2016 CONVENTION REVIEW!

MSMA's 17th Annual Convention was another great success! It is always so great when we bring all our members together for a great event. This year's convention included a great educational lineup with Tom Leighty, of Freije-RSC who gave us an update on industrial refrigerating system standards. Also, speaking was Mark Dopp, of North American Meat Institute, who spoke about regulatory challenges facing the meat and poultry industry. The final educational program was presented by Betty Zakeri, of Food Safety Consulting, who spoke about food safety principles and practices. Other events worth mentioning include the valuable networking time of our Supplier Recognition Reception and Exhibitor Showcase, and great entertainer/comedian, Kier. We also extend our appreciation to Al Noblet, of Viscofan USA for his wonderful presentation on Viscofan USA, during our Member Recognition Presentation!

Special thanks goes to all our Convention Sponsors, who without their support, this event could not have been as successful as it was! They are:

Access Business Group          Austin Brown Company          Best & Donovan
Blue Grass Quality Meats        Bob Evans Farms             Caraustar
Cooper Farms                   Chesapeake Spice Company      Darling Ingredients
Freije-RSC                     Gliers Meats, Inc.            J.T.M. Provisions
Kalle USA                      Ohio Grocers Association     Risco USA
Ross Industries, Inc.           Tipper Tie

In addition, many thanks go to all of you who supported our Silent Auction (which benefits our Scholarship Fund). We raised $1,993 for this year's awards.

For more on this convention, please see the pictorial review on page 7 or visit the MSMA website!

MEMBERSHIP ELECTS & RE-ELECTS MEMBERS TO THE BOARD

Re-elected by the membership at our Annual Membership Meeting were Doug Brown, Austin Brown Co., Ray Girt, Freiji-RSC, Richard Hall, of Bob Evans Farms, Inc., Paul Kean, of Risco USA and Al Noblet, of Viscofan USA. New Board Members are Dan Uher, of DarPro Solutions, and Christian Young, of Chesapeake Spice Co. Each Board member will serve a three year term running from February 2016 through February 2019. On behalf of the Board and Membership, we thank each of them for their persistent service to MSMA and look forward to their leadership and guidance.
MSMA'S FISH FRY & FISHIN' TRIP – MAY 17 & 18, 2016

MSMA's Fish Fry & Fishn' Trip is back again this year! Time is running out for our 5th Annual Event. Being held in Port Clinton on Catawba Island at the Catawba Island Club on May 17 & 18, this event promises another great time! On Tuesday evening, you will enjoy a delicious Lake Erie perch dinner, great fellowship and quality networking – all against a beautiful sunset by the lake! The next morning, we'll take to the waters for a full day of Walleye fishing. See the registration brochure for all the details. Registration DEADLINE is May 2nd! Don't miss the Boat!

LEGISLATIVE REPORT

FEDERAL UPDATE

Senate Fails to Reach Agreement on GMO Labeling For Now
On Wednesday, the Senate voted 48-49 on the cloture motion to move forward on the consideration of Agriculture Committee Chairman Pat Roberts' (R-KS) Biotechnology Labeling Solutions Act, failing to reach the 60-vote threshold necessary to advance the bill. The legislation would create a uniform national standard for the labeling of products containing GMOs that preempts the many contrasting state laws, and FMI strongly supported the bill.

Procedurally, the Senate used another legislative vehicle in an attempt to speed up the legislative process, and the bill is not related to the National Sea Grant College Program Act or Planned Parenthood as the roll call vote may say. Additionally, Senate Majority Leader McConnell (R-KY) changed his vote to “no” as a way to bring the vote back should an agreement be reached; McConnell supports the Roberts language. Three Democratic Senators voted in support of the cloture motion (Carper (D-DE); Donnelly (D-IN) and Heitkamp (D-ND)) while six additional Republicans voted “no,” most of whom had concerns related to their own states' GMO labeling laws or increased federal government oversight (Collins (R-ME); Heller (R-NV); Lee (R-UT); Murkowski (R-AK); Paul (R-KY) and Sullivan (R-AK)).

While MSMA is disappointed that the Senate could not support the bill in its current form, we thank the Senators that voted “yes,” and we urge lawmakers to resolve their differences and approve a national standard for GMO labeling. The Senate will be out of session for the Easter district work period, but we hope the Senate will be able to vote on a compromise on the GMO labeling issue before the end of April.

