- Americans tend to eat only the muscle meat from each food-producing animal so using the by-products for pet food is one way to close the sustainability loop.
- Ownership of cats and dogs is high around the world and is only expected to increase.
- Dogs and cats are carnivores and although dogs are able to exist on properly balanced meatless diets, cats are obligate carnivores and require meat products in their diet.
- Rendered ingredients are excellent sources of protein, energy, and minerals, all of which are required in pet diets.
- As countries gain more wealth, their citizens eat more meat and own pets that also require food.
- Without affordable rendered ingredients, pet food would be more expensive.
- Using human-grade food for pet diets is unsustainable for a number of reasons, one being cost.
- Using first-use ingredients in pet food (such as mined phosphorus instead of meat and bone meal or soybean products) is unsustainable for the environment for many reasons, including requiring more fertilizer, fuel, and water.
- Rendering is one of the oldest forms of recycling and an important greenhouse gas avoidance technology.
- Rendering is a highly regulated industry that practices continuous improvement.

Of note in the article is that, “Recycling products that do not compete for human food resources and would otherwise be wasted, and sparing the amount of extra ingredients and the land, water, and nutrients to produce them, is the epitome of a sustainable process and essentially describes rendering.”

The rendering industry has an aggressive approach to animal food ingredient quality and safety. Nearly all rendering plants have quality and safety control systems in place via formal programs such as the *North American Rendering Industry Code of Practice*. A concerted effort is made to foresee product safety hazards that are likely to occur and to prevent those from happening. Testing is used to monitor and verify that rendering processes are correctly operated and managed. **R**

A Strong Organization Working Hard for Renderers

Editor's note – The following is a speech, in part, given by Tim Guzek, Sanimax, at the National Renderers Association 83rd Annual Convention in October on Amelia Island, Florida.

It has been one year already since the last National Renderers Association (NRA) convention. With so much happening, the months seem to fly by but here we are again examining the past year and looking at some upcoming areas of concern for the rendering industry.

The last year saw another good corn and soybean crop production that is keeping grain prices low as well as influencing rendered product prices. Tallow and yellow grease prices are up from this time last year and near levels they were at two years ago while protein prices are about the same as in October 2015 but down from two years ago. Animal protein, and to some extent fat, prices will most likely remain low due to higher slaughter, limited export markets, the high-valued dollar, and low grain and crude oil prices. Energy prices continue to slump, which is not good for biodiesel or animal fat prices but does keep operating costs down in rendering plants and fleets.

The Food Safety Modernization Act (FSMA) is finally here with the first phase of compliance beginning in September. NRA members thank Dr. David Meeker, senior vice president of NRA scientific services, for his active involvement during the entire rulemaking process over the past two years. He also spearheaded FSMA training with the updated and extensive *North American Rendering Industry Code of Practice* to educate and prepare NRA members. A lot of work has already been done but there is still much more ahead.

Sustainability is increasingly important to the marketplace and although rendering is sustainable, that fact needs to be further promoted. Food waste and landfill diversion is growing in popularity, presenting some risks to renderers. NRA is focusing on these and other regulatory issues, legislation, and community activities.

The Environmental Protection Agency's (EPA's) Food Recovery Hierarchy lists composting as the fifth tier for dealing with food waste – just above landfill. Industrial uses/biodigestion is listed as the fourth best option while feeding animals is EPA's third preferred method in handling food waste. With rendering falling in the third and fourth tiers, EPA believes that rendering food waste is a better option than either landfill or biodigestion. Landfill diversion is gaining a lot of traction with reducing greenhouse gas emissions as a goal and in some cases passed into regulation.

Forty percent of all food produced in the United States is wasted. In federal, state, and local governments' zeal to promote landfill diversion with better options of disposal, financial assistance programs are being used to help build these processes. However, often these programs take into consideration some of the raw materials that rendering is

already recycling. These alternative disposal methods – composting and anaerobic digestion – are not as beneficial to the environment as rendering is as confirmed by EPA's Food Recovery Hierarchy.

A food waste recovery bill, HR 4184, has been introduced in the United States (US) House of Representatives (HR) with the goal of reducing the

amount of food ending up in landfills. It would provide new federal loans/grants for composting and anaerobic digestion projects, which could divert animal by-products and used cooking oil to less sustainable uses thus reducing raw material renderers currently collect. NRA supports EPA's Food Recovery Hierarchy and will be working to educate lawmakers on the rendering industry's current role in reducing food waste.

The marketplace shows that sustainability is gaining traction, from large corporations developing dedicated departments and programs to mid- and small-sized companies becoming more aware, which is ultimately influencing decisions on how businesses buy and operate. Sustainability is also being driven by consumers as research shows two-thirds want to learn more about corporate sustainability initiatives and would be more likely to buy a product or service if the company is making an effort to be sustainable. Meanwhile, 8 in 10 consumers are more likely to purchase a product that represents corporate social responsibility than one that does not, while 93 percent have done something to conserve energy in the last two years.

NRA Strategic Plan

Along with these challenges, NRA is focusing on its 2020 Strategic Plan, which has resulted in many new initiatives involving sustainability as a key component. NRA is enhancing and developing its communications tools for members' use while the international team is working diligently to expand and maintain the US rendering industry's export markets. In addition, NRA's ever-important work in Washington, DC, with legislators and regulators is invaluable.

During NRA's strategic planning process, a key takeaway message from stakeholders was, "Rendering plays a critical role in sustainability of the food chain and consumer goods." NRA will continue to drive this point as a solution for customers and suppliers to improve their green footprint.

Wrapping up its first year, the mission of NRA's five-year 2020 Strategic Plan is advocating for a sustainable food chain, public health, and the environment via production and marketing of rendered products and services. To accomplish



Tim Guzek

this, NRA promotes effective public policy, regulation, and technology; encourages responsible business practices; supports free movement of rendered products in domestic and international markets; and is improving stakeholder awareness and understanding of rendering's value.

Rendering plays a critical role in sustainability of the food chain and consumer goods by being economically viable while socially responsible and ecologically sustainable. The basics of sustainability for rendering are:

- Produce safe animal food.
- Practice environmental stewardship and operate efficiently.
- Care for local communities and employees.
- Help feed a hungry world by providing nutritious feed ingredients for animal production by recycling responsibly.

NRA's new Sustainability Committee is developing an industry-wide framework and providing tools for member companies to create their own sustainability profile. One tool already in place thanks to a Fats and Proteins Research Foundation (FPRF)-funded project is an industry carbon footprint calculator that measures the amount of greenhouse gases emitted based on individual factors. In addition, a new infographic has been developed showing rendering's sustainability compared to other disposal methods. NRA will continue to focus on branding and communicating rendering's sustainability, on helping renderers improve the biosecurity and quality of their finished products, and on encouraging new talent to join the industry. To spread these messages, NRA has engaged with social media, produced a new feed safety video

with posters for plant use and FSMA compliance, and upgraded its website with frequently asked questions.

Enhancing communications is very important. A "Rendering 101" teaching module is being developed for university professors to educate agriculture students about rendering, which often is not taught in universities. Using this and additional information, NRA hopes to attract strong new talent to the industry by building interest and enthusiasm.

NRA's scientific services team provides members with the latest on government regulations and technical information. The staff also promotes rendering's interests to the federal government, standard-setting organizations, animal health groups, and others influencing government and market decisions. The Animal Protein Producers Industry's *Code of Practice* in-person training and online course are the only offerings to renderers nationwide on FSMA compliance.

Ansen Pond, Darling Ingredients Inc., and NRA staff wrote a white paper on thermal validation for members' use with FSMA auditors that will help with compliance and audits by demonstrating rendering processes are a "kill step" for pathogens. Results from FPRF-funded research with three different universities provided the basis for this paper, which is a good example of synergy between NRA and the foundation. Other NRA activity resulted in workable changes in Association of American Feed Control Officials definitions for used cooking oil, yellow grease, and animal fats.

Telling rendering's story on Capitol Hill to influence lawmakers on legislation affecting the industry is one of NRA's

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top priorities. Association staff work closely with regulators in the varying governing agencies as new rules are developed that could impact rendering and the ability to operate. NRA has a good relationship with many of these agencies and advocates for realistic solutions that can work for its members.

International Arena

NRA has worked for years to increase foreign demand for rendered products and was one of the earliest partners with the US Department of Agriculture (USDA) to receive government funds to promote animal proteins, fats, and oils overseas. Today, NRA is awarded \$1.8 million each year from USDA to help fund overseas activities. NRA membership dues are also used to help fund this program, which allows team members to teach customers about the benefits of rendered products and bring trade-buying missions and foreign government officials to the United States to meet with renderers selling into the export market.

With 18 percent of total rendered production exported, NRA operates 45 projects in 57 countries with overseas offices in Hong Kong, China, and Mexico City, Mexico, and consultants in poultry, pet food, and European Union policy. In July, USDA finally proposed a small ruminant rule and NRA is urging the government to finalize the rule as soon as possible to allow tallow containing product from small ruminants to be imported into the United States.

