

ANNUAL
MEAT 2019
CONFERENCE

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Hilton Anatole
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FMI Regulatory Update

What are We Facing in 2019?

March 3, 2019



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FMI Regulatory Update What Are We Facing in 2019?

- **About Food Marketing Institute**
- **New Congress, Regulatory Landscape**
- **New USDA and FDA Leadership Posts**
- **San Francisco Antibiotics Ordinance**
- **Wage Issues**
- **Cell-Based Meat and Poultry**
- **FDA *Nutrition Innovation Strategy***
- ***Dietary Guidelines for Americans, 2020-2025***

FMI Proudly Advocates On Behalf Of The Food Retail Industry

- ▶ FMI membership covers the spectrum of diverse venues where food is sold.
- ▶ FMI conducts programs in public and government affairs, food safety, research, education and industry relations on behalf of its ~1,000 food retail and wholesale member companies in the U.S. and around the world.



More than
33,000
retail food
stores

Regional
firms

\$770
billion
combined annual
sales volume

Nearly
500
associate members
that include retail
**supplier
partners**

85
international
companies

Multi-
store
chains

Independent
operations

Online food
retailers,
pharmacies



Jobs
22.8 million

Wages
\$729 billion

Taxes
\$913 billion



U.S. Food and Agriculture - Who We Are

American Bakers Association ⇌ American Beverage Association
American Farm Bureau Federation ⇌ American Frozen Food Institute
American Soybean Association ⇌ BIO ⇌ Corn Refiners Association
Food Marketing Institute ⇌ Grocery Manufacturers Association
NASDA ⇌ National Association of Wheat Growers ⇌ NAMA
National Chicken Council ⇌ National Confectioners Association
National Corn Growers Association ⇌ National Grocers Association
National Restaurant Association ⇌ North American Meat Institute
North American Millers Association ⇌ SNAC International
The Fertilizer Institute ⇌ The Sugar Association
United Fresh Produce Association

www.feedingtheeconomy.com

New Congress, Regulatory Landscape: *Divided We Stand*

- ▶ D House + R Senate = Logjam
- ▶ 2020 Presidential election impact
- ▶ Greater emphasis on states/localities/ballot initiatives, and Executive Branch
- ▶ Shutdown ripple effects
- ▶ More attempts to reduce regulation
 - USDA must eliminate 2 regs to create a new 1

USDA: New Leadership, Mission Areas

FDA: New Head of Food Safety

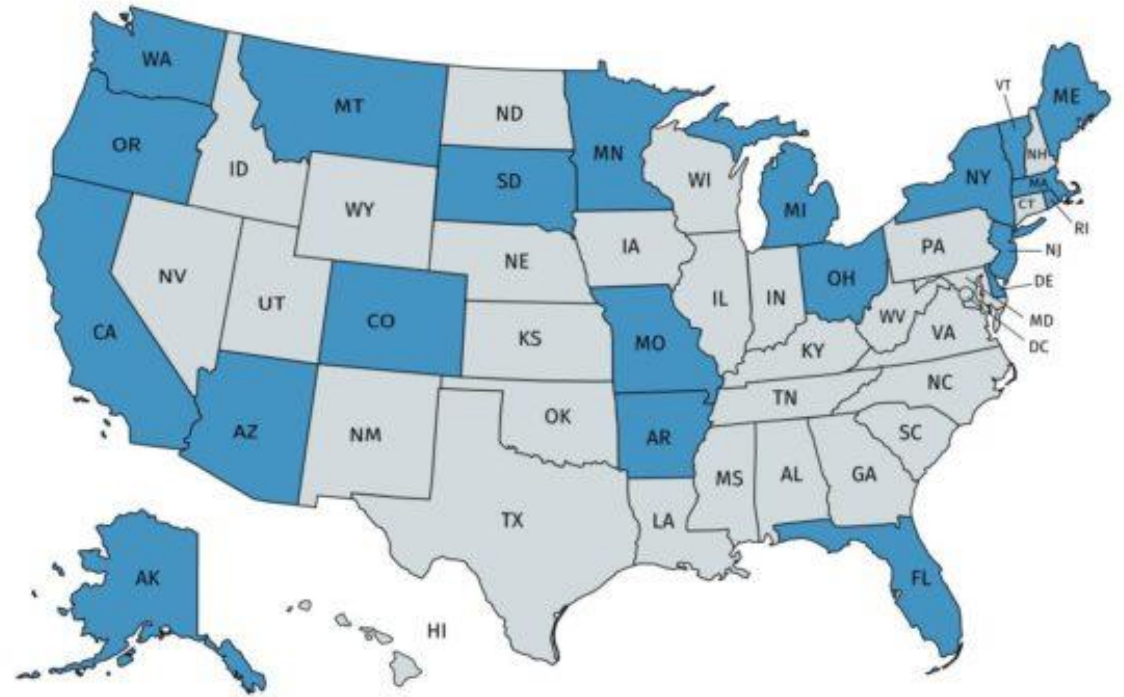
- ▶ New USDA Deputy Under Secretaries
 - Mindy Brashears (FSIS), Scott Hutchins (REE), Naomi Earp (OCR)
- ▶ New USDA Under Sec for Trade & Foreign Ag Affairs
 - Ted McKinney, Indiana
- ▶ New USDA Under Sec for Farm Production & Conservation
 - Bob Northey, Iowa
- ▶ New FDA Deputy Commissioner, Food Policy & Response
 - Frank Yiannas, formerly with Walmart

