



Food Protection and Defense Institute

A Homeland Security Center of Excellence

May 18, 2020

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

Meat Supply Chain and Mass Hog Depopulation – UPDATE #19

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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)

- Numerous articles provided factual and/or analytical coverage of the [Department of Justice Supports National Pork Producers Council's Ability to Combat Meat Shortage](#)

Recommendations from authoritative bodies (cumulative)

- Opening Facilities
 - [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
 - [Emergency Animal Mortality Management – Swine](#) – USDA
 - [USDA Carcass Management Dashboard](#) – USDA
- COVID from Food and Food Packaging
 - Analysis - In food preparation facilities, implementation of food safety practices to protect against foodborne illness viruses also help slow the spread of the SARS-CoV-2. These food safety practices are generally based around hand hygiene, sanitation of food contact and non-food contact areas, and proper food cooking and handling. These practices do not protect against person-to-person spread of COVID via aerosolization. FDA states that “Currently there is no evidence of food or food packaging being associated with transmission of COVID-19.” However, learnings from the meat processing supply chain indicate that specific COVID infection control measures should be considered across all food facilities including social distancing with enhanced hand hygiene and sanitation. As food facilities prepare for increased workforce and customer traffic, it is encouraged to provide refresher training on hand hygiene, provide training on COVID



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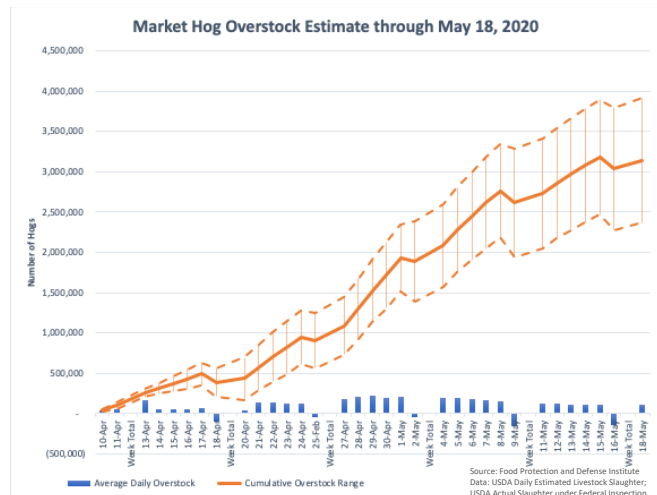
infection control measures, and enhance sanitation in high touch areas and areas where tools may be shared. Each food facility should follow local, state, and federal food safety regulations including any additional protocols specific to COVID. The FDA documents linked below provide a wealth of information specific to the intersection of COVID infection control and food safety best practices. Several include easy to use checklists and infographics.

- [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 3.1MM, to date, with uncertainty ranges from 2.3MM to 3.9MM 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 100,000 hogs for May 18 (379,000 hogs) as compared to a year ago (463,000 head) and to the same day of the week of April 3-9 (474,731 hogs). (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)
- Pork processing capacity remained improved from the previous day and is reduced by approximately 22.8% on May 18. Capacity increased in substantially in 2