China's Administration of Quality Supervision, Inspection, and Quarantine is scheduled to visit the United States in November to audit US rendering plants producing non-ruminant animal protein meals. This audit is required every five years for exports to China and needs to be performed by the end of the year to keep exports moving.

A major success this year was reopening the Chinese market for US-rendered poultry products after China closed its borders due to a high pathogenic avian influenza outbreak in the United States. NRA worked closely with USDA's Animal and Plant Health Inspection Service (APHIS) and the Chinese government to make this happen. China is also allowing imports of US tallow after NRA's lengthy work. The association is coordinating plant certifications for its members wishing to export tallow to China.

A high priority for NRA is gaining access to Mexico's market for ruminant meat and bone meal. NRA's regional director has been working on this for a while and is getting closer. Based

on science, NRA believes Mexico should open its market immediately since the United States is classified as negligible risk for bovine spongiform encephalopathy. Progress is being made but many forces are at work in this region.

NRA dedicates considerable time assisting members with export issues, such as obtaining an export certificate or the use or misuse of export numbers. This is an important member service. With several new veterinarians at APHIS this year, NRA is providing information about rendering and rendered products to assist them in making more educated and informed decisions affecting exports and foreign markets.

Challenges and the Work Ahead

FSMA is now in place so renderers will be dealing with inspectors and audits in the future. NRA will remain supportive of a strong Renewable Fuel Standard so rendered fats and greases continue to be used in biofuels. With a new president and Congress next year, NRA will work to gain and maintain support for the rendering industry and its products. The association will continue to work on expanding export market access and protecting rendering's raw material base in the food waste movement, including promoting the good rendering provides by already recycling these waste products.

NRA's 2020 Strategic Plan is front and center as it starts its second year. Priorities include:

- expanding the understanding of what renderers do and the benefits of rendered products;
- attaining the original goal that the industry's *Code of Practice* means participants are FSMA-compliant; and
- growing NRA membership and assisting members with the tools needed in support of sustainability and other areas of importance.

Some potential industry challenges to monitor include:

- human food trends such as no by-products, raw diet, natural, organic, and grain-free that are driving pet food purchases;
- increased attention on additives, residues, and consistent quality in all animal food; and
- further strengthening community relations to ensure continued ability to operate by promoting rendering's sustainability, jobs, tax base, volunteer commitment, and civic involvement.

The next four years will be very interesting, to say the least, but renderers have a strong organization working on their behalf. **R**

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positions on trade agreements. He has promised to kill off TPP if it cannot be reinvented, renegotiate the North American Free Trade Agreement (NAFTA), and take a hard line with European Union negotiators over the future of the Transatlantic Trade and Investment Partnership bilateral trade treaty with the United States. Canadian Prime Minister Justin Trudeau said, "If the Americans want to talk about NAFTA, I'm more than happy to talk about it." Mexico is willing to "modernize" NAFTA, said Mexican Foreign Minister Claudia Ruiz Massieu, but will not renegotiate the pact.

Of course, the success of the abovementioned reforms will hinge mightily on who winds up on the Trump team, both inside the White House and at the top of critical departments and agencies. The candidate and his surrogates told audiences throughout the campaign that Trump would name people to his cabinet who had actual real-world experience in the policies and programs overseen by their respective department or agency. At one point, Trump asked an Iowa audience, "What do you think about a farmer as head of EPA?"

Filling the Cabinet

The Trump transition team is in place and the agency action portion of the gang subdivides into defense, national security, economic issues, domestic issues (where agriculture resides), management and budget, and "agency transformation and innovation." Nearly the entire administration fits into one of these six silos. Few names of specific individuals circulated during the campaign because the media largely assumed

Clinton would win and focused on handicapping her cabinet selections. However, Trump's challenge is to surround himself with smart, experienced people wise to the operation of government from the inside and with a talent for working with Congress.

However, running as an "outsider" means his slate of potential cabinet members and agency heads cannot reflect conventional Washington, DC. He is expected to pick business and industry types along with recognized conservative notables to staff his administration. As of press time, the only confirmed team members were Republican National Committee Chairman Reince Priebus as White House chief of staff and Breitbart's Steve Bannon as chief White House strategist and senior counselor, an enormously influential post.

Some speculate that campaign remarks and allegations considered demeaning to women will cut the number of women willing to serve in a Trump cabinet, but former Alaska Governor Sarah Palin, who was Senator John McCain's (R-AZ) presidential running mate in 2008, has made no secret of her desire to enter the Trump cabinet and he has said he would like to appoint her to a cabinet job, according to reports. His inner circle of advisors does include seasoned political veterans, including former New York City Mayor Rudy Giuliani, New Jersey Governor Chris Christie, and former House Speaker Newt Gingrich. His congressional allies are few and far between as only a couple of senators – Bob Corker (R-TN) and Jeff Sessions (R-AL) – came out publicly to support Trump during the campaign.

Continued on page 24

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When it comes to agriculture and agribusiness, Trump's campaign created a national agriculture advisory committee that began with about 30 members – including several well-known Washington, DC, figures, as well as governors and state-elected officials – and ballooned to over 70 by Election Day. For secretary of agriculture, a slot most often awarded to a farm-belt governor, names mentioned include Texas Commissioner of Agriculture

Sid Miller, who is campaigning for the slot and apparently shares Trump's fascination with ill-advised tweets; Kansas Governor Sam Brownback; former Nebraska Governor Dave Heinemann; former Georgia Governor Sonny Perdue; and former Texas Governor Rick Perry, who chased the 2016 GOP presidential nomination early on. Charles Herbster, a Nebraska Angus breeder and business tycoon who chaired the Trump ag advisory committee, is also mentioned along with Chuck Conner, president of the National Council of Farmer

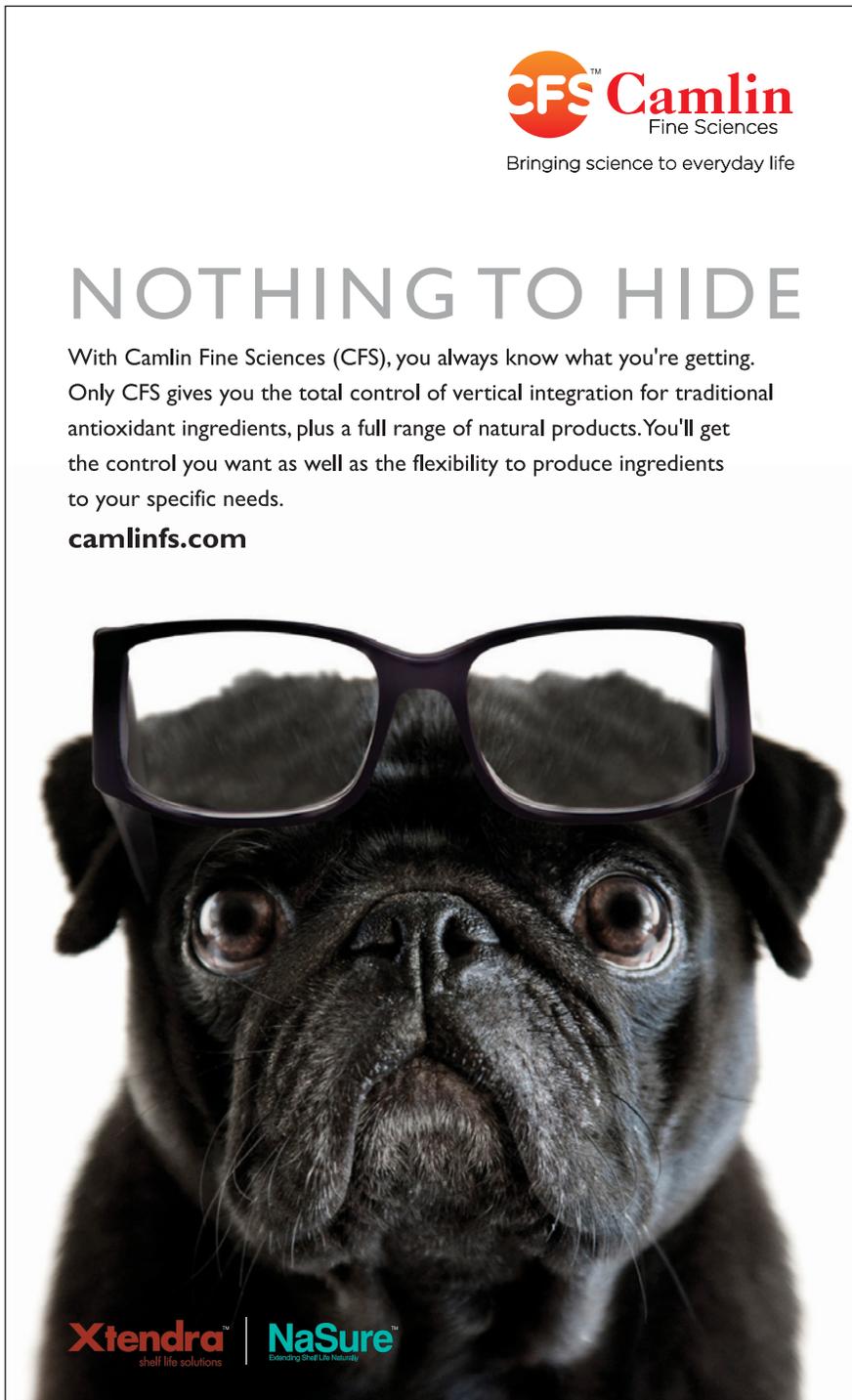
Cooperatives, who was President George W. Bush's special assistant for food and agriculture as well as deputy secretary of agriculture in Bush's second term. Conner was the keynote speaker at the National Renderers Association annual convention this past October. Bruce Rastetter, an Iowa ethanol executive and major donor, is also discussed for the ag secretary slot.