San Francisco Antibiotics Ordinance

- ▶ Circumvents federal law with reporting requirement re ABX in raw meat/poultry for retailers vs. producers
- ▶ Medically important ABX given to animals (i.e. not residues)
- ▶ Retailers with ≥ 1 store in SF, and ≥ 25 elsewhere
- ▶ Annual reporting requirement
 - First deadline: May 3, 2019 (covering 2018)
- ▶ Potential waivers: FMI filing to remove requirement for USDA Organic, Antibiotic Free & product-specific categories
 - Beef, pork, poultry, lamb
- ▶ Limited reporting requirements for grocers w/ policies prohibiting use of medically important antibiotics
- ▶ FMI/NAMI Engagement

Wage Issues

- ▶ 20 states and 23 municipalities have increased their minimum wages in 2019
 - Federal discussion ongoing
- ▶ Two states enacted gradual increases to \$15/hour
 - IL (by 2025) and NJ (by 2024)
- ▶ Expect other states to follow
- ▶ Food retailers generally employ many young people (14-19), often rely on youth or training wages



Cell-Based Meat and Poultry

- ▶ Joint USDA-FDA regulatory framework
 - FDA: Initial oversight, up until cell harvest stage
 - USDA: Regulate production and labeling of foods
- ▶ Congressional pressure to release details of strategy
 - 60 day deadline passed in Spending Bill on Feb. 15th
 - Plan must be made public on USDA, FDA websites
- ▶ State laws aim to regulate “meat,” related terms
 - Patchwork would be extremely problematic
- ❖ **Workshop on this topic Tuesday morning!**

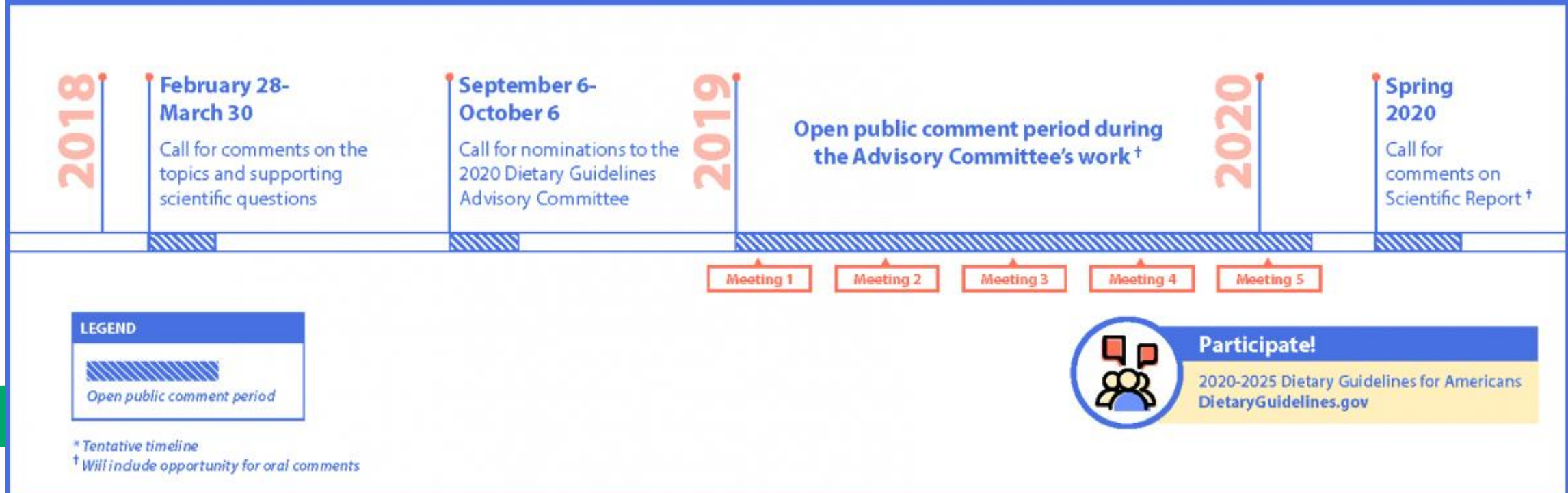
FDA Nutrition Innovation Strategy

- ▶ Aims to promote improved nutrition via industry innovation, consumer information
 - Very comprehensive, still in early stages
- ▶ Could impact FSIS-regulated products
- ▶ Key elements
 - Modernizing labeling (health) claims; “healthy” icon
 - Updating ingredient labels for consumer understanding
 - Modernizing Standards of Identity
 - Sodium reduction
 - Nutrition Facts Label education campaign

Dietary Guidelines for Americans, 2020-2025

- ▶ Updated every 5 years; guides federal nutrition programs and policy
- ▶ Advisory Committee announced Feb. 21
 - Behind schedule, but first public mtg to be held in the coming weeks

2020 Dietary Guidelines Advisory Committee Timeline*



The Transparency Imperative

“There is nothing to be ashamed about in the U.S. [livestock] industry. No longer can we stand behind the cattle guards of our farms and ranches.”

- USDA Secretary Sonny Perdue

- ▶ Our shared customer demands more information about their food than ever before.