DON’T MISS THE 16TH ANNUAL HOT DOG OPEN!

It's Hot Dog Open Time!!! The sun is out, the air is warm (sort of) and most of you are practicing your golf swings! If you are looking FORE some fun, then join us for the MSMA’s 16th Annual Hot Dog Open/Sue McNabb Memorial being held September 17th. We are very excited to be returning to the Cincinnati area to play at the Shaker Run Golf Club, Lebanon, Ohio. Our headquarter hotel is once again the fabulous Marriott Northeast, Mason, Ohio.

The outing will be a shot gun start at 8:00 am – but you'll want to arrive in plenty of time to register and maybe loosen up with a few practice swings! Once again play will be a scramble format. And of course, you can still look forward to a huge 50/50 raffle and some great door prizes!

Don't miss the Supplier Recognition Reception being held on Wednesday, September 16th at the Cincinnati Marriott Northeast. This reception will be held from 5:00 – 7:00 p.m., and promises to be a great time to mingle and network with your fellow golfers, enjoy a beverage or two and size up the competition. In addition, the Marriott Northeast hotel offers a great room rate of just $135 for those of you spending the night.

With all this going on – you definitely can't miss it! Remember, Early Bird registrations are due by August 7th with the final registration deadline being September 4th. So, gather your clubs, knickers and Polos, because, until we get our green jackets, these will have to do.

See the Registration Form here!

2016 CONVENTION PLANNING HAS BEGUN

Even as we prepare for our Golf Outing, planning is also underway for our 2016 Annual Convention. We will once again, be returning to the Marriott Northeast in Mason, Ohio. Selections will also begin soon for our entertainment and educational portions of our event – so -- if you have any ideas you'd like to suggest, please email them to me as well!

In the meantime, be sure to mark your calendar for January 29 & 30! Details will be mailed.

2015 MSMA FISHING TRIP REVIEW

We are pleased to report that MSMA 4th Annual Fishing Trip and Fish Fry was another great success! The beautiful Catawba Island Club pampered us with a relaxing, enjoyable and fantastic Perch Fry Dinner! The sunset was lovely and the networking and fellowship completed the evening and some continued the evening at another local watering hole (ha-ha!). On Wednesday morning the weather was a little cold, but that didn’t stop us! We cruised along the Erie toward some prime fishing spots with 27 anxious fishermen. With a record number of fishermen, were able to catch a grand total of 108 fish!

“Thank you” to all who participated in the Fishing Trip and the Fish Fry! We will go back next year for some more fishing fun! Please see pictorial review for more on this fun day.
LEGISLATIVE REPORT

FEDERAL UPDATES

House Ag Committee Responds to WTO Ruling on COOL
The House Agriculture Committee moved quickly to respond to the decision from the WTO's Dispute Settlement Body, which ruled that portions of the country of origin labeling (COOL) regulation violate the United States' trade obligations in late May. The Committee marked-up and approved H.R. 2393, which repeals country of origin labeling for beef, pork and chicken. The bipartisan vote in favor of the legislation was a surprisingly strong 38-6; Ranking Member Collin Peterson (D-MN) - a longtime supporter of COOL - led the opposition to H.R. 2393, calling on the committee to slow down and consider a solution to the WTO decision at a more cautious pace. House leaders have indicated that they will bring the bill up for a vote by the full House soon.

Congress Introduces Bill to Raise Federal Minimum Wage
Legislation has recently been introduced on Capitol Hill that would gradually increase the federal minimum wage to $12 an hour over five years, and then index it to median wage growth. The cosponsored bill by Rep. Bobby Scott (D-VA) and Sen. Patty Murray (D-WA) would increase the minimum wage for about a quarter of the American workforce. Specifically, the proposal would raise the minimum national hourly wage (which is currently at $7.25 an hour) to $8 in 2016 and increase it by a dollar annually in subsequent years, hitting $12 in 2020. A total of 32 Democrats signed on as co-sponsors in the Senate and 160 Democrats in the House. However, given the lack of support from Republicans and with Republicans holding control of both chambers, it seems unlikely that the measure would advance.

GMA-Supported GMO Labeling Bill Introduced in House
In March, Reps. Mike Pompeo (R-KS), G.K. Butterfield (D-NC) and 16 other bipartisan Members of Congress introduced legislation (H.R. 1599) supported by the Grocery Manufacturers Association (GMA) and other food and agricultural industry groups to, among other things, create a voluntary GMO and non-GMO labeling program that would preempt state or municipal GMO labeling laws or standards. Similar to legislation introduced in the last Congress, the bill also contains provisions addressing the FDA pre-market review process for new biotech applications and establishing a federal standard and preemption for use of the term "Natural" on food products. In addition, H.R. 1599 also includes provisions for USDA to establish a voluntary process-verified certification program for non-GMO foods, similar to the National Organic Program administered by USDA's Agricultural Marketing Service.

