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Notes on Agriculture

Politico

- The White House will release its next budget proposal this morning, on the heels of a new omnibus spending package that included a significant boost for food, agriculture and rural programs.
- Federal antitrust regulators will hear from farmers, grocers and other groups today on how consolidation has affected the food and ag industries, as the administration considers new merger guidelines.
- High levels of PFAS "forever chemicals" were found in the packaging of popular fast-food restaurants, according to a Consumer Reports investigation.
- After intense drought and heat hampered potato farmers in Idaho and Washington last year, Maine is stepping up its potato production again to help meet the demand.

Agri-Pulse Daybreak

Agri-Pulse

Poultry, dairy among food price leaders in 2022

Grocery shoppers should buckle up. USDA has raised its forecast for supermarket prices, estimating that they will rise 3% to 4%. That's a full percentage point higher than the February forecast and well above the 20-year average of 2% a year.

USDA raised its inflation estimate for nearly every food group. Prices for poultry and for fats and oils are both expected to be 6% to 7% higher in 2022. Prices for fresh fruits are estimated to rise by 5% to 6%, and prices in the dairy case are expected to jump by 4-5%.

Prices for beef, which helped pace food inflation over 2020 and 2021, are expected to be 3% to 4% higher this year.

Take note: USDA economists say it isn't clear yet what the impact of avian flu outbreaks will be on poultry prices. Wholesale poultry prices already have been on the rise, increasing 4.1%. They're up 26.5% since February 2021.



"Highly pathogenic avian influenza could either place upward pressure on poultry prices through decreased production or downward pressure through decreased access to international markets," <u>according to the Food Price</u> <u>Outlook</u>.

And on that subject: The Nebraska Department of Agriculture on Saturday canceled all poultry events across the state due to highly pathogenic avian influenza (HPAI). The order prohibits birds of any type at events including but not limited to fairs, expositions, swap meets, exotic sales and live bird auctions. The order will be in effect until at least May 1. Iowa's ag department issued a similar order last week.

Ukraine appoints new ag minister amid war's impact on farming

Taras Vysotsky will step up to be Ukraine's acting minister of agriculture after Roman Leshchenko resigned last week, according to an official with the Ukraine Agriculture Ministry.

Vitaly Kushnir, a farmer and adviser to the ministry who was appointed by Leshchenko on March 4, tells *Agri-Pulse* Vysotsky has strong relationships with the country's farmers who are struggling to prepare for their wheat harvest and corn planting during the Russian invasion.

Low supplies of fuel, fertilizer and manpower to operate farm machinery are the main problems facing Ukraine's farmers, Kushnir says.

Potato growers protest trade resumption of Prince Edward Island trade

The National Potato Council expressed disappointment Friday with USDA's announcement that Canada would resume exporting spuds of Prince Edward Island spuds to the U.S. despite the presence of potato wart on the island.

<u>"Potato wart has been found in Prince Edward Island in eight of the past 10 years, and in a total of 33 potato fields since 2000," NPC said</u>. "The frequency of finds – plus the dramatic drop in the number of disease tests via soil samples – should make U.S. regulators question the prevalence of the disease on the island."

<u>But Ag Secretary Tom Vilsack said USDA</u> is "confident that table stock potatoes can enter the United States with appropriate safeguards in place to ensure the U.S. potato industry remains protected."



In a news release, USDA said its requirements and measures instituted by the Canadian Food Inspection Agency require potatoes from PEI and the seed potatoes used to produce them "must originate from fields not known to be infested with potato wart or associated with known infestations."

The table stock potatoes also must be washed in PEI to remove soil, treated with a sprout inhibitor, and graded to meet the U.S. No I standard, USDA said.

USTR eyes action against Mexico's energy sector

Politico

Tai has "serious concerns" with the way that Mexico is exerting greater control over its energy sector. The question now is whether she's building a case to bring a formal complaint under the U.S.-Mexico-Canada Agreement.

That would certainly appear to be the case. Tai met virtually on Friday with key lawmakers and environmental advocates to gather their grievances with Mexico's policies. At that meeting, Tai noted her office was scrutinizing changes to energy regulations and government efforts to limit competition, per a readout of the meeting.

Dangerous chemicals found in food wrappers at major fast-food restaurants and grocery chains, report says

Alarming levels of dangerous chemicals known as PFAS were discovered in food packaging at a number of well-known fast-food and fast-casual restaurants and grocery store chains, a new report found.

The highest levels of indicators for PFAS were found in food packaging from Nathan's Famous, Cava, Arby's, Burger King, Chick-fil-A, Stop & Shop and Sweetgreen, according to an investigation released Thursday by Consumer Reports.

Often called "forever chemicals" because they do not break down in the environment, PFAS are used in food packaging to prevent grease and water



from soaking through food wrappers and beverage cups. PFAS can also be found in the ink used to print logos and instructions on food containers.