For secretary of Health and Human Services, which oversees all things Food and Drug Administration related, including animal feed, the short list currently includes former presidential hopeful Dr. Ben Carson and Florida Governor Rick Scott. Over at the Department of Energy, Oklahoma billionaire and long-time Trump friend Harold G. Hamm, chief executive officer of Continental Resources, leads the list and for Department of Labor, the top of the prospect list is occupied by Victoria Lipnic, commissioner of the Equal Opportunity Commission and a former assistant secretary of labor from 2002-2009

Gingrich is often mentioned as a logical secretary of state nominee as is Corker, who chairs the Senate Foreign Relations Committee. Former United Nations Ambassador John Bolton is also on the short list. Steven Mnuchin, a veteran of Goldman Sachs and Trump's finance director, is seen as a logical treasury department secretary, but Jamie Dimon, chief executive officer of JP Morgan, has also been talked about. Giuliani is seen leading the pack for attorney general, with Christie as a possibility.

Forest Lucas, co-founder of Lucas Oil and primary underwriter of anti-activist group Protect the Harvest, is considered a leading contender for interior secretary, though Trump's son, Donald Trump Jr., is rumored to be eyeing the job. However, Trump has said none of his children will be part of his administration.

No matter how you slice it, Trump and Congress get two years to make good on campaign promises to energize the economy while bringing regulatory relief, tax reform, and certainty to the business community. Everyone wants to feel better two years from now than they do today. The US voting public is notoriously fickle and infamously impatient. **R**



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California Rendering Board Looks to be Sustainable

California renderers appreciate the inedible kitchen grease program put in place over 10 years ago to help curtail the theft of used cooking oil in the state. While grease theft is currently not a top concern due to low commodity prices, keeping the program sustainable and moving in a focused direction is a priority. The Rendering Industry Advisory Board (RIAB) met with the California Department of Food and Agriculture (CDFA) in early November to discuss the future of the program.

Jim Andreoli Jr., Baker Commodities Inc., reported that because program registration fees do not cover the nearly \$600,000 in yearly expenses, the program's reserves tapped to make-up the deficit will be exhausted within the next year. Tad Bell, California Grain and Feed Association, informed the board that Assembly Bill No. 655 was recently signed by California Governor Jerry Brown raising registration fee caps so RIAB now has the authority to increase fees if need be. The board, however, is hesitant to do so at this time.

"CDFA investigators have done an effective job but there are not enough of them to cover all of California," Andreoli commented. Currently one investigator works the northern part of the state while two investigators in Southern California divide their time between grease theft and the state's livestock slaughter program. RIAB Chairman Michael Koewler, Sacramento Rendering Company, said the grease program cannot afford all the resources it needs but that progress has been made toward reducing grease theft in the state. He believes the program's focus should be on audits of individuals/companies breaking the law based on complaints and incidents.

CDFA investigator Paul San Gregorio shared findings from random audits of trap grease haulers conducted this past summer. Of the 18 companies audited, only one was in full compliance. San Gregorio said most noncompliant issues were failure to report the grease measuring method used, the container capacity, and the percentage container filled. The inspectors used the audit as a training tool to educate many who were not aware of how to properly fill out the state-required manifest forms. With nearly 300 trap grease haulers registered in California, RIAB members recommended CDFA inform haulers of the audit's findings and provide a training webinar to ensure future compliance. The board also directed CDFA inspectors to continue conducting audits next year, about 20 per quarter targeting haulers of both trap grease and used cooking oil. In addition, as a way to save program resources, Koewler suggested CDFA put the burden of proof on the noncompliant operator to report back within a specific timeframe that they are now meeting state regulations.

The board has put together an inedible kitchen grease quick reference guide that highlights the various laws in the California Vehicle Code as they apply to renderers and grease transporters. The guide will be laminated and distributed to California Highway Patrol, city police departments, and county sheriffs' offices so law enforcement has the information readily available in their ticket books.

Another challenge for renderers is the increasing interest in food waste diversion in California with public subsidies – about \$100 million annually – being offered for alternative methods of disposal. **R**



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NBB Names New Chief and Governing Board

The National Biodiesel Board (NBB) has named Donnell Rehagen as the trade group's chief executive from a pool of nearly 300 applicants. Rehagen was appointed interim chief executive officer (CEO) in June after serving 12 years as NBB's chief operating officer (COO) following the sudden departure of NBB's long-time CEO Joe Jobe.



Donnell Rehagen

As COO, Rehagen managed the implementation and execution of the board's budget and the day-to-day responsibility of managing NBB's program managers, staff, and contractors. Additionally, he has led the annual National Biodiesel Conference and Expo. Prior to joining NBB in 2004, Rehagen was the fleet administrator for the Missouri Department of Transportation responsible for all aspects of the department's \$400 million fleet, including implementation of their biodiesel use program.

Rehagen has a master's degree in public administration from the University of Missouri-Columbia and a bachelor's degree in computer information systems from Southwest Missouri State University.

NBB members also voted to fill seven board member spots: Greg Anderson, Nebraska Soybean Board; Jennifer Case, New Leaf Biofuel LLC; Mike Cunningham, ASA; Tim Keaveney, Hero BX; Steven J. Levy, Sprague Operating Resources; Mike Rath, Darling Ingredients Inc.; and Ben Wooton, World Energy.

Crimson Energy Expands California Facility

Crimson Renewable Energy recently completed a multi-million dollar plant upgrade at its ultra-low carbon biodiesel production facility in Bakersfield, California, that tripled production to 24 million gallons per year. The upgrade was partially funded by a matching grant from the California Energy Commission's Alternative Renewable Fuel and Vehicle Technology Program and included expansion of steam and other existing systems as well as the installation of new second-generation technologies that will reduce the plant unit energy and water consumption by 10 to 15 percent. Crimson produces its biodiesel entirely from used cooking oil and other inedible oil feedstocks.

"Our current production level generates carbon reductions that are equivalent to taking 43,000 cars off California roads and as we ramp up, this will be like removing 55,500 cars," said Harry Simpson, Crimson Energy's chief executive officer. "The success of our facility is a prime example of why it is critical for the public and state's policymakers to continue supporting the development of renewable transportation fuels, particularly ultra-low carbon advanced biofuels."

New York City Ups Biodiesel Use

The City of New York has taken another significant step to reduce the region's carbon footprint by passing legislation that incrementally displaces 20 percent of the heating oil sold within the city with cleaner-burning, sustainable biodiesel. Beginning October 1, 2017, the amount of biodiesel in the city's heating oil will increase from the current 2 percent level to 5 percent. The blend level then moves to 10 percent in 2025, 15 percent in 2030, and 20 percent in 2034. A wide variety of organizations supported the legislation, including the heating oil industry, labor organizations, and environmental stakeholders in the city.

The increase from a 2 percent biodiesel blend to a 5 percent blend is estimated to reduce emissions equivalent to taking 45,000 cars off the road with the increase to 20 percent the equivalent of removing more than 250,000 cars.

The heating oil market is not New York's only experience with biodiesel. In 2013, the city planned for its 9,000 diesel-powered municipal fleet vehicles to use biodiesel blends beginning with the Parks Department, which eventually moved to 20 percent biodiesel. Other departments followed, including the Department of Sanitation, which consumes 80 percent of New York City's fleet fuel. The city has experienced a 19 percent reduction in carbon emissions since 2005 and is on track to reach an 80 percent reduction by 2050.