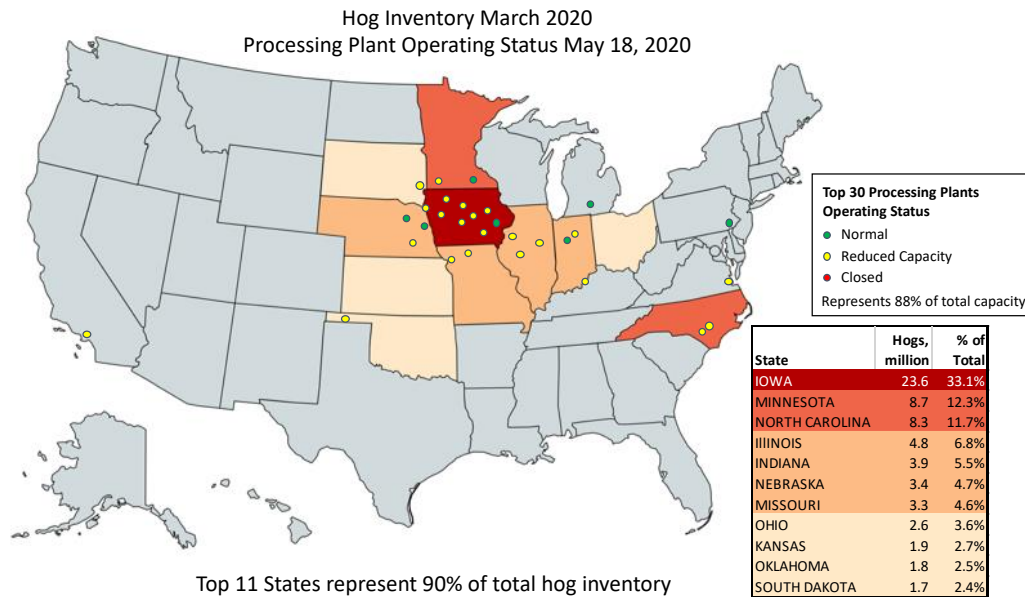




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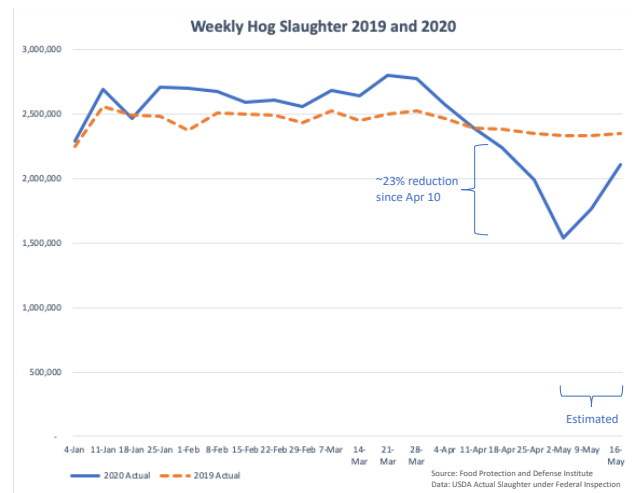
facilities, increased slightly in 5 additional facilities, but declined in slightly in 1 facility and significantly in 1 facility. Capacity updates today show no facilities at 0% capacity and 3 facilities operating at or near normal capacity. (Kerns & Associates courtesy of NPPC)



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

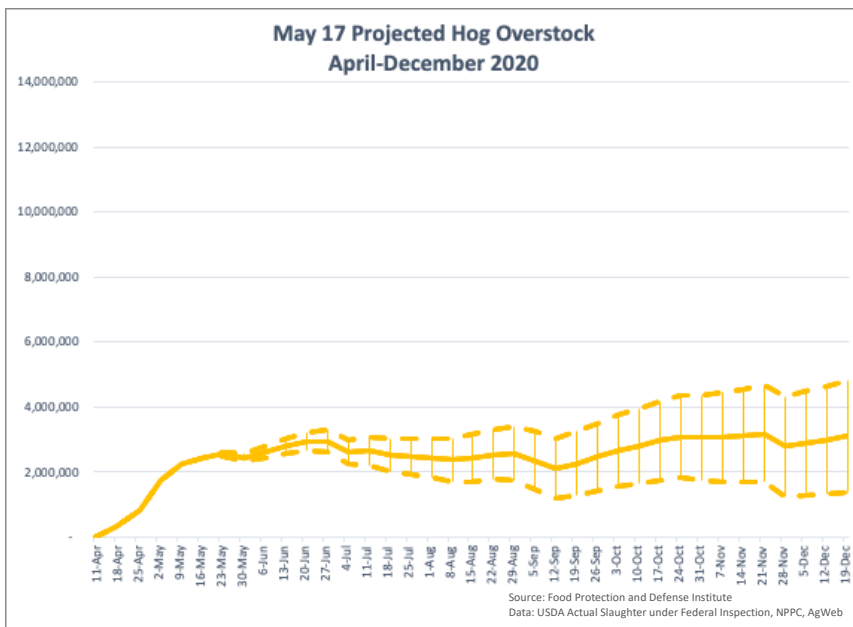
Weekly Hog Slaughter and Overstock Projections (updated Thursdays)

