



Food Protection and Defense Institute

A Homeland Security Center of Excellence

May 21, 2020

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

Meat Supply Chain and Mass Hog Depopulation – UPDATE #22

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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)

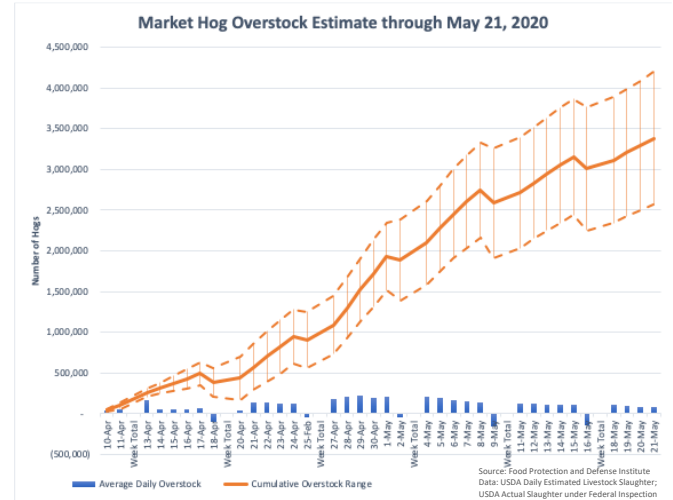
- [COVID-19 Federal Rural Resource Guide](#) - USDA
- Opening Facilities
 - [Meat and Poultry Processing Workers and Employers](#) – CDC
 - [Strategies to reduce COVID-19 transmission at Smithfield Foods Sioux Falls Pork Plant](#) - CDC
 - [COVID-19 Health and Safety Guidelines for the Meatpacking Industry](#) – 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



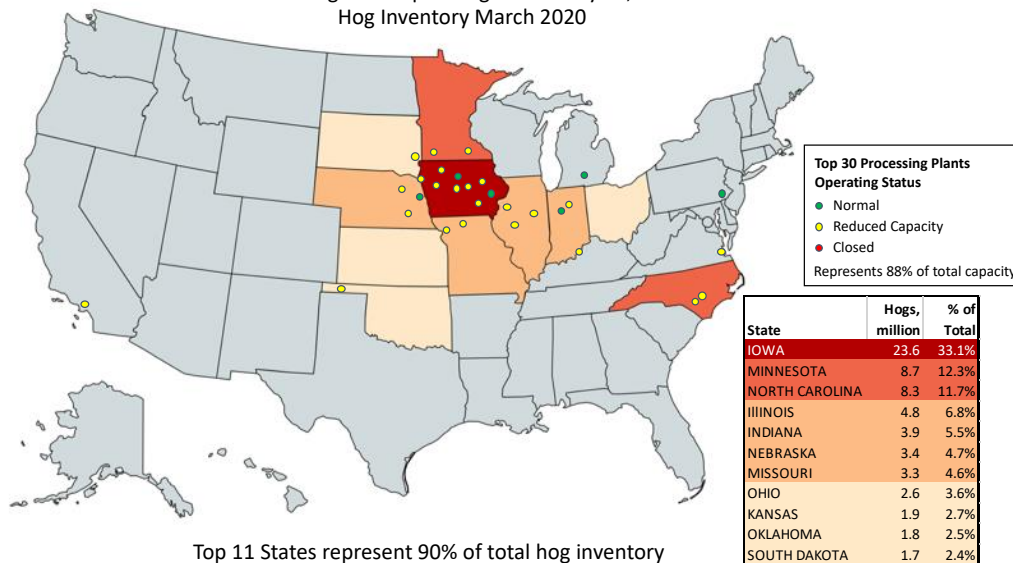
Hog Update

Daily Hog Slaughter and Overstock Addition (updated daily)

- Overstock estimates of above market weight hogs are about 3.4MM, to date, with uncertainty ranges from 2.6MM to 4.2MM 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 21 (398,000 hogs) as compared to a year ago (470,000 head) and to the same day of the week of April 3-9 (467,945 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 19.8% on May 21. (Kern & Associates courtesy of NPPC; Pork Checkoff US Pork Packers)