Prison for Biodiesel Fraudsters

Fred Witmer and Gary Jury, co-owners of Triton Energy LLC and Gen2 Renewable Diesel LLC, both located in Waterloo, Indiana, have pleaded guilty to conspiracy, fraud, and false statements for participating in a scheme that generated over \$60 million in fraudulent tax credits and United States Environmental Protection Agency (EPA) renewable fuels credits, known as RINs. Witmer admitted to participating in a scheme with other co-conspirators to fraudulently claim tax and RIN credits on non-qualifying renewable fuel. Although the credits required that the fuel be used domestically for transportation, Witmer admitted to selling it for uses that included the production of fire starter logs and asphalt and also for power generation. Jury admitted to participating in a conspiracy to fraudulently claim tax credits and providing false statements to EPA. As part of their pleas, Witmer will serve 57 months of incarceration and Jury will serve 30 months.

In a separate case, Thomas Davanzo and Robert Fedyna, both of Florida, were sentenced to 121 months (10 years) and 135 months (11-plus years) in prison, respectively, for their part in a multi-state scheme of fraudulently selling biofuel credits and claiming tax credits. Both defendants were also ordered to forfeit gains from the conspiracy of over \$46 million and other valuable items to the government.

Davanzo and Fedyna operated several entities that purported to purchase renewable fuel on which credits had been claimed and was ineligible for additional credits, produced by their co-conspirators at Gen-X Energy Group headquartered in Pasco, Washington, and its subsidiary, Southern Resources and Commodities in Dublin, Georgia. The two men then repeatedly used a series of false transactions to transform the fuel back into feedstock needed for the production of renewable fuel and sold it back to Gen-X Energy or Southern Resources, allowing credits to be claimed again.

The two men also laundered the scheme's profits through various bank accounts to conceal proceeds and generated false paperwork in order to build a facade that the RINs created and claimed by co-conspirators were legitimate. From March 2013 to March 2014, the co-conspirators generated at least 60 million RINs that were based on fuel that was either never produced or was re-processed at the two facilities. Davanzo and Fedyna received at least \$42 million from the sale of these fraudulent RINs to third parties. In addition, Gen-X Energy received about \$4.3 million in false tax credits for the fuel.

REG Upgrading and Expanding

Renewable Energy Group (REG) has completed upgrades to its Danville, Illinois, biorefinery, and broken ground on expanding its Ralston, Iowa, facility.

The \$34.5 million in enhancements at the Danville plant added biodiesel distillation and other manufacturing upgrades that will allow the 45 million-gallon-per-year capacity biorefinery to use a wider array of lower carbon intensity feedstocks. The

two-year project included logistical improvements such as an additional truck loadout, new warehouse and office space, and the acquisition and integration of approximately 13 million gallons of biofuel and feedstock storage from the neighboring Bunge facility, which will improve year-round production and storage capabilities at REG Danville and within its logistics system. REG also acquired property around the plant complex to increase its footprint from eight acres to nearly 30.

REG held a groundbreaking ceremony in November to launch a \$24 million expansion of its Ralston biorefinery built in 2001 from 12 million to 30 million gallons of annual production capacity. The project will also include logistics improvements and other site enhancements. Once completed, the Ralston expansion will increase REG's cumulative nameplate capacity from its 11 active biomass-based diesel plants across the country to 470 million gallons annually.

San Diego Uses Renewable Diesel

The City of San Diego in California has begun using Neste renewable diesel in its vehicle fleet of service trucks, refuse packers, dump trucks, construction equipment, and street sweepers. The city joins at least five other California municipal fleets in using Neste renewable diesel.

The switch from petroleum diesel to Neste's waste oil-based renewable diesel reduces the San Diego fleet's greenhouse gas emissions by up to 80 percent, according to Neste, contributing to the city's ambitious climate targets. Over 1,100 vehicles and equipment representing about 25 percent of the city's fleet will run on renewable diesel. **R**



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Achieving Strategic Objectives

It has been an honor serving as chairman of the Fats and Proteins Research Foundation (FPRF) for the past two years. It is hard to believe that six years have passed since I became an officer of this foundation. It has been a truly rewarding experience and I hope I have made a difference.

It has also been nearly six years since FPRF reaffirmed its mission to support research that benefits the rendering industry and developed a strategic plan. These are still relevant today and the foundation continues to make progress in achieving its objectives.

The best strategic plans are simple and FPRF's is exactly that with three basic strategic pillars: research, communications, and membership.

The first objective was to tackle research by establishing a predictable and strong contracting and approval process to identify and fund research that addresses the most strategically important issues and opportunities of the rendering industry. It was also decided that research would be conducted where FPRF has a mutually beneficial relationship and with institutions that possess expertise in multiple disciplines. The strategic intent was that FPRF's research model would be known as world class.

Secondly, FPRF would communicate information about its research in the style and format that its members, customers, and decision makers need with the goal that FPRF would be known by its stakeholders as the best source of knowledge regarding rendering. This would, in turn, help realize the vision to build a clear and compelling value proposition to current and potential members so that new members would join FPRF because they would be confident their contributions would make a significant and measurable difference.

So where is FPRF today? It is safe to say the foundation has done an excellent job realizing most of its objectives in the research area.

- A robust research contracting and approval process is in place.



New FPRF officers are, *from left*, Duane Anderson, Farmers Union Industries, chairman; Doug Smith, Baker Commodities Inc., vice chairman; and Mike Carlson, Sanimax, treasurer.

- FPRF's research portfolio is focused on four key strategic areas that drive the most value for the industry: nutrition, added-value and novel uses, biosecurity and food safety, and environment and sustainability.
- FPRF's partnership with Clemson University's Animal Co-Products Research and Education Center (ACREC) is yielding increasingly innovative and relevant research projects with its multidisciplinary approach. Examples include:
 - the development of functionalized nanoparticles for odor control and potentially also as an antimicrobial against both gram-positive and gram-negative bacteria;
 - microbial synthesis of omega-3 fatty acids from animal fats;
 - incorporation of microcapsules containing a self-healing agent into animal protein-based composites for use in the automotive industry; and

Partnering Up in Rendering Research

The old saying "there is strength in numbers" is playing out with the Fats and Proteins Research Foundation (FPRF) as the group is seeing an increased partnership with industries that use animal proteins and fats in feed. One major accomplishment is the involvement of the pet food industry on joint research projects of rendered products. A project recently approved will assess factors affecting *Salmonella* in fats that are used in pet food.

After collaborating with FPRF on a recent project, the Poultry Protein and Fat Council of the U.S. Poultry and Egg Association has committed \$50,000 yearly toward industry research. The National Pork Board is also coming onboard with joint FPRF research projects that focus on the effects of

various fats on the meat quality of pigs. These partnerships are in addition to FPRF's continued support of at-large research conducted at universities and the myriad of ongoing and new projects performed at the Animal Co-Products Research and Education Center at Clemson University in South Carolina.

To further expand its researcher base, FPRF is exploring opening a second research center to focus on pet food possibly at Colorado State University (CSU). The university is world-known for its focus on meat science, food safety, agriculture, water quality, veterinary medicine, engineering, and business. CSU is also centrally located within the United States and close to JBS, who is a financial donor toward the university's new animal science building. **R**

- ultrafiltration technology for chemical-free wastewater processing.
- FPRF is attracting higher caliber “at-large” proposals, particularly in the areas of pathogen control and pet nutrition.
- Some of FPRF’s research and development investments are at or near commercialization. A great example is the development of a potent natural antioxidant derived from animal blood.
- FPRF is embarking on a new initiative to facilitate collaborative relationships that will focus on research of rendered products in pet food.
- FPRF has responded quickly and directly to member issues and concerns by commissioning research and publishing white papers in the areas of sustainability and thermal destruction of pathogens.

The foundation is now working to expand its efforts in communications and membership. Communication is becoming increasingly important, not only to provide information about the research the foundation supports on behalf of its members, but also to proactively educate regulators, policymakers, and the public on the sustainability of the rendering industry. FPRF is jointly working with the National Renderers Association (NRA) to put together a membership package that outlines the benefits of joining the foundation.

What makes involvement in FPRF especially gratifying is the cooperative nature of the members with respect to supporting research for the common good of the industry. This is not the case in many other industry associations and is what allows FPRF to stay focused and make progress in areas that are most important to the rendering industry.