New House Bill Introduced to Restrict SNAP Purchases
Rep. Tom Rice (R-SC) introduced H.R. 2383, a bill to amend the Food and Nutrition Act of 2008, which would change the eligible foods allowed for purchase with SNAP benefits. The two-page bill would limit SNAP purchases to the kinds of foods prescribed under WIC plus lean meat and poultry. FMI and the Coalition to Preserve SNAP Choice have reached out to the bill's cosponsors to raise concerns and encourage them to work with us to find solutions to their concerns with SNAP. Rice’s proposal mirrors the one promoted by South Carolina Governor Haley in 2013.

Healthcare Update:
Several national organizations and groups submitted comments on seeking maximum flexibility in response to the IRS Notice Requesting Comment pertaining to the Affordable Care Act’s 40% excise tax on “high cost plans” or the Cadillac Tax, scheduled to take effect in 2018. Since many of the parameters of the tax are prescribed in the ACA statute and require Congressional action for changes to be made, the comments provided attempt to minimize the impact of the tax on employer-sponsored health plans. Additionally, there are currently two pieces of House legislation from Democrats, H.R. 2050 and Republicans, H.R. 879 that seek to repeal the tax.
LEGISLATIVE REPORT continued

Tax Reform Update:
In a speech in early May, House Ways and Means Committee Chairman Paul Ryan laid out his planned approach to tackling tax reform, along with a specific timeframe. Chairman Ryan acknowledged that he was unlikely to be able to negotiate an agreement on individual tax rates with the Obama administration, and indicated instead that he was going to focus on business tax reform for the time being. This process will attempt to cover not only C corporations, but also pass-through businesses that pay taxes through the individual code, though the Chairman acknowledged the difficulty of achieving reform for pass-throughs without being able to touch individual marginal tax rates. With a presidential election looming, the timeframe for this effort looks very tight, and significant progress needs to be made by July. Most observers seem to feel that business-only tax reform is unlikely to happen this year. Chairman Ryan acknowledged the difficult road ahead and indicated that – if efforts at tax reform look stalled by summertime – he would consider shifting gears to focus on completing work on tax extenders.

TRADE AND REGULATORY ISSUES

DOL Sends Overtime Regulatory Proposal to OMB
Proposed rules from the Department of Labor (DOL) referencing overtime pay under the Fair Labor Standards Act were sent over to the Office of Management and Budget (OMB) in early May for subsequent review prior to publication in the Federal register.

Under regulatory procedures, OMB now has 90 days to review the proposed rulemaking followed by a period when the rules will be made public with interested parties having an opportunity to file formal comments. Several national partners, including FMI, plan to submit public comments.

Currently, the salary test threshold is $455 per week or $23,650 per year which has been in effect since 2004. Speculation has been growing that the Department will seek to raise the salary threshold to as much as $42,000 or higher. Organized Labor has been urging the Administration to increase the wage threshold to over $50,000 a year.

The other critical component of the Department's Overtime initiative are revisions to the current primary duty test that would require exempt employees to spend a majority of their time performing "exempt" type activities, such as supervising other employees or having specific managerial responsibilities to hire, promote, evaluate or fire an individual. MDFA is very worried that a primary duty test, if defined as "direct supervision" for the "majority" of their time, would potentially impact numerous company level, warehouse and corporate positions. Compounding this problem is the uncertainty surrounding how affected exempt positions would go about documenting that they are spending a majority of their time performing supervisory type activity in order for these associates to remain exempt.

It remains an overriding concern for business that the reclassification of numerous managerial positions from exempt to non-exempt status will have significant negative consequences that will not benefit member company associates who are currently classified as management. As such, downgrading associates to non-exempt status will hurt employee morale, could adversely affect recruiting and retention, and threaten company operations.

FDA Issues Proposed Rule for Food Facility Registration
The Food and Drug Administration (FDA) issued a proposed rule that would amend and update its regulatory rules on the registration of food facilities. Under the current rules, food facilities that manufacture, process, pack or hold food for consumption must register with FDA, while retail food establishments, farms, restaurants and certain other entities are exempt from the requirement. The proposed rule would expand the definition of a retail food establishment, extending the registration exemption to establishments that sell products primarily at roadside stands,
LEGISLATIVE REPORT continued

farmers’ markets and Community Supported Agriculture programs. These would implement certain provisions of the Food Safety Modernization Act (FSMA).