Processing Plant Operating Status May 21, 2020
Hog Inventory March 2020

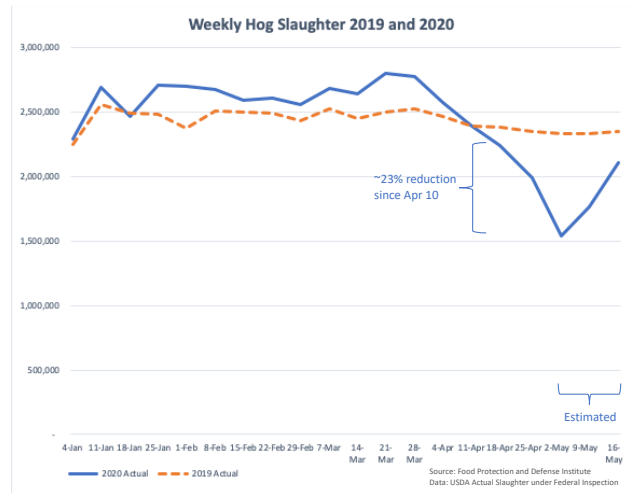


Source: Food Protection and Defense Institute
Data: USDA National Agricultural Statistics Service Quarterly Hogs and Pigs; Pork Checkoff US Pork Packers; Steiner Group and Kerns & Associates courtesy of NPPC

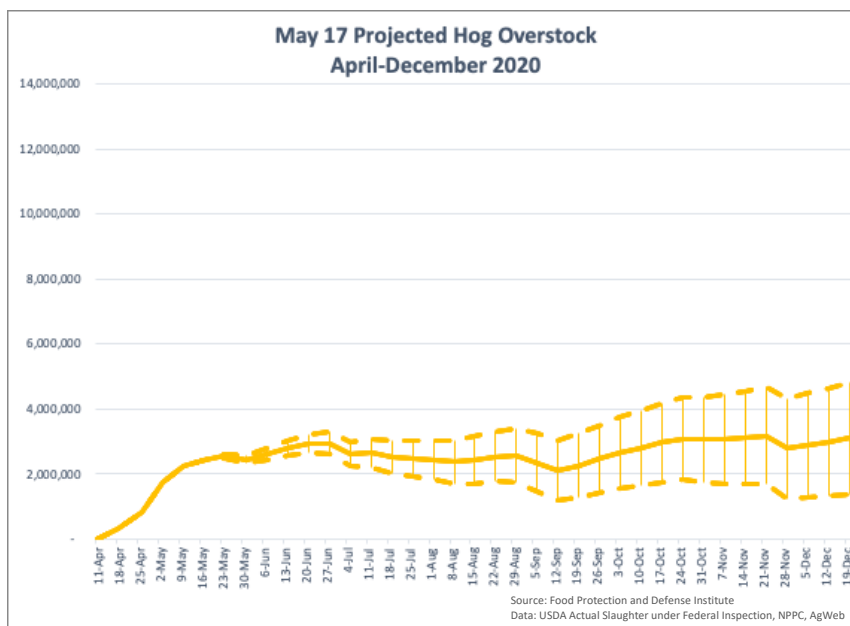


Weekly Hog Slaughter and Overstock Projections (updated Fridays)

- 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



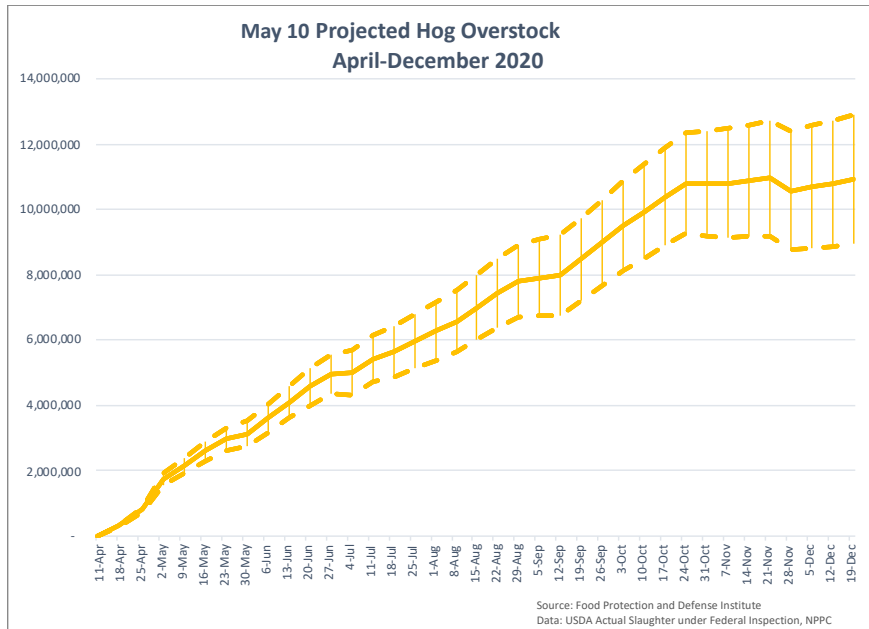
processing capacity over the past week and a published interview from Rabobank indicating processing expectations at 90% capacity by mid-summer. Overstock projections from May 10 and May 17 are provided for comparison of the substantial improvement of the hog overstock situation due to higher than anticipated 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.)

