



Food Protection and Defense Institute

A Homeland Security Center of Excellence

May 26, 2020

COVID-19 Near-Term Issues Spotting in Food Supply Chain

Meat Supply Chain and Mass Hog Depopulation – UPDATE #24

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Action Opportunity Update

Critical path to issue resolution

- Reopen processing facilities in consideration of worker safety with federal guidance and support
 - Reopening at reduced capacity helps alleviate livestock overstock
 - Evaluate weekend processing to enhance short-term capacity
 - Coordinate worker protective equipment to:
 - maintain worker safety with normal operation PPE (specific to each job function and may include, for example, cut-resistant clothing, bump caps, dust masks/respirators, protective eyewear, protective foot wear, etc.);
 - maintain food safety with normal operation sanitation wear (specific to each product produced and may include, for example, hair/beard nets, disposable gloves, cloth or disposable coats/gowns, shoe covers, etc.); and
 - enhance COVID-19 infection control measures through cloth-face coverings, social distancing, physical barriers, etc.
- Coordinate a whole of government approach through ESF 11 to:
 - Manage depopulation and disposal of hog overstock in multiple states including rendering, composting, and burial as appropriate in each locality
 - Identify available alternate distribution to consumers and address logistics and regulations to supply into those distribution channels
 - Monitor and address critical shortages in cold supply chain and logistics
 - Implement coordinated federal, state, local, and private sector communication plans to mitigate adverse public reaction to depopulation
 - Provide direct communication to consumers regarding food availability to mitigate panic buying and hoarding
- Support livestock producers and processors in achieving new equilibrium including financial and liability considerations



Situation Update

Action by Appointed and Elected Officials (updated daily)

- -

Recommendations from authoritative bodies (cumulative)

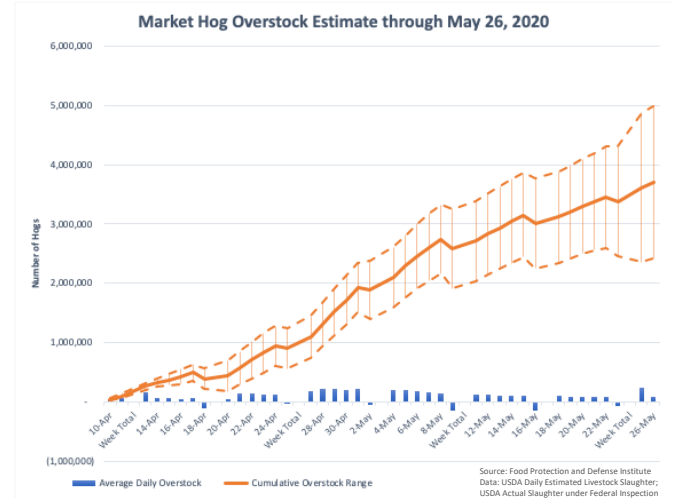
- [COVID-19 Federal Rural Resource Guide](#) - USDA
- Opening Facilities
 - [Food and Agriculture: Considerations for Prioritization of PPE, Cloth Face Coverings, Disinfectants, and Sanitation Supplies During the COVID-19 Pandemic](#) - FDA
 - [Meat and Poultry Processing Workers and Employers](#) – CDC
 - [Strategies to reduce COVID-19 transmission at Smithfield Foods Sioux Falls Pork Plant](#) - CDC
 - [COVID-19 Health and Safety Guidelines for the Meatpacking Industry](#) – Minnesota Department of Health
 - [Cleaning and Disinfection for Community Facilities](#) - CDC
 - [Exercise Starter Kit for Workshop on Reconstituting Operations](#) – FEMA
 - [North American Meat Institute Coronavirus Update](#) - NAMI
- Depopulation and Disposal
 - [APHIS Livestock Coordination Center](#) – USDA
 - [Recommendations for Swine Depopulation](#) (updated) – American Association of Swine Veterinarians
 - [Evaluating Emergency Euthanasia or Depopulation of Livestock and Poultry](#)
 - [Emergency Animal Mortality Management – Swine](#) – USDA
 - [USDA Carcass Management Dashboard](#) – USDA
- COVID from Food and Food Packaging
 - [How COVID-19 Spreads](#) – CDC (updated May 20, 2020)
 - [Best Practices for Retail Food Stores, Restaurants, and Food Pick-Up/Delivery Services During the COVID-19 Pandemic](#) – FDA
 - [Best Practices for Re-Opening Retail Food Establishments During the COVID-19 Pandemic](#) – FDA
 - [Safe Food Handling](#) - FDA
 - [Food Product FAQs](#) - FDA
 - [Food Safety and the Coronavirus Disease 2019 \(COVID-19\)](#) – FDA
 - [What to Do if You Have COVID-19 Confirmed Positive or Exposed Workers in Your Food Production, Storage, or Distribution Operations Regulated by FDA](#) – FDA



