



Food Protection and Defense Institute

A Homeland Security Center of Excellence

May 28, 2020

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

Meat Supply Chain and Mass Hog Depopulation – UPDATE #26

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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)

- [Another Look at Availability and Prices of Food Amid the COVID-19 Pandemic](#) – USDA Chief Economist

Recommendations from authoritative bodies (cumulative)

- [COVID-19 Federal Rural Resource Guide](#) - USDA
- Opening Facilities
 - [New - Reporting a Temporary Closure or Significantly Reduced Production by a Human Food Establishment and Requesting FDA Assistance During the COVID-19 Public Health Emergency](#) - FDA
 - [New - CDC updates COVID-19 transmission webpage to clarify information about types of spread](#) - CDC
 - [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

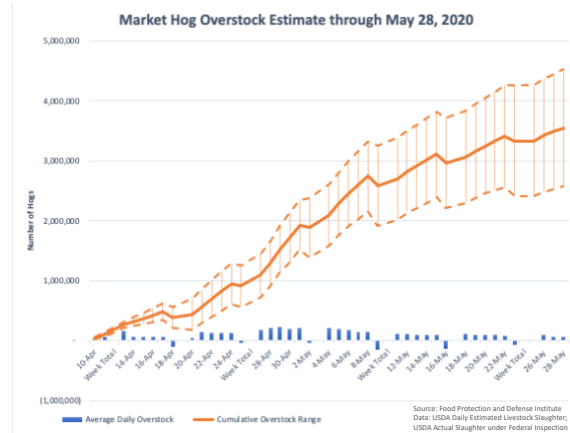


Hog Update

Daily Hog Slaughter and Overstock Addition (updated daily)¹

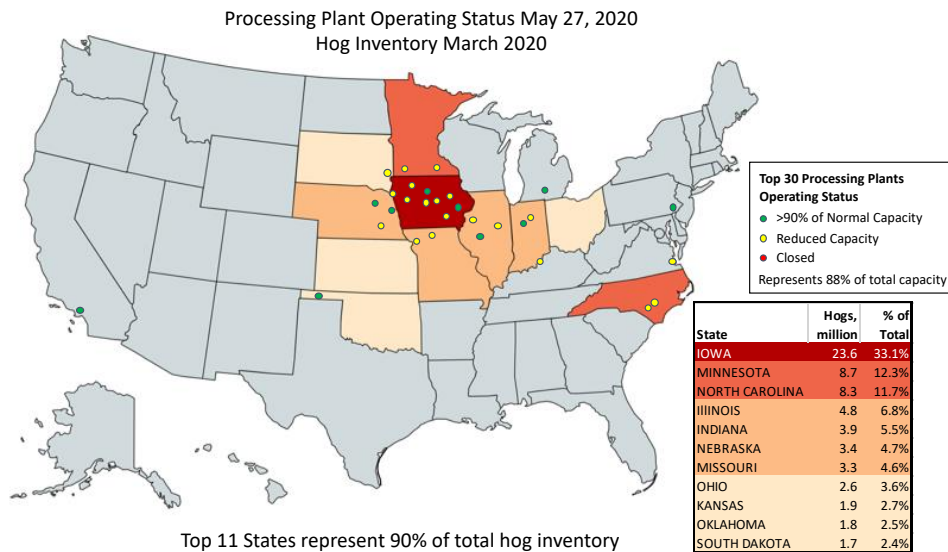
- Total overstock estimate – 3.6MM, uncertainty range 2.6MM to 4.5MM. (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)
- Daily slaughter numbers – down about 60,000 hogs at 420,000 hogs compared to:
 - 468,000 hogs year ago
 - 467,945 hogs day of week of April 3-9

(USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)



- Daily pork processing capacity
 - Approximately 82%
 - Capacity reduction approximately 17.9% on May 27 with improvements at several plants offsetting difficulties at other plants. Currently, 8 plants previously reporting capacity reductions are operating at over 90% of normal capacity.

(USDA Daily Estimated Livestock Slaughter; Kern and Associates courtesy of NPPC)



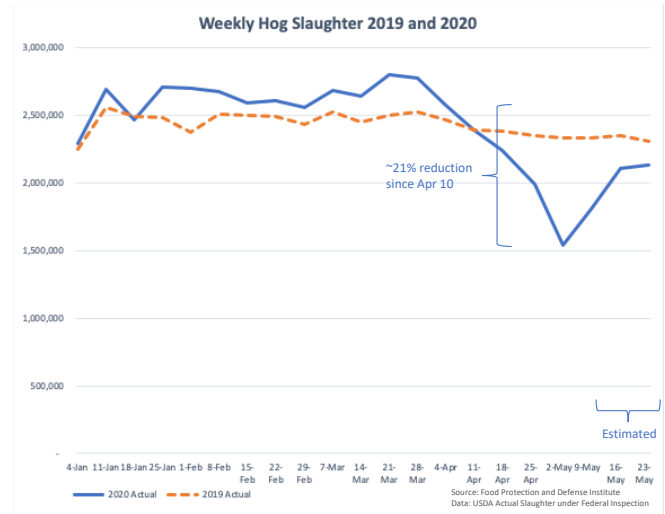
Source: Food Protection and Defense Institute
Data: USDA National Agricultural Statistics Service Quarterly Hogs and Pigs; Steiner Group and Kerns & Associates courtesy of NPPC

¹ Total hog overstock estimates do not include depopulation numbers due to the confidentiality and sensitivity of these numbers. Public reporting includes 10,000 per day in Minnesota and 600,000 in Iowa in the near future.