- [Hard times for Minnesota hog farmers significantly affect state's economy](#) – UMN, May 21, 2020
 - [The Hog Industry's Role in Minnesota's Rural Economy](#) – UMN, May 15, 2020 – “The loss of just 15 percent of Minnesota pork producers would result in \$660 million in lost output and 2,100 jobs”
 - [Study: Minnesota pork industry to take estimated \\$660 million hit due to COVID-19](#) – Fox9News, May 21, 2020
- [COVID-19 headaches to continue for hog, pork sector](#) – Feedstuffs, May 21, 2020

Hog depopulation and disposal media coverage (updated daily)

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

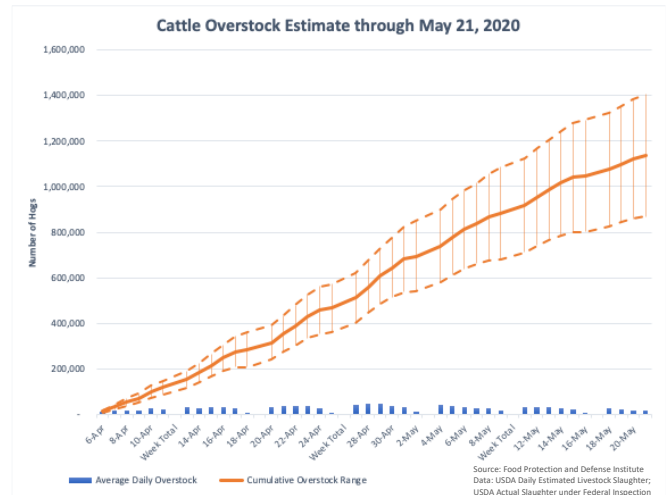
- [Being a pig farmer was hard. Then came coronavirus.](#) – Washington Post, May 21, 2020
 - “About 90,000 pigs have been euthanized in [Minnesota] in the past six weeks. ... [Waterloo] plant operating on an hour-to-hour basis, underestimating how many animal it can process in a day because it is unclear how many workers will show up. In recent days, he said, employees there have called Wulfekuhle and other local producers at the last minute to see if they can send more inventory.”



Cattle Update

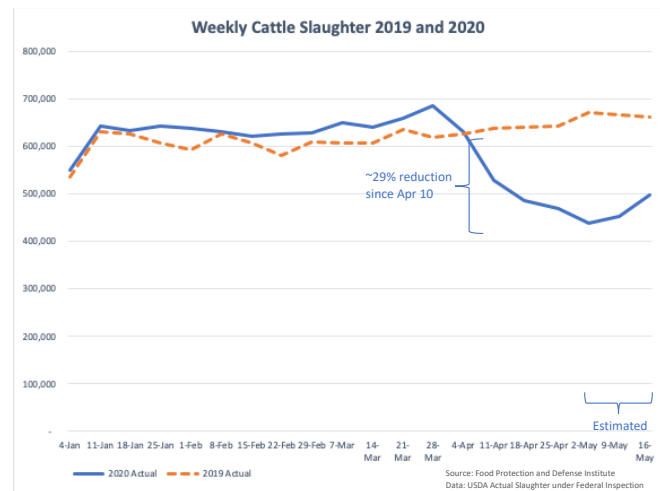
Daily Cattle Slaughter and Overstock Addition (updated daily)

- Overstock estimates of target market weight cattle is about 1.1MM, to date, with uncertainty ranges from 0.9MM to 1.4MM 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) (NOTE: Updates 19, 20, and 21 contained a calculation error. This has been corrected in Update 22)
- Slaughter numbers were down by approximately 15,000 cattle for May 21 (103,000 head) as compared to a year ago (119,000 head) and to the same day of the week ending April 4 (115,152 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 17 were down approximately 28% with a 29% 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.)

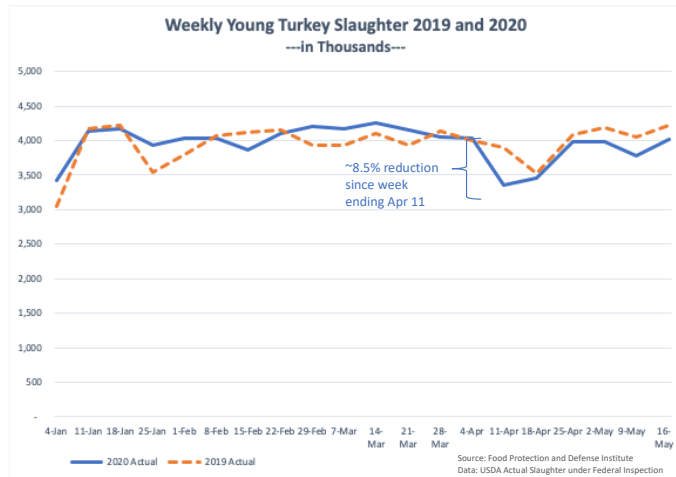
- [Beef demand causes hot dog shortage before Memorial Day](#) – WISN, May 20, 2020