In closing, I would like to thank the FPRF members for their generous contributions and the volunteers who, in addition to contributing financially, invest significant amounts of time to review research proposals to ensure the

Continued on page 31

January 2017

Association of American Feed Control Officials 2017 Midyear Meeting
January 16-18, Mobile, AL • www.aafco.org

National Biodiesel Conference and Expo
January 16-19, San Diego, CA • www.biodieselconference.org

International Production and Processing Expo
January 31-February 2, Atlanta, GA • www.ippexpo.com

February

International Rendering Symposium
February 2-3, Atlanta, GA • www.ippexpo.org/edu_prgms/

2017 Western Dairy Management Conference
February 28-March 2, Reno, NV • www.wdmc.org

March

Pacific Coast Renderers Association Conference
March 3-4, Carmel Valley, CA • e-mail Anita Gore at anita@agamsi.com or call (916) 441-1064

National Grain and Feed Association 121st Annual Convention
March 19-21, New Orleans, LA • www.ngfa.org

April

Pet Food Forum 25th Anniversary
April 3-5, Kansas City, MO • www.petfoodforumevents.com

National Renderers Association Spring Meeting
April 18-20, Chicago, IL • e-mail Marty Covert at co@martycovert.com or call (703) 754-8740



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Taking Care of Business

The World Renderers Organization (WRO) held an interim meeting in October at the National Renderers Association annual convention on Amelia Island, Florida. It was a well-attended event with a strong international presence. A brief of past WRO activities was provided that included representation and presentations at:

- First congress of the Global Pet Food Industry Association in Cape Town, South Africa, November 2015
- Meat industry workshop sponsored by the New Zealand Meat Industry Association in Hamilton, New Zealand, March 2016
- Global Food and Feed Congress hosted by the International Feed Industry Federation (IFIF) in Antalya, Turkey, April 2016
- IFIF-Food and Agriculture Organization (FAO) of the United Nations annual meeting in Rome, Italy, October 2016

WRO First Vice President Fernando Mendizabal reported that the organization's website had experienced an intermittent service issue.

"We were concerned first with providing a solution for resolving this situation and secondly to adopt a new platform with capabilities to prepare the WRO web page for the future," he stated, further explaining a new website was formed that will provide stability and ease of administration at a reduced cost.

Mendizabal added that e-mails for the WRO officers and administrative team are now available providing a better representation when communicating with other global organizations. The new website also offers statistics and information that will be used to assess the regions where focus is needed to communicate WRO's vision and objectives. While the current website at www.worldrenderers.com is still active, the new site is at www.worldrenderers.net. Comments and suggestions are welcome.

Members were then advised that WRO considers *Render* magazine the best method of reporting the latest news to members, although the *WRO Outlook* newsletter could still serve as an information source. Previously published quarterly, the newsletter will now be issued semi-annually and include technical articles on rendering.

The WRO Scientific Advisory Panel (SAP) gave a report on two projects: (1) removal of foreign matter from rendering raw material, and (2) foreign DNA in processed animal proteins. A foreign matter strategy for consideration was prepared by Andrich Communications in Australia after discussions with Andy Bennett of the Australian Renderers Association and this author. The strategy covered six key areas:

1. Communicate with rendering suppliers to strengthen the message to management that foreign matter in raw material is unacceptable. For improved understanding, the discussion could include a presentation on the issue of foreign matter. At

the rendering plant level, raw material should be inspected for presence of foreign matter and any issues must be reported.

2. Design a range of posters and flyers for production and cleaning staff applicable to their function that would be clearly visible in the workplace of what is acceptable in raw material bins. Care will need to be taken to accommodate differences in language and culture.
3. Conduct educational sessions for suppliers, transporters, and renderers on what is acceptable.
4. Compose a series of articles highlighting activities to distribute throughout industry and consumer media.
5. Ensure follow-up is conducted and reporting is effective. It is recommended that phone calls, e-mails, and visits to each key site are maintained to ensure that progress is being made.
6. Promote and investigate the use of alternative technology in the meat industry. These items include renderable gloves, bag liners, and commonly used meat industry items that find their way into rendering raw material. Research should also be conducted on animal identification tags.

This strategy can be documented in a handbook accessed through the website.

The SAP informed members that the report on DNA analysis of processed animal proteins is in the early stages of development and currently limited to the panel providing scientific advice. This project will require technical expertise by qualified testing service providers.

Dirk Dobbelaere, European Fat Processors and Renderers Association (EFPPA), represented WRO at the IFIF-FAO annual meeting in Rome in early October. He reported there were about 35 delegates present including representatives of compound feed industry organizations from all over the world and feed additive producers from Europe. The meeting was devoted to three topics but direct rendering industry related topics were not considered. Issues of note were:

- FAO-led feed safety multi-stakeholder partnership, assisted by IFIF, to promote its Global Animal Nutrition Program in African countries and in a number of Asian countries in 2017.
- The Livestock Environmental Assessment and Performance Partnership 2016-2018 Work Plan will begin with two technical advisory groups convening in the coming months – one on water footprinting and the other on soil carbon stock changes.
- Antibiotic resistance with reference made to World Antibiotic Awareness Week November 14-20. IFIF attended the Codex Alimentarius working group on antimicrobial resistance meeting in London, England, at the end of November.

Upcoming Events

EFPPRA is already preparing for its next congress in Hamburg, Germany, May 31-June 2, 2017. The hosts, the German Animal By-products Association, have chosen a venue in the middle of old Hamburg between the Reeperbahn area, port, and Speicherstadt (warehouse) district with a spectacular skyline view above the River Elbe and one of Europe's biggest harbors. The keynote speaker will be Dr. Michael Braungart, founder and scientific chief executive officer of Environmental Protection Encouragement Agency (EPEA) Internationale Umweltforschung GmbH, an international environmental research and consulting institute headquartered in Hamburg. He is also the co-founder and scientific director of McDonough Braungart Design Chemistry in Charlottesville, Virginia, co-founder and scientific manager of Hamburger Umweltinstitut (a non-profit research center), as well as director of Braungart Consulting in Hamburg.

Contrary to the European "From Farm to Fork" approach, Braungart proposes – not only for agriculture but also for technical applications – the idea of "Cradle to Cradle," called C2C. His vision is to develop products and manufacturing processes that eliminate waste. The products must be completely safe for both people and the environment. Additionally, products manufactured will be useful for other processes. These products work in closed loop nutrient circles so there will not be any waste at all, only useful resources.

In 2001, Braungart and the EPEA team demonstrated how disastrous the just-imposed European Union feed ban was due to the interruption of the nutrient cycle (<http://dev.nl.epea-hamburg.org/sites/default/files-nl/SmokedMeat.pdf>). In his EFPPRA Congress keynote speech – "How long will Earth exist if we live like we live?" – Braungart will demonstrate the importance of closed nutrient and production cycles.

There will be a technical symposium held during the congress, a trade exhibition, and interesting social events to give the participants enough time for networking. More than 300 international participants are expected. Furthermore, the EFPPRA Congress will host the WRO annual meeting. Registration will open soon at www.efprahamburg2017.com.

The Australian Renderers Association invites renderers from around the world to its next International Symposium, "What Tomorrow Holds," July 25-28, 2017, for an informative conference and enjoyable social program. By popular demand, the event will again be held at the Royal Pines Resort on the Gold Coast where the climate in July is moderate to warm. More information is available at <http://arasymposium.com.au>. **R**

For further information on this topic, contact the author, Tim Juzefowicz, at tim.juzefowicz@csfproteins.com.au.

FPRF Continued from page 29

studies will be relevant to the industry as a whole and that funds are allocated in a manner that maximizes a return on investment. I would also like to acknowledge Dr. Annel Greene who has served as center director for ACREC since its inception and works tirelessly on the industry's behalf. Last but not least, I want to thank the NRA staff who support the foundation in all its efforts.

FPRF is on the right path and in good hands moving into the future. **R**

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Eight Years and \$743 Billion Later

Editor's note – Robert T. Vogler is director of environmental affairs at Valley Proteins Inc. and chairman of the National Renderers Association's Environmental Committee. He holds a juris doctor degree from Duquesne University and bachelor of science degree in agricultural engineering and agricultural science from Rutgers University.

Since 2009, the United States (US) federal government has issued 600 major regulations resulting in \$743 billion in compliance costs, according to a study by the American Action Forum, including 81 major rules costing \$100 million or more – or one major rule for every three days the federal government is open. Many of these rules, particularly the larger and more complex ones, focus on environment.

Today, the Environmental Protection Agency (EPA) continues to expand the scope of federal regulation. Below are updates on significant developments in air, water, and other national environmental initiatives of importance to the rendering industry.

Chesapeake Bay Blueprint

On February 29, 2016, the US Supreme Court turned down a request by the American Farm Bureau Federation to hear its challenge against EPA's approach to regulating the watersheds in Delaware, Maryland, New York, Pennsylvania, Virginia, West Virginia, and the District of Columbia that contribute phosphorous, nitrogen, and sediment to the Chesapeake Bay. As a result of the denial, the July 2015 ruling by the US Third Circuit Court of Appeals stands, upholding EPA's process for establishing and implementing Total Maximum Daily Loads (TMDLs) for the Chesapeake Bay, a process known as the Chesapeake Bay Clean Water Blueprint.

A TMDL is a tool used for achieving water quality standards. Under a TMDL for a given waterway, a limit is set on the maximum levels of pollutants allowed in that waterway and allocations are made to potential sources of the pollutants affecting the waterway. Under the Chesapeake Bay blueprint, EPA requires states to establish and implement TMDLs throughout the affected watershed and will oversee progress by the states toward achieving those goals under threat of backstop enforcement authority. Status reports are due in late 2016 on the progress each state is making toward meeting the TMDLs. EPA will begin setting phase III expectations in 2017.