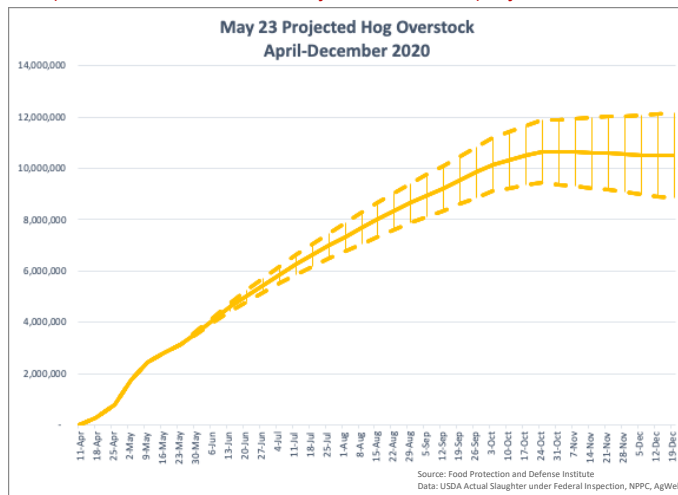


Weekly Hog Slaughter and Overstock Projections (updated Fridays)

- Weekly slaughter numbers for week ending May 23 down approximately 13% (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)
- Total slaughter numbers down 21% to date starting from the week ending April 11. (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)
- Total hog overstock projections through December 2020 expected 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. ([Plant Capacity, Exports and Economics: What's Next for Pig Farmers?](#) – Ag Web, May 14, 2020)
 - 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).



(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)

Hog media coverage (updated daily)

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

- [NPPC Urges Quick Senate Action on Legislative Relief For Hog Farmers](#) – NPPC, May 28, 2020



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- [Webinar: COVID-19's impact on the pork industry \(Pt. 2\)](#) – Brownfield Ag News, May 27, 2020 (49-minute video)

Hog depopulation and disposal media coverage (updated daily)

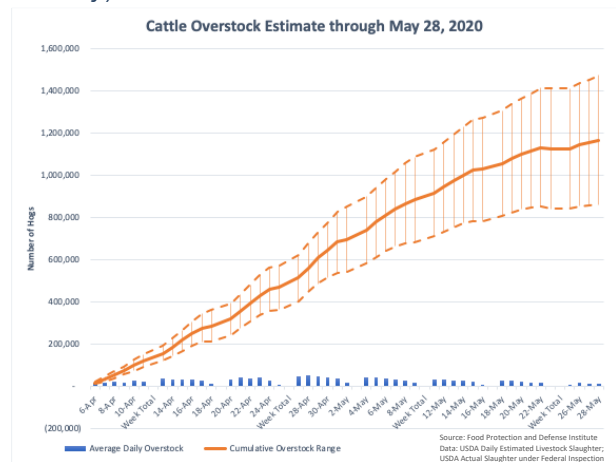
(This section contains exemplary media coverage from multiple perspectives around the issue.)

- [COVID-19 has hurt some meat processors, causing backlogs in barns](#) – KFVR TV, May 27, 2020
- [Disposal assistance provided to Iowa's hog farmers](#) – Ottumwa Courier, May 28, 2020

Cattle Update

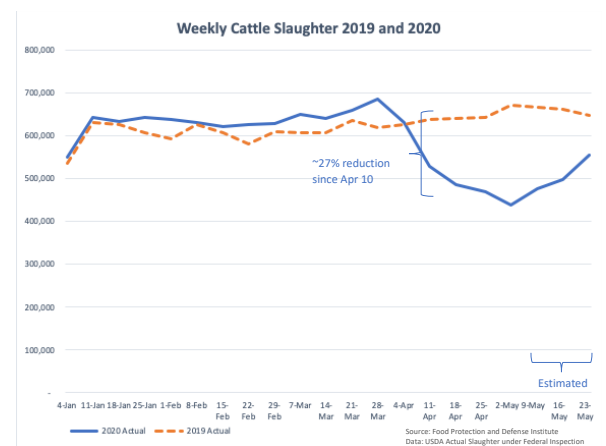
Daily Cattle Slaughter and Overstock Addition (updated daily)

- Total overstock estimates – 1.2MM, uncertainty range 0.9MM to 1.5MM. (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)
- Daily slaughter numbers – down about 10,000 head at 110,000 head compared to:
 - 121,000 head year ago
 - 115,152 head day of week ending April 4
- (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)



Weekly Cattle Slaughter and Overstock Projections (updated Fridays)

- Weekly 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.)