The new report comes more than two years into the Covid-19 pandemic, when the public has relied heavily on takeout and grocery deliveries.

The US Centers for Disease Control and Prevention calls exposure to PFAS (per- and polyfluoroalkyl substances) a "public health concern," citing studies that found the human-made chemicals can harm the immune system and reduce a person's resistance to infectious diseases.

"There is evidence from human and animal studies that PFAS exposure may reduce antibody responses to vaccines," stated the CDC and the Agency for Toxic Substances and Disease Registry. "More research is needed to understand how PFAS exposure may affect illness from COVID-19."

More than 100 food products tested

The Consumer Reports investigation collected 118 food packaging products sold by 24 companies in the tristate area of New York, New Jersey and Connecticut. It tested those products for organic fluorine – a marker for PFAS. Researchers then sent samples of products with the highest levels to an independent laboratory that could perform more specific tests, said Michael Hansen, senior staff scientist for advocacy at Consumer Reports.

Regulatory limits for how much PFAS food packaging should contain can vary greatly. In the US, there are no federal limits, leaving action up to the states. Connecticut, Maine, Minnesota, New York, Vermont and Washington have passed bills banning intentional use of PFAS in food packaging, but haven't yet specified a limit, according to Consumer Reports. In January 2023, a new law in California will set the limit at less than 100 ppm (parts per million).

However, Denmark set a much lower regulatory limit of 20 ppm with great success, said Xenia Trier, a chemicals, environment and human health expert at the European Environment Agency.

"In Denmark we've seen both a decrease in noncompliance by industry from 60% to about 30% and a decrease in levels of PFAS in packaging products over the past 10 years," Trier told CNN. "It does work to set limits and enforce them. It is possible to find alternative solutions and if one manufacturer can make packaging without PFAS, then it should be possible for everybody to do it."



The Consumer Reports investigation found the highest indicators for PFAS – 876 ppm and 618 ppm – in two types of bags for sides at Nathan's Famous restaurants.

High indicators of PFAS (in the 500s) were also found in a Chick-fil-A sandwich wrapper and in fiber bowls at Cava, a Mediterranean restaurant chain.

Indicator levels in the 300s and 400s were found in a bag of cookies at Arby's, bamboo paper plates at Stop & Shop, and in a bag for both cookies and French toast sticks at Burger King.

Levels of PFAS indicators in the 200s were found in a Sweetgreen paper bag for focaccia, additional items at Cava, and in bags for french fries, cookies and Chicken McNuggets at McDonald's.

However, all of the companies listed had additional food packaging that tested at levels below 200 ppm. Four companies – Arby's, Nathan's Famous, McDonald's and Stop & Shop – also sold food in packaging that had no detectable levels of PFAS, the report said.

The Consumer Reports investigation did not test packaging from every food product sold at each company.

"I would not urge consumers to take these brand names and only go to this one or that one, as this investigation only looked at just over 100 products," said Graham Peaslee, a professor of physics, chemistry and biochemistry at the University of Notre Dame in Indiana.

"However, this will hold industry's toes to the fire, so in that sense, I think it's a valuable report," he added. "Measuring and saying PFAS is there and it's dangerous gets people's attention, and companies tend to avoid attention like that."

Health impact of PFAS

PFAS chemicals are in many products: nonstick cookware, infection-resistant surgical gowns and drapes, cell phones, semiconductors, commercial aircraft and low-emission vehicles. The chemicals also are used to make carpeting, clothing, and furniture resistant to stains, water and grease damage.

In use since the 1950s, PFAS are chemicals most Americans have "in their blood," especially perfluorooctane sulfonic acid (PFOS) and perfluorooctanoic



acid (PFOA)," according to the Agency for Toxic Substances and Disease Registry, which is charged with protecting the public from hazardous substances.

In the Consumer Reports investigation, the most common chemical found in the food packaging that was tested was PFOA, with PFOS coming in fifth, according to the report.

In addition to impacts on the immune system, the Agency for Toxic Substances and Disease Registry said studies in humans and lab animals have found links between certain PFAS chemicals and an increase in cholesterol levels, alterations in liver enzymes, a higher risk of developing kidney or testicular cancer, small reductions in infant birth weights and an additional risk of high blood pressure in pregnant women.

"PFAS have also caused birth defects, delayed development, and newborn deaths in lab animals," the agency stated, while adding "not all effects observed in animals may occur in humans."

As environmental groups and the public began to take notice of the health impacts of the chemicals, manufacturers started to voluntarily phase out the use of PFOS and PFOA in the US. Between 1999 and 2014, blood levels of PFOS in Americans had declined by more than 80% and blood levels of PFOA had declined by more than 60%, the Agency for Toxic Substances and Disease Registry stated.