Hog Update

Daily Hog Slaughter and Overstock Addition (updated daily)

- Overstock estimates of above market weight hogs are about 3.7MM, to date, with uncertainty ranges from 2.5MM to 4.4MM that must be culled due to COVID-19 causing processing plant closure and reduced capacity. (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)
- Slaughter numbers were down by approximately 80,000 hogs for May 26 (405,000 hogs) as compared to a year ago (477,000 hogs) and to the same day of the week of April 3-9 (483,431 hogs). (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)
- Pork processing capacity remained close to the previous day with a reduction from normal operating capacity of approximately 18% on May 26. Four previously impacted plants were operating at greater than 95% normal capacity and three more operating above 90% capacity.



- Pork processing capacity remained close to the previous day with a reduction from normal operating capacity of approximately 18% on May 26. Four previously impacted plants were operating at greater than 95% normal capacity and three more operating above 90% capacity. (Kern & Associates courtesy of NPPC)

Processing Plant Operating Status May 26, 2020
Hog Inventory March 2020



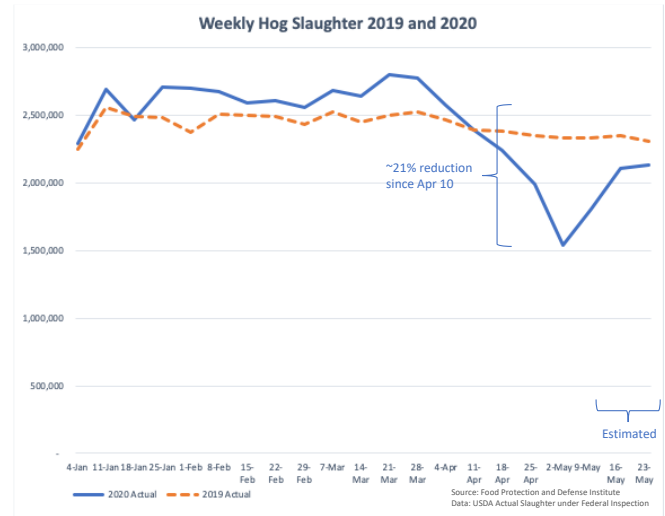
Top 11 States represent 90% of total hog inventory

Source: Food Protection and Defense Institute
Data: USDA National Agricultural Statistics Service Quarterly Hogs and Pigs; Steiner Group and Kerns & Associates courtesy of NPPC

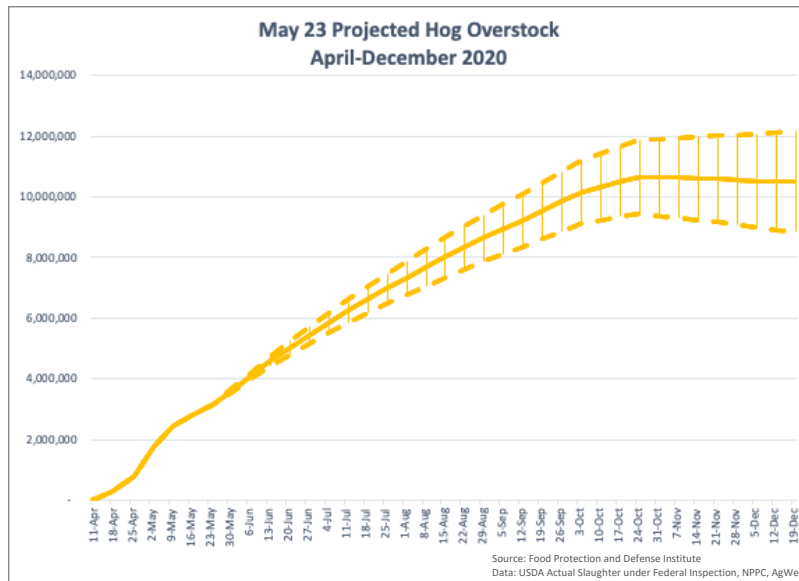


Weekly Hog Slaughter and Overstock Projections (updated Fridays)