- Slaughter numbers for the week ending May 17 were down approximately 16% with a 23% 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 3MM market weight hogs by late October with an uncertainty range up to 5MM animals. Total overstock projections have decreased substantially based on recovery of processing capacity over the past week and a published interview from Rabobank indicating processing expectations at 90% capacity by mid-summer. Overstock projections from May 10 and May 17 are provided for comparison of the substantial





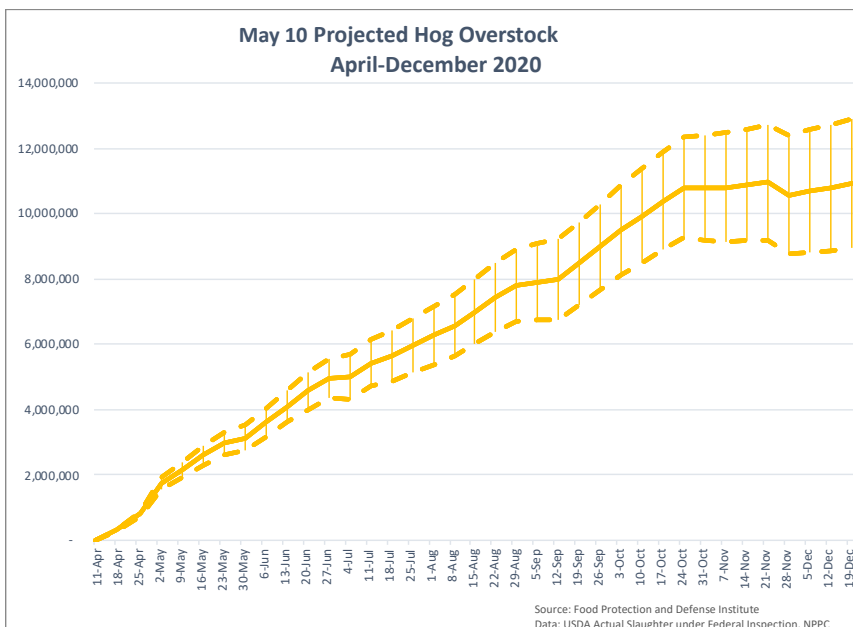
improvement of the hog overstock situation due to higher than anticipated processing plant capacity. ([Plant Capacity, Exports and Economics: What's Next for Pig Farmers?](#) – Ag Web, May 14, 2020)



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
 - 85% by week of May 17
 - 90% by week of Jul 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
 - 15% for pigs reaching market weight in November
- The 15% reduction in herd size as compared to Q1 2020 and 90% normal plant capacity creates a pseudo-equilibrium

(Date: May 15, 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.)

- [Covid-19: German pork plants test negative; fears in Italy](#) – Pig Progress, May 18, 2020
- [As Farmers Face Increasing COVID-19 Pressure, Some Fear For Their Mental Health](#) – Iowa Public Radio, May 18, 2020

Hog depopulation and disposal media coverage (updated daily)