However, "as PFOS and PFOA are phased out and replaced, people may be exposed to other PFAS," the agency continued. Newer versions of PFAS in food packaging appear to be absorbed by food more readily than the older versions, according to a 2016 study.

Studies in Denmark have shown that PFAS do "migrate from the paper into the food," Trier said. "Even though it was not 100%, we still saw substantial transmission. In general, transmission from packaging to food is increased as the temperature of the food rises and the time spent in wrapping materials increases."

Industry response

The Consumer Reports investigation mirrored results of reports in 2018 and 2020 by Toxic-Free Future and Safer Chemicals Healthy Families. Those



reports found "harmful" levels of PFAS in fast-food packaging and in nearly two-thirds of takeout containers made of paper, like those used at self-serve salad buffets and hot bars.

In response to the 2018 report, Whole Foods became the first grocery chain in North America to publicly commit to remove PFAS from takeout containers and deli and bakery paper. Other companies have followed suit, including Ahold Delhaize, Albertsons, Amazon.com, Cava, Chipotle, Freshii, McDonald's, Panera Bread, Sweetgreen, Trader Joe's and Wendy's, according to Toxic-Free Future.

In the new investigation, Consumer Reports tested 13 food packaging products from retailers that had previously committed to phasing out PFAS. Seven of the 13 had levels of PFAS above 20 ppm, the report said.

Burger King, which had high levels of PFAS in three of six products tested, had not made a public commitment to phase out PFAS, according to Consumer Reports. Early Thursday, parent company Restaurant Brands International announced it will globally phase out any "added" PFAS from "guest-facing packaging materials" at the Burger King, Tim Hortons and Popeyes brands "by the end of 2025 or sooner."

Nathan's Famous, which Consumer Reports said also has not made a public commitment to reducing PFAS, told CNN the company had begun phasing out the bags. "One of our goals in this complete package redesign is to reduce PFAS," said Phil McCann, vice president of marketing at Nathan's Famous. "Full transition will be complete by December 2022."

Chick-fil-A told CNN it had been on a four-year journey to phase out PFAS: "Chick-fil-A has eliminated intentionally added PFAS from all newly produced packaging going forward in our supply chain. While some legacy packaging may still be in restaurants, it is expected to be phased out by the end of this summer," the company tweeted Wednesday.

Cava, which had previously pledged to reduce PFAS but had five out of six products with indicators between 200 ppm and 548 ppm, told CNN that "due to a multitude of factors related to the pandemic, and especially global supply chain shortages, the transition to eliminating added PFAS, which began in August of 2021, is taking longer than planned. Our teams are working with our suppliers to complete the transition within the year."



A McDonald's spokesperson said less than 7.5% of the company's global food packaging contained added PFAS at the end of 2020 and said the company was continuing its search for alternative materials that offered proper greaseresistant barriers, with a goal of reducing deliberately added PFAS by the end of 2025.

Sweetgreen told CNN the company was "proud to share that we are currently in the process of rolling out new PFAS-free focaccia bags that will be available in all Sweetgreen locations by the end of Q2."

Jennifer Brogan, director of external communications and community relations for Stop & Shop, told CNN the company could "confirm that these Nature's Promise brand plates have been removed from all store locations."

A spokesperson from Arby's told CNN in an email that the company has "minimal packaging materials containing PFAs and is on track to have PFAs removed from all packaging products by the end of 2022."

Actions the public can take

Experts say people who want to avoid PFAS in their takeout and food delivery packaging should favor companies that have pledged to remove the chemicals.

Take food out of the container as soon as you receive it, and never reheat food in its original container. Instead, remove your food and heat it in ceramic or glass containers, Trier said.

The Consumer Reports investigation found some of the highest levels of PFAS were in paper bags (192.2 ppm) and molded fiber bowls and trays (156.8 ppm). Paper plates tested at 149 ppm, and food wrappers and liners came in at 59.2 ppm.

Don't be fooled by "environmentally friendly" claims – they don't guarantee a product is PFAS-free. When Consumer Reports tested those products, some had levels of PFAS above 100 ppm, and most had some detectable levels, the report said.

Experts also suggest reducing the frequency of takeout meals to once a week or less, and recommend that people instead make food at home.



You can also reach out to your congressional representative and senators and support the bipartisan bill Keep Food Containers Safe from PFAS Act, experts said. Designed to ban the use of any PFAS as a food contact substance, the bill was introduced into both chambers in November.

Chick-Fil-A announces plan to convert its used cooking oil to biofuel

The Hill

Chick-fil-A will partner with food manufacturing company Darling Ingredients Inc. to convert its used cooking oil into cleaner-burning renewable transportation fuel.

"At Chick-fil-A, we are committed to caring – and that includes caring for others through our food and caring for our planet," said Chick-fil-A Vice President of Corporate Social Responsibility Rodney Bullard in a statement on Monday. "Our innovative partnership with DAR PRO Solutions helps us be responsible stewards of the resources at our restaurants and allows us to support the future of renewable transportation fuel – all while positively influencing the communities we serve."