- Slaughter numbers for the week ending May 23 were down approximately 13% with a 21% reduction to date starting from the week ending April 11. (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)
- Total hog overstock through December 2020 is projected to peak at about 10MM market weight hogs by late October. Total overstock projections include the recovery of processing capacity and projections of 90% capacity by mid-summer (estimated Aug 1) based on a



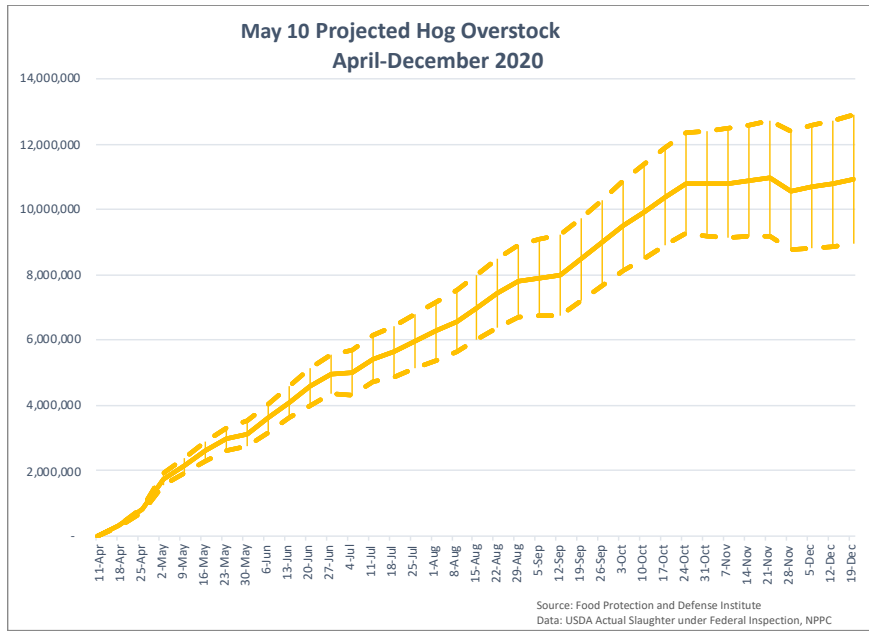
May 14 Rabobank interview. The May 23 projections includes both year on year processing increase of 6.4% for Q1 2020 and adjustments for normal weekly fluctuation in plant capacity (e.g. holiday reductions). Overstock projections from May 10 and May 23 are provided for comparison of the substantial improvement of the hog overstock situation due to higher than anticipated processing plant capacity. ([Plant Capacity, Exports and Economics: What's Next for Pig Farmers?](#) – Ag Web, May 14, 2020) (CORRECTION: A calculation error in the May 17 overstock projection was found during preparation of the May 23 update. As a result, the May 17 overstock projection should not be used for decision-making purposes.)



Assumptions

- Hog inventory at 95% plant capacity through mid-October representing market conditions for pigs already born and in growth cycle prior to COVID-19
- Year on year capacity increase of 6.4% to April 9
- Adjusted for normal weekly fluctuation in plant capacity (e.g. holiday reductions)
- Average plant capacity
 - 85% by week of May 17
 - 90% by week of Aug 1 – level expected for COVID-19 worker health and safety measures
- Young pig and sow culling (relative to Q1)
 - No culling prior to April 10
 - 5% for pigs reaching market weight in mid-September
 - 10% for pigs reaching market weight in mid-October
 - 17% for pigs reaching market weight in November
- The 17% reduction in herd size as compared to Q1 2020 and 90% normal plant capacity creates a pseudo-equilibrium

(Date: May 22, 2020)



Assumptions

- 6-month growth phase
- No culling prior to April 10
- Hog inventory at 95% plant capacity through mid-October representing market conditions for pigs already born and in growth cycle prior to COVID-19
- Average plant capacity
 - 75% by week of May 10
 - 80% by week of Nov 1 – level expected to incorporate COVID-19 worker health and safety measures
- Young pig and sow culling (relative to Q1)
 - 5% for pigs reaching market weight in mid-September
 - 10% for pigs reaching market weight in mid-October
 - 25% for pigs reaching market weight in November
- The 25% reduction in herd size as compared to Q1 2020 and 80% plant capacity creates a pseudo-equilibrium

(Date: May 8, 2020)

Hog media coverage (updated daily)

(This section contains exemplary media coverage from multiple perspectives around the issue.)