FSIS Issues Revised Directive Outlining Food Defense Procedures
USDA’s Food Safety and Inspection Service (FSIS) issued a revised directive providing additional instructions to inspection program personnel regarding procedures for conducting Food Defense Verification (FDV) tasks at meat, poultry and egg product establishments. In addition, the directive also provides instructions for using Public Health Information System to complete such FDV tasks, describes the steps involved in completing the annual food defense plan survey and indicates methods to address and resolve security concerns to ensure food is protected.

New Study Looks at Effects of Meat Consumption and Diet
A recent study published in The Journal of Federation of American Societies for Experimental Biology details the effects of lunch meat consumption on nutrient intake and overall diet quality in children and adults based on data collected from a national sample. The study found that, while lunch meat consumers had significantly higher intakes of calories and energy-adjusted daily intakes of protein, saturated fatty acids, calcium, potassium and sodium compared to non-consumers, there was no difference in dietary quality between lunch meat consumers and non-consumers. The authors conclude that lunch meat can be incorporated into healthy dietary patterns, given that it does not adversely affect the overall quality of the diet.

STATE UPDATES

OHIO

Budget Update
MSMA was encouraged by the House changes to Budget Bill which removed the proposed 23% increase to the CAT rate and the sales tax hike and expansion. Instead the House plan would provide for $1.2 billion income tax cuts using projected growth in tax revenue to offset the expense. Furthermore, the new proposal would include a 6.3% across-the-board reduction in rates, bringing the top income tax rate below 5%. The new plan also makes permanent a 75% small business tax cut for the first $250,000 of income.

The budget is now under consideration within the Ohio Senate with planned deliberations until mid-June. MSMA will continue to monitor any new developments, particularly in relation to the meat industry and any language that impacts the business community.

KENTUCKY

The Kentucky legislature convenes in regular session on the first Tuesday after the first Monday in January for 60 days in even-numbered years and for 30 days in odd-numbered years. It convenes in special sessions at the call of the governor. The Kentucky Constitution mandates that a regular session be completed no later than April 15 in even-numbered years and March 30 in odd-numbered years.
The Legislature worked well into the early morning before adjourning at 3:20am on Wednesday, March 24 – ending the 2015 General Assembly. Before adjourning the legislature sent a plethora of legislation to Governor Steve Beshear's desk. Some highlights include:

- Lawmakers did not reach an agreement to shore up the Kentucky Teachers' Retirement System, which currently faces a $14 billion unfunded liability or to allow high school students to serve on superintendent screening committees.
- A robust and comprehensive package designed to curtail the spectrum of heroin abuse
- Revision to the booster seat bill raising the requirements to age 8 and 57 inches
- Stabilization of the Road Fund, which is used to maintain roads, by not allowing the gas tax to drop by 5.1 cents a gallon beginning on April 1.

**TENNESSEE**

Legislators wrapped up session, albeit, relatively quietly on the evening of April 22. Besides the appropriating of the state's annual $33.8 billion budget, some of the other last minutes pieces of legislation to pass include:

- During the fall elections, voters approved an amendment to the state constitution that allows changes to how judges are selected in the state. The House and Senate debated on how best to choose the justices but ultimately proposed a compromise on a system of legislative confirmation of judges nominated by the governor. However, both leaders of each Chamber opposed the report and voted to delay taking any action on the plan until next year.
- Legislation to allow non-citizens who were honorably discharged from the U.S. Military to serve as police officers in Tennessee.
- Approved a plan to expand an existing exemption to the state's tax on investment income, known as the Hall tax.

(State issues are monitored in consultation with the Kentucky Retail Federation, the Tennessee Grocers Association, and FMI)
Max: What kind of music should you listen to while fishing?
Nick: Beats me.
Max: Something catchy!

Matt: What do you get when you cross a fishing lure with a gym sock?
Rick: I don’t know. What?
Matt: A hook, line and stinker!

Golf is a game where the ball lies poorly and the golfers lie well.

Golf is a game in which you yell "fore," you score a six, and you write down "five."

Golf balls are like eggs. They’re white, they are sold by the dozen, and a week later you have to buy more.
The MEAT MAGNET

&

FISH FRY &
FISHIN’ TRIP

MID-STATES MEAT ASSOCIATION

Mid-States Meat Association

MSMA

Mid-States Meat Association