Congress Passes Customs Bill
The Senate and House, respectively, both passed bills to fund and modernize the U.S. Customs and Border Protection Agency in February. The bipartisan legislation is the first major overhaul of customs and border policies in more than a decade by streamlining rules to stop importers from evading US antidumping and countervailing duties, adds new protections for intellectual property and provides more tools to prevent currency manipulation. Additionally, the bill contains language that simplifies rules concerning import duties on goods destined to be re-exported and includes a provision authorizing the Administration to reinstate a retaliatory action if such action has terminated previously, paving the way for the U.S. to pursue retaliatory tariffs in response to the European Union's ban on imports of hormone-treated beef.

continued on page 3
LEGISLATIVE REPORT continued

House Passes Menu Labeling Bill with Strong Bipartisan Vote
By a 266-144 vote (33 Democrats in support), the U.S. House of Representatives passed the Common Sense Nutrition Disclosure Act (H.R. 2017) to modify the FDA's final menu labeling regulations to make them more workable in a grocery store setting.

The bill was co-led by Reps. Cathy McMorris Rodgers (R-WA), Fred Upton (R-MI), Loretta Sanchez (D-CA), Tony Cardenas (D-CA), Henry Cuellar (D-TX), Brett Guthrie (R-KY), and many co-sponsors. In the last 24-hours leading up to the floor votes, House Democratic Leadership and other critics had leaned on Democrat offices to oppose the bill by circulating false information, so the Democrats who supported the bill should be commended and thanked by any/all FMI members who have store presence in their districts. We will now be focusing our efforts to move legislation in the Senate, which was introduced last year by Senators Roy Blunt (R-MO) and Angus King (I-ME).

For reference, the Common Sense Nutrition Disclosure Act (H.R. 2017), if enacted, would apply the FDA menu labeling regulations only to foods that are standardized across 20 or more locations; allow for use of a menu board in a prepared foods area instead of individually labeling each item; provide more flexibility in determining a “reasonable basis” for documenting nutritional info; allow for corrective actions prior to enforcement; provide some liability protections; and allow items that are normally ordered off-premises (pizza delivery and potentially catering) to have nutritional information posted online. The legislation does not exempt supermarkets or any other retailers with 20+ locations, but makes the menu labeling regulations much more workable in a grocery store setting.

As part of the House floor debate, the House approved, by a 309-100 vote, a “Managers Amendment” by Reps. McMorris Rodgers and Cardenas that made technical amendments to the bill’s “reasonable basis” language and then defeated, by a 148-258 vote, an amendment by Rep. Kurt Schrader (D-OR) to remove the bill's provision that allows “remote ordering” mechanisms as a means for compliance.

TRADE AND REGULATORY ISSUES

Israel Lifts Ban on US Beef Imports
For the first time in 13 years, Israel is lifting the ban on U.S. beef imports to the country in an agreement announced by USDA. Since December 2003, Israel has banned beef imports from the U.S. due to a confirmed case of bovine spongiform encephalopathy. The first US shipments following the lifting, will come from Nebraska. In 2014 alone, Israel imported more than $405 million in beef products, with 95 percent of those imports originating in Latin America.

AMS Final Rule Removes Beef and Pork from COOL
This week, USDA's Agricultural Marketing Service (AMS) released a final rule to amend its COOL regulations and formally remove muscle cut beef and pork and ground beef and pork from the program. While the COOL regulations are no longer in place for beef and pork, it is important to note that COOL remains in place for the other “covered commodities,” including lamb, chicken, fish, peanuts, ginseng, pecans, and macadamia nuts. The revised regulations take effect immediately upon publication in the Federal Register.

Department of Labor Sends Overtime Final Rule to OMB
The Department of Labor (DOL) sent its final rule on overtime pay to the White House Office of Management and Budget, Office of Information and Regulatory Affairs (OIRA), for review. This is several weeks ahead of when most expected, especially given the thousands of public comments submitted on the proposed rule. Under
LEGISLATIVE REPORT continued

Executive Order, OIRA has 90 days to complete its review process. The Director of OMB also has the ability to extend the review period on a one-time basis for no more than 30 days. If this happens, OIRA could technically have up to 120 days to review the rule. While it is very difficult to predict when OIRA will finish its review of the rule, it is possible that we could see a final rule as early as April or May or later this summer. While the rule is under review, interested stakeholders can submit written comments and meet with OMB.

Proposed Rule Summary
On July 6, 2015, the Department of Labor's Wage and Hour Division published a proposed rule that would revise the current overtime pay provisions under the Fair Labor Standards Act (FLSA). The proposed rule, “Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees” would update the regulations governing which executive, administrative, and professional employees (commonly referred to as the “white collar” exemption) are entitled to overtime pay under the FLSA. The DOL’s proposed rule could result in certain employees who are currently exempt under the FLSA being reclassified as non-exempt and therefore entitled to overtime pay at a rate of not less than one and one-half times the employee's regular rate for hours worked over 40 in a work week.