- [Generational damage: Hog farmers hurting due to COVID](#) – Mankato Free Press, May 24, 2020

Hog depopulation and disposal media coverage (updated daily)

(This section contains exemplary media coverage from multiple perspectives around the issue.)

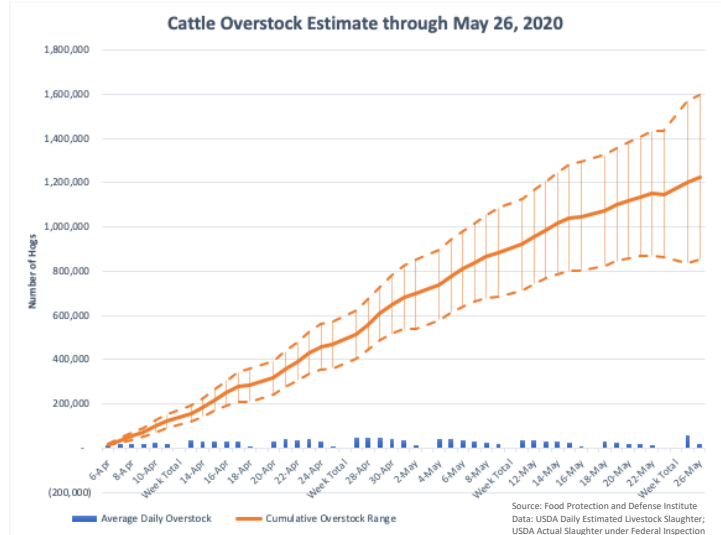
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Cattle Update

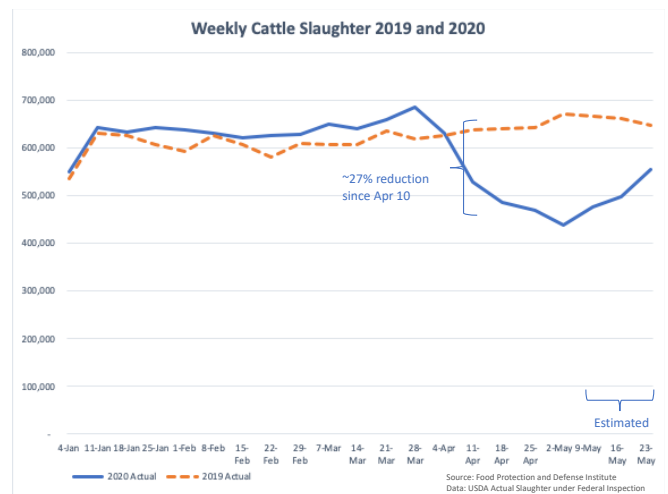
Daily Cattle Slaughter and Overstock Addition (updated daily)

- Overstock estimates of target market weight cattle is about 1.2MM, to date, with uncertainty ranges from 0.9MM to 1.6MM that were not processed due to COVID-19 causing processing plant closure and reduced capacity (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)
- Slaughter numbers were down by approximately 15,000 head of cattle for May 23 (102,000 head, respectively) as compared to a year ago (122,000 head) and to the same day of the week ending April 4 (119,473 head). (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)



Weekly Cattle Slaughter and Overstock Projections (updated Fridays)

- Slaughter numbers for the week ending May 23 were down approximately 18% with a 17% reduction to date starting from the week ending April 4. (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)



Cattle media update (updated daily)

(This section contains exemplary media coverage from multiple perspectives around the issue.)