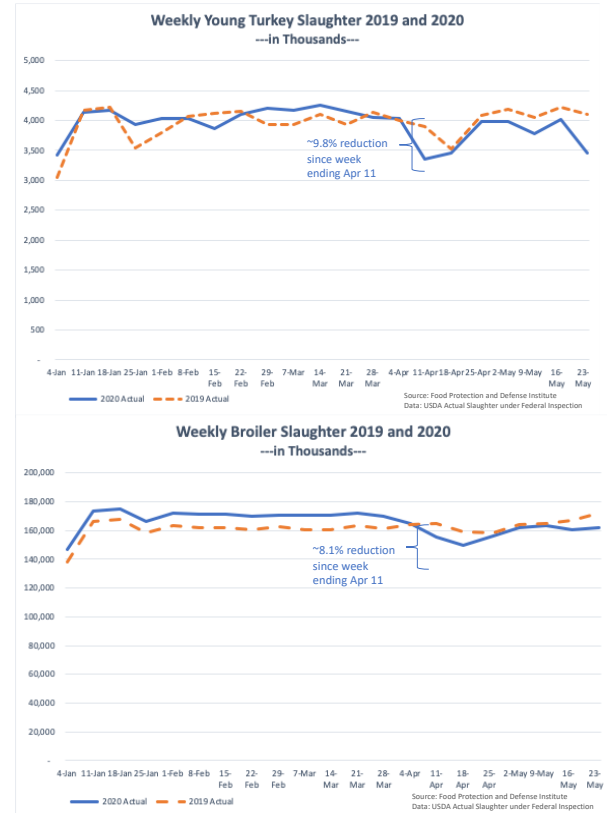
- [Coronavirus: How US halal vendors are handling an uncertain beef market](#) – Middle East Eye, May 28, 2020



Poultry Update

Weekly Poultry Slaughter and Overstock (updated Thursdays)

- Young Turkeys
 - Young turkey weekly slaughter numbers for the week ending May 23 were down approximately 17.8% with an 9.8% reduction to date starting from the week ending April 4. (USDA Actual Slaughter under Federal Inspection)
- Broilers
 - Broiler slaughter numbers for the week ending May 23 were down approximately 10.1% with an 8.1% reduction to date starting from the week ending April 4. (USDA Actual Slaughter under Federal Inspection)



Poultry media update (updated daily)

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

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Livestock Media Update

Webinars

- [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.”

Processing facilities media coverage (updated daily)

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

- [COVID-19 infects more than 3,000 U.S. meatpacking workers: union](#) – Reuters, May 28, 2020
- [State officials: 555 workers at Storm Lake Tyson pork plant have COVID-19](#) – Sioux City Journal, May 28, 2020
- [As COVID races through Mountaire Farms poultry plant, workers deemed vital feel dispensable](#) – North Carolina Health News, May 28, 2020
- [JBS plant in rural Brazil ordered close amid COVID-19 outbreak](#) – The Cattle Site, May 28, 2020



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- [Processing plant closures expand around the world due to COVID-19](#) – Beef Central, May 28, 2020
- [Tracking Covid-19's impact on meatpacking workers and industry](#) – Investigate Midwest, updated daily with interactive map and company identification
 - “As of May 28, there have been at least 18,500 reported positive cases tied to meatpacking facilities in at least 205 plants in 33 states, and at least 69 reported worker deaths at 33 plants in 21 states.”

Economic media coverage (updated daily)

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

- [China backs away from U.S. chicken during COVID-19 recovery -Sanderson Farms](#) – Reuters, May 28, 2020
- [Sanderson Warns Coronavirus to Weigh on Poultry Production](#) – Wall Street Journal, May 28, 2020
- [Government investigating rising beef prices](#) – KRQE, May 27, 2020

Producer media coverage (updated daily)

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

- Producer Perspectives (10- to 14-minute videos directly from producers)
 - [Mike Paustian, Iowa](#)
 - [Chad Leman, Illinois](#)
 - [Kevin Hugoson, Minnesota](#)
- [Pandemic disruptions taking a toll on farmers' mental health](#) – MPR, May 28, 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.)

- [The Sickness in Our Food Supply](#) – The New York Review of Books, May 28, 2020

Activist media coverage (updated daily)

(This section contains exemplary media coverage around the issue and should not be interpreted as the views of the author or the Institute.)

- [Petition seeks COVID-19 testing, reporting, warnings for meat and poultry](#) – Food Safety News, May 28, 2020
- [Consumers still buying meat despite activist attempts to use COVID-19 to attack animal agriculture](#) – DRG News, May 28, 2020

Previous updates available upon request