DAR PRO Solutions, Darling Ingredients's used cooking oil recycling company, will be given the used oil from Chick-fil-A locations in the U.S., which include restaurants in 47 states and the District of Columbia, and in Canada.

"We admire Chick-fil-A's commitment to reducing food waste and are proud to be part of a solution that keeps food waste out of our landfills while delivering a renewable fuel that reduces GHG emissions," said Darling Ingredients Executive Vice President for Renewables and U.S. Specialty Operations Sandra Dudley.

Darling Ingredients's Diamond Green Diesel project "turns hundreds of millions of pounds of used cooking oil into renewable diesel" every year, according to the company.

Darling Ingredients estimated that this year the project will produce over 700 million gallons of renewable diesel, which it said can reduce greenhouse gases by as much as 85 percent.



Avian influenza confirmed in two Minnesota poultry flocks

AP/ MPR News

Highly pathogenic avian influenza has been confirmed in two poultry flocks in Minnesota, the state Board of Animal Health announced Saturday.

The agency said the affected poultry flocks are a commercial flock of nearly 300,000 turkeys in Meeker County, and a backyard flock of 17 chickens, ducks and geese in Mower County. Samples collected from both flocks were tested on March 25 and confirmed by the U.S. Department of Agriculture.

The state Board of Animal Health said they're the first confirmed cases in Minnesota in 2022.

Back in 2015, 9 million birds in Minnesota were killed by the virus, or euthanized to slow its spread. The virus is believed to be spread by migrating waterfowl in the spring.

Poultry producers in the state had been on high alert for weeks, and taking steps to increase biosecurity, after the virus was detected in neighboring states, including lowa and South Dakota.

Officials cautioned that the appearance of avian flu in a backyard flock is a key difference from the 2015 outbreak.

"We are prepared to make sure this outbreak stays small," said Dr. Jill Nezworski, a poultry veterinarian and a board member of the Minnesota Turkey Growers Association. "And I want to remind all poultry owners that biosecurity takes 100 percent commitment, 24 hours a day, seven days a week."

State animal health officials have quarantined the two properties in Minnesota. All birds in those flocks will be destroyed and will not enter the food system, officials said.

"These are the first cases of HPAI in the state of Minnesota since 2015," Dr. Dale Lauer, poultry program director for the Board of Animal Health, said in a news release. "Poultry producers and backyard flock owners need to be on alert and contact their veterinarian immediately if they see any changes in their flocks.



Everyone in poultry facilities needs to follow the site's biosecurity protocols every time to prevent the spread of disease."

Minnesota health and agriculture officials said on a media call on Saturday afternoon that the state is better positioned to respond to avian flu, after the major outbreak in 2015.

"We have a really robust emergency response plan in place because of the lessons learned from that experience," said Dr. Beth Thompson, state veterinarian and the executive director of the Minnesota Board of Animal Health. "We have an incident management team that has already been stood up. We have folks in our counties ... that have been in the loop and helped with that planning."

Avian influenza is an airborne respiratory virus that spreads easily among chickens through nasal and eye secretions, as well as manure. The virus can spread from flock to flock by wild birds, through contact with infected poultry.

The U.S. Centers for Disease Control and Prevention has said the recent bird flu detections do not present an immediate public health concern.

After the 2015 outbreak, the USDA reported the virus caused a drop in egg and turkey production and higher prices for consumers.

Milk prices soaring around the globe

The Bullvine

Canada is far from alone with a milk price increase of more than eight per cent on Feb. 1.

The entire world is facing disruptions, cost increases, faltering production, and soaring milk prices.

Bad weather in New Zealand, the United States and Australia had already combined with rocketing gas prices and pandemic-related supply chain disruptions to put pressure on milk producers in the five biggest exporters before the war.

Combined milk production in New Zealand, which accounts for 35 per cent of global exports, the European Union, Australia, the U.S. and Argentina fell 1.7



per cent in January compared with the previous year, down according to commodity broker StoneX.

New Zealand and Australia posting declines of more than 6 per cent.

After the start of the war on February 24, prices of crucial products have risen further.

Anhydrous milk fat, a core dairy product, hit a record \$7,111 a tonne on March 15, according to Global Dairy Trade index, which monitors New Zealand dairy prices.

Whole milk powder, the most actively traded product, hit an eight-year high this month.

New Zealand company Fonterra, the world's biggest dairy exporter, said last week it was paying farmers 30 per cent more for milk than it did a year ago and predicted the price would rise further.

It cited rising costs for fertilizer and feed and disruptions in supply chains related to ongoing labour shortages because of the COVID-19 pandemic and Russia's invasion of the Ukraine.