The proposed rule:
· Would change the salary threshold for employees who are eligible to receive overtime pay, from $23,660 to $50,440. This salary threshold will also be updated every year.
· Does not propose regulatory changes to the duties tests, which require employees to perform certain primary duties to qualify for an overtime exemption. However, DOL was seeking feedback on whether the duties test should be revised.

(Federal issues are monitored in consultation with FMI, NGA, NAMI)

STATE UPDATES

OHIO

Kasich Beats Trump, Field/Clinton Takes Down Sanders in Ohio's Primary
Governor Kasich scored a major victory in his presidential campaign as he wrested Ohio's 66 winner-take-all delegates from frontrunner Donald Trump on March 15th, dealing a setback to Mr. Trump's march toward the nomination. However, the billionaire business resoundingly won Florida's primary, and the 99 delegates, as well as several other states on Tuesday, to maintain his sizeable delegate lead. With Florida's win, also brought news that Sen. Marco Rubio was suspending his campaign, thus narrowing the Republican field to three. It remains to be seen where Rubio's supporters will turn to, but Ohio's win should at least give Governor Kasich's campaign a boost as we finish out the March primaries and head into April. It still remains an uphill battle for the Governor ahead of the Cleveland convention this summer.

On the Democratic side, Hillary Clinton soundly defeated Sen. Bernie Sanders in Ohio, Florida and North Carolina - widening her significant lead in the delegate count. There had been talk of Sen. Sanders competing with Clinton in Ohio, especially after his surprise win in Michigan the week before, but Clinton brushed aside any talk of a repeat as she easily won Ohio's primary. She remains the clear favorite to gain the Democratic nomination this summer.
Proposed Medical Marijuana Ballot Initiative Expected to be Released
The group backing a ballot initiative to legalize medical marijuana in Ohio submitted language of its proposed constitutional amendment to the state at the beginning of March. Washington-based Marijuana Policy Project (MPP) intends to have the 1,000 valid signatures needed to submit the language to the Attorney General for the first initial step of getting the proposal on the ballot. The Ohioans for Medical Marijuana, the state-based organization backed by MPP, released the language on its website on Tuesday. The ballot initiative surfaces as the General Assembly is doing its own consideration of medical marijuana as the House has a task force of 15 people currently studying the issue.

KENTUCKY

The Kentucky legislature convened on Tuesday, January 5, opening its 60-day session in Frankfort. Most notably, this is the first one under a Republican governor in eight years. Since it is an even-numbered year, the Legislature must wrap up work by April 15. The biggest task set to be tackled this session will be the enacted of a two-year state budget that will take effect next July.

Beyond the completion of the state budget some issues that could be addressed include:

· Funding for the state’s pension system
· Charter school funding
· Healthcare reform
· Local tax option for local projects
· Possibly abolition of the death penalty
· Tax Code modernization

TENNESSEE

Legislative Update:
The Tennessee General Assembly is over halfway done with its legislative calendar and looks to wrap up business in about a month, April 20.

A couple of items to watch over the next month:
Labor law bills and other similar measures designed to appeal to disadvantaged segments – considered a longshot to pass

• Minimum wage increase – considered unlikely to pass
• Pay quality transparency and legislation to reduce the sales tax on diapers – both are considered longshots to pass
• Legislation requiring special labeling of “genetically engineered food” for plants and seeds developed with “open pollination, genetic modification and hybridization” – MSMA opposes any measure that would create a state or local level food labeling mechanism.

(State issues are monitored in consultation with the Kentucky Retail Federation, the Tennessee Grocers Association, and FMI)
GET READY FOR THE 2016 HOT DOG OPEN!

Yep! It's that time to mark your calendars for the 17th Annual Hot Dog Open/Sue McNabb Memorial golf tournament and that means plans for the Hot Dog Open have begun! We are very excited to be returning again to the Shaker Run Golf Club this year! This year's date is September 14-15th! We will again have an 8:00 am shotgun start and conclude with lunch, awards and door prizes.

We have negotiated a great rate of $139.00 at the Cincinnati Marriott Northeast—so we hope that you will take advantage of this location—and of course our Supplier Recognition Reception the evening of the 14th from 5:00-7:00 p.m.

As usual—you can expect to see more information and registration materials in early June.

MSMA’S 2016 CONVENTION

If you can believe it, plans for next year's convention have already begun. We will be returning to the Cincinnati Marriott Northeast again. This is the same hotel where we held the convention this year. Dates for next year's convention will be January 20-21, 2017—so mark your calendars now!! And, look for a new format next year!

JUST FOR LAUGHS

[Cartoons and images]