The Chesapeake Bay blueprint is largely seen by opposition groups as a federal takeover of regulation of agricultural practices and land-use decisions, areas that were largely left to state and local regulation. Now that the courts have endorsed EPA's approach to the cleanup of the Chesapeake Bay watershed, EPA is expected to use this blueprint for other watersheds with impaired waters, including the Mississippi watershed. In fact, EPA already has begun taking a similar approach to set nitrogen and phosphorous limits in the Malibu Creek watershed in California.

NPDES Program Update

On May 18, 2016, EPA published a proposed rule to update the National Pollution Discharge Elimination System (NPDES) permit program. The agency touted this as a "housekeeping" rule but it appears to be substantive in many respects. Changes in the rule include:

- allowing nongovernment organizations, such as advocacy groups, to collect water quality data on background levels of water pollutants to be used in NPDES permit decisions;
- treating certain administratively continued permits as proposed permits subject to EPA review, disrupting certainty and the status quo pending state issuance of a new draft permit; and
- tightening up "fact sheet" requirements prepared by state permit writers in connection with the issuance of new permits, resulting in more detail on analysis and justification for issuing permits.

Waters of the US

On May 27, 2015, EPA finalized the rules revising the definition of "waters of the US," greatly expanding EPA's jurisdiction over activities in wetlands, intermittent streams, drainage ditches, and upland areas. This was purported to clarify the scope of federal jurisdiction over upland and isolated waterways but is widely seen as a huge power grab by EPA and the US Army Corps of Engineers over waters and land areas already subject to state regulation.

Lawsuits have been filed by manufacturing and agriculture groups, as well as most of the states, challenging the rules as going beyond the statutory authority of the agencies. In October 2015, the US District Court for the Sixth Circuit issued a nationwide stay from EPA enforcement of the new rule. The legal challenges continue to work their way through the courts. If upheld, the rule is expected to adversely affect cattle ranchers and other agricultural endeavors, including rendering, as well as virtually any type of land development activity.

Ozone Standard

On October 1, 2015, EPA adopted a new National Ambient Air Quality Standard for ground-level ozone, lowering the standard from 75 parts per billion (ppb) to 70 ppb. Ground level ozone, or smog, is associated with respiratory ailments. The new standard will bring a large portion of the expanding, robust economic areas of the country into non-attainment, making the expansion of industry in those areas nearly impossible. In addition, existing permits could be reopened to require further reductions at existing facilities.

The effect of the rule is to further restrict emissions of nitrous oxides and volatile organic compounds as they are precursors to ozone. A coalition of business interests filed a lawsuit challenging the rule in the US Court of Appeals for

the District of Columbia Circuit. This suit remains pending.

On June 14, 2016, the US House of Representatives (HR) passed the Ozone Standards Implementation Act of 2016 (HR 4775) by a vote of 234-177. Among other things, this bill would extend implementation deadlines, including nonattainment designations, to 2025 and reduce the frequency of periodic review of the standard from every five years to every 10 years.

Endangered Species

On February 11, 2016, the US Fish and Wildlife Service (FWS) rulemaking on critical habitat became final expanding critical habitat designations to include areas in which a species no longer lives and areas where a listed species may live in the future. On May 24, 2016, the National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service issued a proposed rule designating nearly 1,000 miles of river in nine states from Maine to Virginia and the District of Columbia as critical habitat for the Atlantic Sturgeon, a listed species under the Endangered Species Act.

A critical habitat designation requires federal agencies to ensure any projects they fund, authorize, or carry out are not likely to destroy or adversely modify that habitat. This does not apply to private citizens engaged in activities on private land that do not involve a federal agency. Affected activities include dredging, piers, barge unloading operations, bridge and transportation projects, wetlands development, commercial and recreational uses of the water, wastewater treatment, and water withdrawals. These types of projects will need to be evaluated with respect to the potential to destroy or adversely modify critical habitat if the project requires a federal permit or receives federal funding.

Indirect impacts to the rendering industry include the costs, delays, and complexities added to new infrastructure projects such as highways, water and sewer systems, and port improvements. A likely trigger for direct impact on a rendering operation would be any disturbance of wetlands or streambeds, such as construction or other development activities in or near the water.

However, there should always be a level of concern about the presence of endangered species in a project area. Even absent a federal project, no one may take, threaten, or harass an endangered species. So if endangered species are present on a project site, certain activities may be restricted by the Endangered Species Act, which provides for the "protection" of over 1,600 species.

With nearly 300 new species added during President Barack Obama's administration, some observers suggest

the goal of the act as currently being implemented is to list species rather than provide for protection and recovery. Advocacy groups have been filing petitions for large numbers of new listings and then seeking court-ordered deadlines for action under a "sue and settle" process.

In response, on September 27, 2016, FWS and NOAA published a final rule limiting each petition to a single species and requiring more rigorous scientific

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Employers Now Required to Submit Pay Data

Editor's note – Nicole Bolson Baarts is an attorney with the San Francisco, California, law firm of Seyfarth Shaw LLP, practicing employment litigation.

Christine Hendrickson is senior counsel in the firm's Chicago, Illinois, office practicing in the areas of labor and employment, Office of Federal Contract Compliance Programs (OFCCP) and affirmative action compliance, and diversity.

Annette Tyman is an attorney and partner in the firm's Chicago office practicing employment litigation, OFCCP and affirmative action compliance, and background screening compliance and litigation.

Legal topics provide general information, not specific legal advice. Individual circumstances may limit or modify this information.

It's official. Beginning in 2018, employers will have to report compensation data and hours to the Equal Employment Opportunity Commission (EEOC) after the Office of Management and Budget (OMB) approved the EEOC's changes to the Employer Information Report, known as the EEO-1, in late September.

As a result, every employer in the United States with more than 100 employees will be required to report total W-2 compensation information and hours worked for all of its employees on an annual basis. The EEOC contends that adoption of the new EEO-1 form will enable the commission (and for federal contractors and subcontractors, the Office of Federal Contract Compliance Programs, or OFCCP) to target compensation issues and address pay disparities. There are, however, significant unanswered questions about the utility and use of this report.

The changes will take place for 2017 EEO-1 filings, which will have a new reporting deadline of March 31 of each year. For instance, the EEO-1 report for 2017 will be due March 31, 2018.

How Did We Get Here?

The EEOC issued revisions to the EEO-1 report on February 1, 2016, followed by a 60-day comment period. On March 16, 2016, the EEOC held a public hearing regarding the EEO-1 report during which Seyfarth Shaw's Camille Olson testified on behalf of the U.S. Chamber of Commerce. Seyfarth Shaw submitted comments to the proposed revisions and participated in the comments filed by the U.S. Chamber of Commerce. In response, the EEOC made minor revisions to the proposed EEO-1 report on July 14, 2016, and submitted its final revisions for OMB review and approval. A further comment period before OMB ran through August 15, 2016, during which Seyfarth Shaw again submitted its comments and participated in drafting comments on behalf of the U.S. Chamber of Commerce. Nearly 1,000 comments were submitted to OMB, which approved the EEOC's final revisions September 29, 2016.

What Will the New Report Require?

The EEO-1 report is a survey document that has been mandated for more than 50 years. Currently, employers with more than 100 employees, and federal contractors or subcontractors with more than 50 employees, are required to collect and provide to the EEOC information about employees' race/ethnicity and gender in each of 10 job categories (e.g., executive and senior-level officials and managers, first/mid-level officials and managers, professionals, technicians, sales workers, administrative support workers, craft workers, operatives, laborers and helpers, and service workers).

Beginning in March 2018, covered employers will still have to provide the demographic information currently required. However, in addition, employers with more than 100 employees will be required to submit a "Component 2" report that discloses previous year W-2 Wage and Tax Statement earnings and hours worked for all employees. Federal contractors and subcontractors with between 50 and 99 employees will only be required to submit the current EEO-1 report without the compensation and hours worked data required in the Component 2 report.

Employers will submit information based on an employee workforce snapshot taken from the end of any pay period between October 1 and December 31. Employers are required to account for and include all employees who were active as of that snapshot pay period. For example, if the employer chose December 15 as the snapshot pay period, it would include the year-end income and hours worked for every employee who was active during that pay period. So if an employee was hired on December 1, the employer would only report on the hours and income that the employee worked and earned between December 1 and December 15. However, if another employee was terminated on November 15 of the reporting year, that employee's income and earnings would not be reported on the EEO-1 report because the employee was not employed during the December 15 snapshot pay period.

As another example, if the employer chose October 1 as the snapshot pay period, the employee who was hired in December would not be included but the employee who was terminated on November 15 would be included. For the employee who was terminated as of November 15, the employer would report the entire calendar-year hours and earnings (i.e., all hours and W-2 earnings between January 1 and the termination date of November 15). The employer will report year-end income and hours worked for employees captured on the snapshot pay period, regardless of the date of the snapshot pay period.