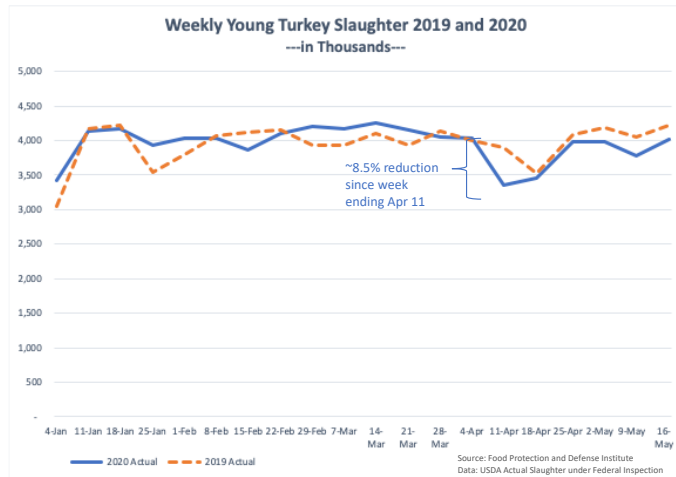
- [‘Something isn’t right’: U.S. probes soaring beef prices](#) – Politico, May 25, 2020



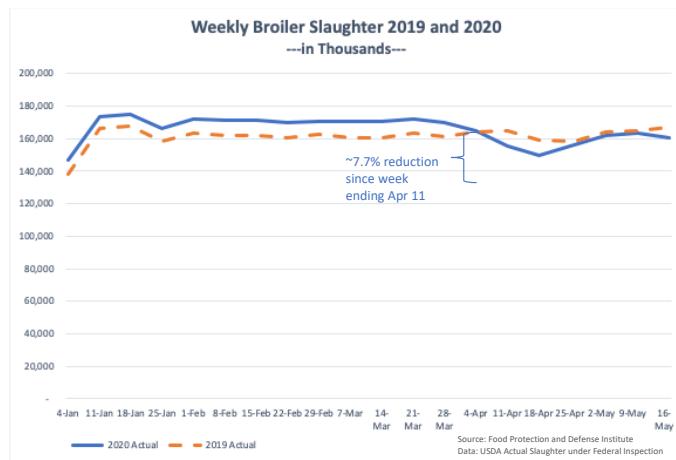
Poultry Update

Weekly Poultry Slaughter and Overstock (updated Thursdays)

- Young Turkeys
 - Young turkey slaughter numbers for the week ending May 16 were down approximately 7.5% with an 8.5% reduction to date starting from the week ending April 4. (USDA Actual Slaughter under Federal Inspection)
 - Year on year actual young turkey slaughter numbers are 2.8% higher in 2020 than 2019 in January-March (pre-pandemic). Overstock numbers have been adjusted to account for this industry growth. (USDA Actual Slaughter under Federal Inspection)



- Broilers
 - Broiler slaughter numbers for the week ending May 16 were down approximately 8.4% with an 7.7% reduction to date starting from the week ending April 4. (USDA Actual Slaughter under Federal Inspection)
 - Year on year actual broiler slaughter numbers are 5.0% higher in 2020 than 2019 in January-March (pre-pandemic). Overstock numbers have been adjusted to account for this industry growth. (USDA Actual Slaughter under Federal Inspection)



Poultry media update (updated daily)

(This section contains exemplary media coverage from multiple perspectives around the issue.)

- [Coronavirus outbreaks at meat plants force NC farmers to euthanize 1.5 million chickens](#) – News&Observer, May 23, 2020



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Livestock Media Update

Webinars

- [Is Your Plant COVID-19 Ready?](#) – Food Safety Tech, May 27, 2020 12-1 EDT
 - “Using CDC and WHO Guidance, this webinar will provide practical tips on best practices to mitigate workplace exposure based on what is currently known about the COVID-19 virus. The use of “social distancing” as the primary mode of mitigation has proven to be particularly difficult to implement in a food production setting but there are steps that can be taken.”
- [Responsibly Reopening and Rebounding from COVID-19](#) – May 29, 2020 – 9am PDT
 - “David Acheson MD, and Ben Miller, Ph.D. will update the food industry on how to responsibly reopen, resume operations, and rebound from early 2020 COVID-19 challenges. Doctors Acheson and Miller will discuss: How to Reduce the Number of New COVID-19 Cases in Manufacturing Facilities; Ways to Minimize Pre-Symptomatic Transmission; The Interim Guidance from CDC and OSHA for Protein Producers (Summary); Public Health Updates Including Advances in Diagnostic and Serological Testing; and How to Get People Back to Work, Boost Employee Morale and Fix the Culture”

Processing facilities media coverage (updated daily)

(This section contains exemplary material from multiple perspectives around the issue.)