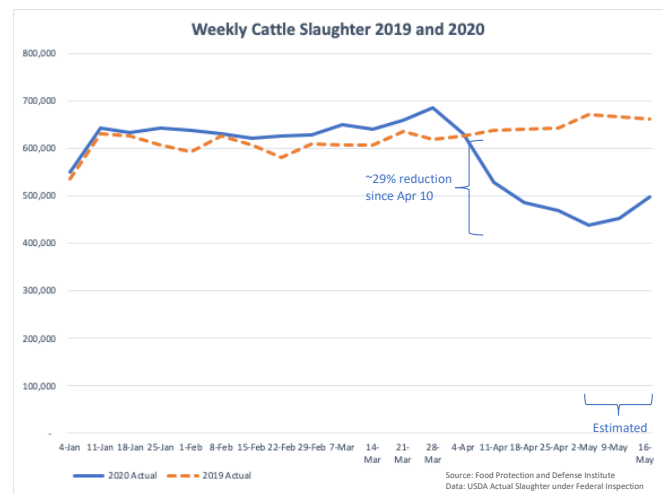
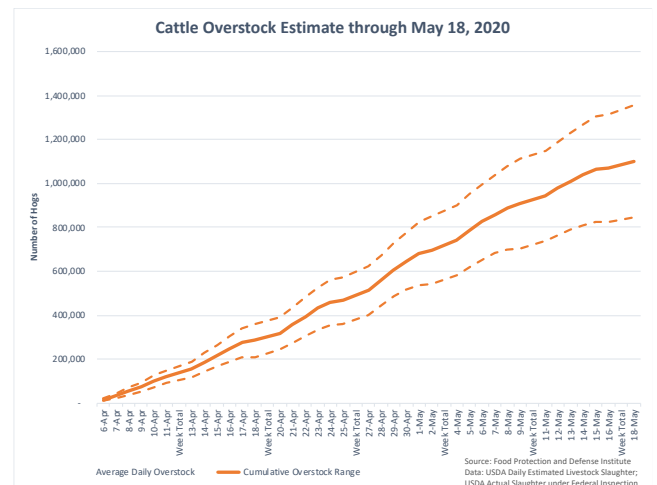
(This section contains exemplary media coverage from multiple perspectives around the issue.)

- [Farmers could be forced to euthanize 10 million pigs as COVID-19 impacts meat plants](#) – We are Iowa, May 18, 2020

Cattle Update

Daily Cattle Slaughter and Overstock Addition (updated daily)

- Overstock estimates of target market weight cattle is about 1.1MM, to date, with uncertainty ranges from 0.84MM to 1.35MM 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 25,000 cattle for May 18 (94,000 head) as compared to a year ago (119,000 head) and to the same day of the week ending April 4 (117,773 head). (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)



Weekly Cattle Slaughter and Overstock Projections (updated Thursdays)

- Slaughter numbers for the week ending May 17 were down approximately 28% with a 29% reduction to date starting

Update #19 May 18, 2020
supersedes Update #18 May 17, 2020



from the week ending April 4. (USDA Daily Estimated Livestock Slaughter; USDA Actual Slaughter under Federal Inspection)

Cattle media update (updated daily)

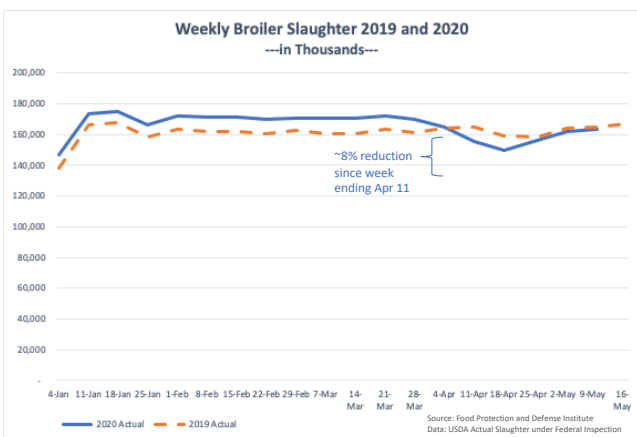
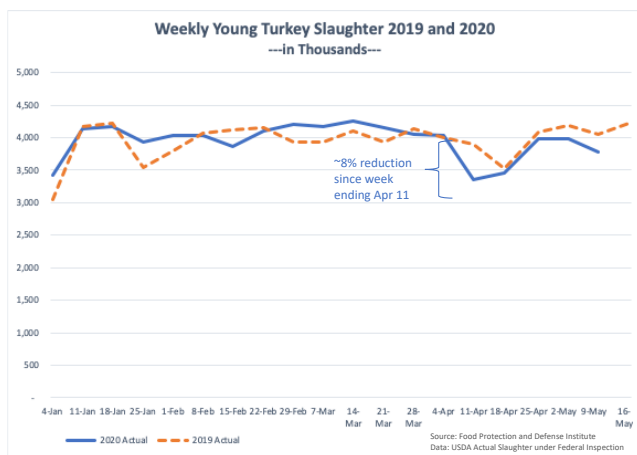
(This section contains exemplary media coverage from multiple perspectives around the issue.)