The filing deadline for each year will be March 31 of the following year. The EEOC will require that covered employers submit compensation and hours worked data as follows:

- **Compensation Data** – For each of the 10 EEO-1 job categories, the new EEO-1 report requires that employers report W-2 "Box 1" income calculated on

a calendar-year basis, ending December 31. Box 1 of the W-2 includes wages, tips, overtime, bonuses, and other earnings, but does not include pre-tax retirement and benefit deductions. This W-2 income data will be reported by tallying the number of employees in each of the 10 EEO-1 job categories and categorizing their pay in 12 pay bands. The pay bands track those used by the Bureau of Labor Statistics in the Occupation Employment Statistics Survey. For instance, an employer would report that it employs 10 African-American men who are craft workers in the second pay band (\$19,240-\$24,439) or that it employs four white women in the professional job category who are in the seventh pay band (\$62,920-\$80,079).

- **Hours Worked** – The report will also require employers to submit hours worked by the employees in each job category and pay band. For example, an employer would report that the 10 African-American men who are craft workers in the second pay band worked a total of 10,000 hours. For non-exempt workers, employers will report actual hours worked (including overtime hours). Yet what about exempt employees who often do not track their hours? The EEOC’s answer was non-satisfactory and will result in skewed data. Employers have the option to use (1) proxy hours of 40 hours per week for full-time exempt employees and 20 hours per week for part-time exempt employees, or (2) provide actual hours if the employer tracks hours worked for exempt employees.

Impact on Employers

This report will have a clear impact on employers. Not only does it significantly add to the reporting obligations already borne by employers, but the EEOC was clear that this report would be used to “investigate potential pay discrimination” by the EEOC and the OFCCP.

As set forth in Seyfarth Shaw’s written comments, there is significant concern with the new EEO-1 report in combating pay discrimination. Despite the comments submitted from the employer community, the EEOC refused to address the key issues implicated by the collection of compensation information in the new EEO-1 report.

- The EEOC failed to address the concerns raised by many commenters, including Seyfarth Shaw and well-respected labor economists, that the EEOC’s proposal would do nothing to ferret out pay discrimination given the broad aggregation of dissimilar jobs into artificial pay groupings. For instance, the revisions to the EEO-1 report will require a reporting hospital to combine lawyers, doctors, accountants, nurses, and dieticians – all grouped as “professionals” – to somehow determine whether there are pay disparities based on gender, race, or ethnicity. No existing law permits comparisons of such diverse workers to prove discrimination. The EEOC acknowledges as much when it conceded in its final revisions that it “does not intend or expect that this data will identify specific, similarly situated comparators or that it will establish pay discrimination as a legal matter.”

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- The statistical tests the EEOC has suggested it will use to analyze employer data will likely result in rampant Type I (false positive) or Type II (false negative) errors. This will only lead to additional requests for information based on inaccurate results.
- The use of Box 1 of the W-2 data increases the possibility of misleading results when investigating pay discrimination. For instance, if a male and a female earn the same salary for the job but one of them contributes more heavily to their 401(k), then according to the EEO-1 report there will be an appearance of pay disparities since the male and

female employee will have varying wages in Box 1 of their W-2 form.

- This is further compounded by how the EEOC will track hours data. The final proposal for counting hours worked will not address the concerns raised by the employer community. Eligibility for overtime, commissions, and bonuses are typically not the same for full-time, partial-year, or part-time employees, yet the report requires this kind of apples/oranges comparison. Further, as most employers will report proxy hours instead of actual hours worked by exempt employees, the hours data is of limited relevance. The EEOC believes that collecting hours worked is of “central importance” to assess part-time and partial-year work in assessing “potential pay disparities.” However, the only option given to employers for ensuring that their exempt pay information is analyzed using accurate information is to track actual hours worked for exempt employees, which would be extremely burdensome, if not unworkable, for many employers.

In addition to the concerns with the report itself, there remain significant outstanding data privacy concerns for employers. The final revisions acknowledge that the EEOC cannot release EEO-1 data and therefore the company-supplied EEO-1 report cannot be disclosed pursuant to a Freedom of Information Act or otherwise. However, EEO-1 data can be used in litigation. The OFCCP states it will review requests for the report under Exemption 4 of the Freedom of Information Act and the Trade Secrets Act. While Seyfarth Shaw has been successful opposing requests for disclosure of the EEO-1 report to the OFCCP in individual cases, the new form will undoubtedly be subject to additional scrutiny and requests for disclosure. Federal contractors will need to stay vigilant to ensure they are promptly responding to Freedom of Information Act requests for their EEO-1 report.

Employers Need to Be Proactive with Pay Equity Issues

So, what is next? First, the new EEO-1 report will be based on 2017 pay data, which begins in January. Employers will need to begin the process of determining how to adjust their systems and practices to ensure the new required data is available in the format mandated by the EEOC. Thus, it is important to begin discussions with human resources, human resources information systems, and information technology teams now. The number of fields in the new EEO-1 report has ballooned to 3,360 data points per establishment report. As a result, it will take time to develop and implement the right mechanisms to submit the new reports to the EEOC.

In light of the newly adopted EEO-1 report, the OFCCP’s focus on fair pay, and recent state action on pay equity (including California, New York, Massachusetts, Maryland, and Nebraska), all employers would be well-advised to conduct a proactive pay equity analysis now to address any areas of concern before data is reported and analyzed by the EEOC and/or the OFCCP.

R
For further information, please contact any of the authors: Nicole Bolson Baarts at nbolsonbaarts@seyfarth.com, Christine Hendrickson at chendrickson@seyfarth.com, or Annette Tyman at atyman@seyfarth.com.

Letters

Dear Editor,

If there is a more informative *Render* issue on this planet I don’t know where it might be. You cover rendering from one end to another. Thank you! I read it from cover to cover. Keep up the good work and thank you again.

I was in rendering for 71 years.

Joseph Mongelli
North Bergen, NJ

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background to support a listing. As more species are listed under the Endangered Species Act and as the definition of critical habitat is broadened, it becomes much more likely that any development project could be affected by federal or state endangered species restrictions.

President's Regulatory Legacy

Obama's eight years in office have been marked by aggressive government rulemaking. *The New York Times* stated that he has "reshaped the nation with a sweeping assertion of executive authority and a canon of regulations that have inserted the United States government more deeply into American life."

In addition to the new rules discussed above, other noteworthy new environmental regulations released since 2009 include:

- Clean Power Plan – Known as the takeover of the electrical power industry by EPA, this plan, if upheld by the courts, inserts the agency into the role of regulating power production and distribution, including the energy fuel mix of power generation, a role traditionally assumed by the states.
- Regulation of greenhouse gases – This ruling added greenhouse gases commonly found in nature to the list of regulated pollutants, expanding the potential reach of the Clean Air Act to nearly every boiler and restricting the use of certain fuels.
- Subpart JJJJJ National Emissions Standards for Hazardous Air Pollutants for boilers located at area source facilities effectively restricts the use of fuels other than natural gas in industrial boilers.

These rules are part of a shift from a relationship of cooperative federalism – where federal and state governments work as partners to protect the environment – to one of coercive federalism where EPA imposes its will on the states and regulated community, leaving the states with no choice but to implement according to EPA mandates. **R**

Valley Proteins Expands into Southwest

In 1992, Valley Proteins Inc. made its first venture westward with the purchase of its Amarillo, Texas, rendering plant and Odessa, Texas, substation. Two years later the Winchester, Virginia-based renderer acquired a facility in New Mexico and in 2001 bought a substation in El Reno, Oklahoma. Fifteen years later, Valley Proteins seized a long-awaited opportunity to further expand its operations in the southwest with the October 2016 acquisition of seven facilities in Texas, Oklahoma, and Louisiana. These rendering plants, which had operated under the umbrella of Pascal Enterprises Inc., effectively triple Valley Proteins' business in that area of the country to servicing almost all of Texas and Oklahoma and expanding into Louisiana and Arkansas.

Included in the purchase was Pascal's largest operation, San Angelo By-Products, a rendering plant in the small town of Veribest, Texas, outside of San Angelo, and



VALLEY PROTEINS, INC.

HTC Industries, a modern blood plant in San Angelo that produces both blood meal and blood plasma. Both facilities serve Lone Star Beef Processors in San Angelo.

Pascal's second largest rendering operation that Valley Proteins purchased is Capital City Processors in Oklahoma City, Oklahoma. This plant had long processed used cooking oil but a Dupps 2000 cooker was added in recent years to provide rendering services for Elkhorn Valley Packing, a beef processor in Harper, Kansas. Valley Proteins also acquired Pascal's Riegel By-Products in Shreveport, Louisiana, which formerly serviced House of Raeford Farms' poultry processing plant in Arcadia, Louisiana.