- [Covid-19: How the meat industry became a global health liability](#) – France24, May 24, 2020
- [Coronavirus hit meat plants just as workers were being asked to speed up](#) – Star Tribune, May 25, 2020
- [Farmer John meatpackers demand closing of Vernon plant struck by COVID-19 outbreak](#) – Los Angeles Times, May 25, 2020
- [California city sees COVID-19 outbreaks at 9 facilities, including food processing plants](#) – KPQ News Radio, May 25, 2020
- [A North Carolina Salon Reopened, But Poultry Workers Aren't Welcome Yet Due To COVID-19](#) – Huffington Post, May 25, 2020
- [As Meatpacking Plants Reopen, Data About Worker Illness Remains Elusive](#) – New York Times, May 25, 2020
- [Special Report: In Oklahoma pork-packing town, COVID stirs fear, faith and sorrow](#) – Reuters, May 23, 2020
- [Covid-19: French and Dutch slaughterhouse staff test positive](#) – Pig Progress, May 25, 2020
- [Covid-19 Makes the Case for More Meatpacking Robots](#) – Wired, May 25, 2020
- [Tracking Covid-19's impact on meatpacking workers and industry](#) – Investigate Midwest, updated daily with interactive map and company identification



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- “As of May 26, there have been at least 16,600 reported positive cases tied to meatpacking facilities in at least 197 plants in 32 states, and at least 64 reported worker deaths at 32 plants in 19 states.”

Lawsuit media coverage (single update)

(This section contains exemplary material around the issue. It is anticipated that lawsuits will increase.)

- [Bill Would Shield Meat Plants from COVID Lawsuits](#) – Food Processing, May 19, 2020
- [Federal Wrongful Death Lawsuit Filed Against Tyson Foods After Employee COVID-19 Death](#) – PRN News Wire, May 19, 2020
- [Tyson Foods Sued for COVID-19 Deaths in Texas](#) – Law Street, May 22, 2020
- [Family of U.S. meat plant worker who died of COVID-19 sues JBS](#) – Reuters, May 8, 2020
- [Wife of Dallas meat plant worker who died from virus sues company, claiming it ignored worker safety](#) – The Dallas Morning News, May 5, 2020
- [Coronavirus: Meatpacker Worker Deaths Spark Lawsuits](#) – DTN, May 15, 2020
- [Lawsuit on behalf of Missouri meat plant workers dismissed](#) – KMBC, May 6, 2020

Economic media coverage (updated daily)

(This section contains exemplary media coverage from multiple perspectives around the issue.)

- [Cases of meat plant workers with coronavirus soars from 3,700 to more than 15,000 in a month - as experts warn meat supply could drop by a THIRD and prices could spike by 20%](#) - Daily Mail, May 26, 2020
- [China's pork imports in April jump 170% to record high](#) – Reuters, May 24, 2020
- [Memorial Day hot dogs and hamburgers could cost more this year](#) – USA Today, May 24, 2020
- [Michael Pollan on food chain amid pandemic: 'The trade off with efficiency is always resilience'](#) – MSNBC, May 17, 2020

Producer media coverage (updated daily)

(This section contains exemplary media coverage from multiple perspectives around the issue.)

- [Livestock producers brace for long haul through COVID-19 pandemic](#) – Lincoln Journal Star, May 25, 2020

Food shortage media coverage (updated daily)

(This section contains exemplary media coverage from multiple perspectives around the issue. At present, there are no indications of wide-scale food shortages although supply chain disruptions continue to create spot limited supply or out of stock situations.)

- [Food Banks Get The Love, But SNAP Does More To Fight Hunger](#) – NPR, May 22, 2020
- [Is there really a meat shortage? Here's the situation with beef, chicken and pork](#) – CNET, May 26, 2020

Previous updates available upon request

Update #24 May 26, 2020
supersedes Update #23 May 22, 2020