- [‘Cows will need bred’: Coronavirus is hitting the meat industry all the way up to animal breeders](#) – Louisville Courier Journal, May 18, 2020
- [Texas Beefhouse owner tells Jennifer Kielman how COVID-19 has challenged his business](#) – KLTV, May 18, 2020

Poultry Update

Weekly Poultry Slaughter and Overstock (updated Thursdays)

- Young Turkeys
 - 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)
 - Young turkey slaughter numbers for the week ending May 10 were down approximately 9.3% with an 8.7% reduction to date starting from the week ending April 4. (USDA Actual Slaughter under Federal Inspection)
- Broilers
 - 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





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growth. (USDA Actual Slaughter under Federal Inspection)

- Broiler slaughter numbers for the week ending May 10 were down approximately 5.7% with an 7.6% 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.)

- [Covid-19 continues to rattle supply chains](#) – Poultry World, May 18, 2020
- [Coronavirus Outbreak Closes Southern Indiana Poultry Plant](#) – US News, May 18, 2020
- [More than two-dozen area poultry plant employees have COVID-19](#) – KWTX, May 18, 2020

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.”

Processing facilities media coverage (updated daily)

(This section contains exemplary material from multiple perspectives around the issue. Most focus on the issues of potential capacity and timing while assuring worker health during reopening.)

- Germany to ban subcontracting in meatpacking industry after virus outbreaks – Reuters, May 18, 2020
- [Regulators sat on complaint as COVID-19 outbreak at Iowa meat plant grew](#) – Des Moines Register, May 18, 2020
- [Pork Executive Says State Officials Doing A Good Job Of Covid Testing At Packing Plants](#) – WNAX, May 18, 2020
- [Illinois Pork Processing Plants Avoiding COVID-19 Problems](#) – Alton Daily News, May 18, 2020
- [A refugee and new grandmother was the eighth employee at a Colorado meat packing plant to die from coronavirus](#) – CNN, May 18, 2020
- [Texas meat plant city becomes coronavirus hot spot amid increased testing](#) – Fox Business, May 18, 2020



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- [CDC report: Kansas' National Beef must step up COVID-19 protocols](#) – Salina Journal, May 18, 2020
- [Mapping Covid-19 in meat and food processing plants](#) – Food & Environment Reporting Network, updated daily with interactive map
 - “According to data collected by FERN, as of May 18 at 12pm ET, at least 214 meatpacking and processed food plants and 11 farms have confirmed cases of Covid-19, and at least two meatpacking plants and four processed food plants are currently closed. At least 16,343 workers (14,813 meatpacking workers, 1,058 food processing workers, and 472 farmworkers) have tested positive for Covid-19 and at least 65 workers (59 meatpacking workers and 6 food processing workers) have died.”

Market media coverage (updated daily)

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

- [How meat businesses will change after COVID-19](#) – Meat+Poultry, May 18, 2020
- [Direct beef company sees demand surge amid pandemic](#) – Beef Magazine, May 18, 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.)

- [America's Meat Supply Crisis | Tom Vilsack on COVID-19 Impacts on Food](#) – Gzero, May 18, 2020
- [Restaurants raise prices as coronavirus forces meat shortage](#) – Fox Business, May 18, 2020
- [Meat Shortages, Skyrocketing Prices May Blindside Consumers Over the Summer](#) – Progressive Farmer, May 18, 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.)

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Previous updates available upon request