In addition, Valley Proteins bought Pascal's Oklahoma By-Products, a used cooking oil processing plant in Durant, Oklahoma; Texas By-Products, a large relay facility in Dallas, Texas; and smaller relay stations in San Antonio and Liberty, Texas, a suburb of Houston. Pascal's 120 employees were retained by Valley Proteins.

Pascal Enterprises was owned by Bill and Colleen Shirley. Bill grew up in the San Angelo area and worked at both the San Angelo and Veribest plants while attending high school and college. After obtaining his accounting degree, he went to work for Valcar, a rendering business in Dallas that he later acquired. In 1986, Shirley used his equity in Valcar and, along with a college friend in the investment community, put together an investment group that purchased Darling-Delaware Company from the Chicago, Illinois, family that had owned the rendering business for over 100 years. Shirley was named president of Darling-Delaware in the late 1980s. After Darling's stock was taken over by its bondholders in the early 1990s, Shirley established Pascal Enterprises and began to once again invest in the rendering industry. **R**

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California State Vet Recognized



Dr. Annette Jones

California State Veterinarian Dr. Annette Jones was honored for her extensive contributions to animal health and animal agriculture with a 2016 United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) Administrator's Award.

Jones, who also serves as treasurer of the United States Animal Health Association, was recognized for a long list of accomplishments in public service, including directing the state and federal partnership to eradicate an outbreak of exotic Newcastle disease; successfully directing the response to detections of avian influenza; and consistently demonstrating an ability to work cooperatively with other government agencies, the public, and industry in emergency animal disease planning efforts at all levels.

Jones began her career at the California Department of Food and Agriculture in 2001, was named director of the agency's Division of Animal Health and Food Safety Services in 2004, and was named state veterinarian in 2010.

Hayes Succeeds Smith as Tyson Foods CEO

Tom Hayes, president of Tyson Foods, will succeed Donnie Smith as chief executive officer (CEO) on December 31, 2016. Smith, who has been CEO of Tyson Foods since November 2009, will be available as a consult to the company for three years. Hayes was appointed president earlier this year after serving as chief commercial officer and president of food service. He is a 29-year veteran of the consumer products industry.

Rendering Symposium Returns to IPPE

The sustainability of the United States and Canadian rendering industries will be showcased at the annual International Rendering Symposium being held in conjunction with the International Production and Processing Expo (IPPE) February 2-3, 2017, in Atlanta, Georgia. Notable speakers will discuss how rendering by-products from the meat and poultry industries contribute to the life cycle analyses of animal agriculture and environmentally-friendly biofuel.

The two-day rendering symposium, sponsored by the National Renderers Association (NRA), will open with a virtual tour of a rendering plant followed by discussions on various aspects of rendering's sustainability and green footprint. Presentations and speakers include:

- "Facts or Fiction on Livestock and Climate Change" by Dr. Frank Mitloehner of the University of California-Davis, a global leader known for his carbon footprint analyses
- "Rendering: Making animal agriculture sustainable" by NRA's Dr. David Meeker, explaining how rendering specifically fits into the system
- "From Cow to Shoe: The symbiotic relationship between rendering and leather tanning" by Stephen Sothmann, president of the U.S. Hides, Skins, and Leather Association

Other symposium topics include used cooking oil – an important and sustainable service that renderers provide to the restaurant industry – innovation in the rendering industry, and how rendered ingredients stack up to other feed ingredients from a nutritional standpoint. International trade will also be discussed as well as the implications of the Food Safety Modernization Act on rendering.

Cost for the symposium is \$200 for registered IPPE attendees online or at the show. For the full agenda, visit www.ippexpo.org/edu_prgms or e-mail Jessica Meisinger at jmeisinger@nationalrenderers.com. **R**

Rendering Program Leader Retires

Dr. Doug Hepper, who presided over the development of California's Rendering Industry Advisory Board, is retiring at the end of the year after 26 years of service in the California Department of Food and Agriculture (CDFA).

After graduating with a bachelor of science degree in animal science and a doctorate of veterinary medicine from Washington State University, Hepper became the owner of a veterinary practice in Bellingham, Washington, in 1983. In 1988, he moved to California to work for the United States Department of Agriculture Food Safety and Inspection Service. He began working for CDFA in 1990 as a veterinary medical officer with the Meat Inspection Program.

For the past 20 years, as he advanced from staff veterinarian to northern area supervisor and then to branch chief, Hepper worked closely with the rendering industry to ensure all companies operated legally and when new programs were instituted to address inedible kitchen grease theft. He supported research and evaluated a plethora of new technologies to convert meat by-products to various uses, ensuring that such technologies did not undermine established animal and public health standards. Hepper also invested many hours and developed relationships with other state agencies, legislators, and government executives to help them understand the importance of the rendering industry in California as shifting policies and incentive programs impacted the management of meat by-products.

"I am going to miss Dr. Hepper's practical approach to problem solving, willingness to stand up for those that are underrepresented, and good-natured approach to work and life," said Dr. Annette Jones, California's state veterinarian. "He certainly deserves the best in his retirement. He earned it." **R**

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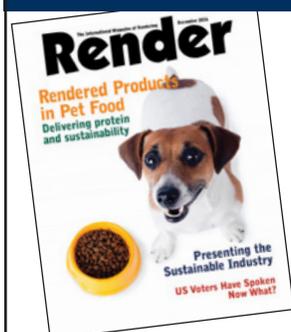
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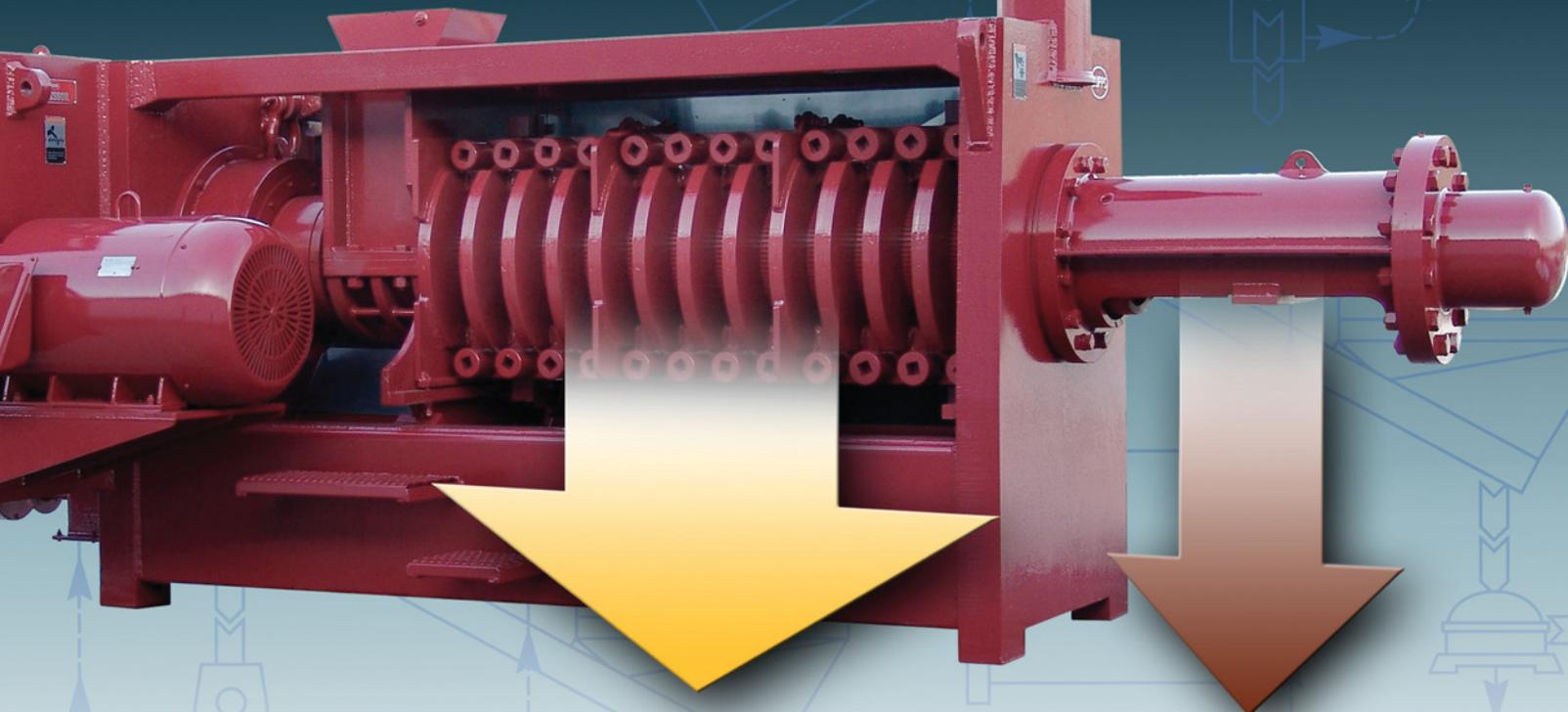
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