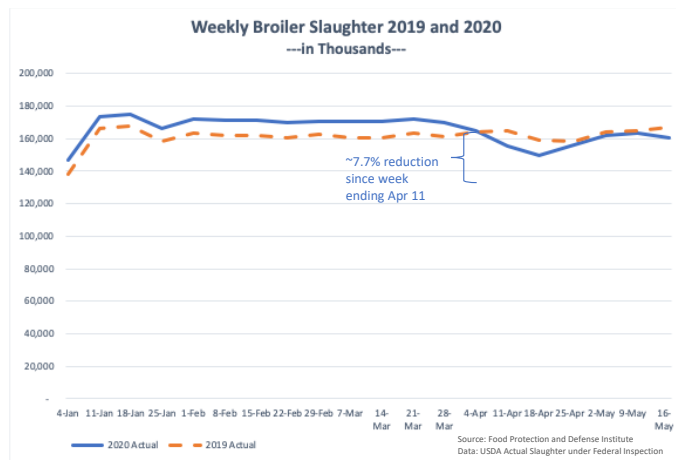
Poultry Update

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.)

- [US organic poultry slaughter drops 24% during COVID-19](#) – WattAgNet, May 21, 2020



Livestock Media Update

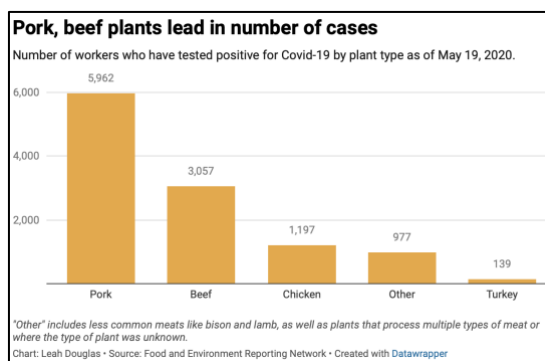
Webinars

- [Securing the Health Sector: Animal Rights Extremists](#) - May 22, 2020 1-2 EDT
 - “This week’s offering, “Animal Rights Extremists,” will offer a strategic, introductory-level overview of these extremists' targets and tactics, discussions of some recent criminal activity affecting the health sector and other sectors, and an assessment of the threat environment in 2020.”
- [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.)

- [Meatpacking safety recommendations are largely unenforceable](#) – AP News, May 21, 2020
- [Meat plants still coronavirus hotspots after Tyson reveals quarter of NC plant tested positive](#) – Fox Business, May 21, 2020
- [Kansas altered meatpacking guidance to let possibly exposed workers stay on the job](#) – Wichita Eagle, May 20, 2020
- [570 employees test positive for coronavirus at North Carolina plant, Tyson says](#) – Raleigh News & Observer, May 20, 2020
- [Meatpacking Union Says H-2B Change Is 'Betrayal' of Workers](#) – Law360, May 21, 2020
- [Charting the spread of Covid-19 in the food system – Food & Environment Reporting Network](#), May 19, 2020
- [Tracking Covid-19's impact on meatpacking workers and industry](#) – Investigate Midwest, updated daily with interactive map and company identification
 - “As of May 20, there have been at least 15,300 reported positive cases tied to meatpacking facilities in at least 192 plants in 32 states, and at least 63 reported worker deaths at 31 plants in 18 states.”





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Market media coverage (updated daily)

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

- [COVID-19 creates global disruption to animal protein chain](#) – National Hog Farmer, May 21, 2020
- [China looks to boost soy, meat orders in preparation for second wave of COVID-19](#) – IFT, May 18, 2020
 - [China urges food companies to boost supplies on fears of further COVID-19 disruption](#) – Reuters, May 17, 2020
 - “China has booked a record volume of U.S. pork shipments already this year, raising concerns about fresh tensions between the countries if U.S. meat production problems curb domestic supplies at a time when shipments to China remain strong.”

Producer media coverage (updated daily)

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

- [COVID-19 Crisis Puts Pressure On Farmers' Mental Health](#) – Illinois News Room, May 21, 2020
- [Purdue Food and Agriculture Vulnerability Index](#) – Purdue University, May 21, 2020

Market media coverage (updated daily)

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

- [Meat and Poultry Supply Chain Complications & COVID-19](#) – National Sustainable Agriculture Coalition, May 21, 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.)

- [Smashing Eggs, Dumping Milk: Farmers Waste More Food Than Ever](#) – Bloomberg, May 18, 2020 (Context note: Global perspective across the food system)
- [Is there really a meat shortage? Here's what's going on with chicken, beef and pork](#) – CNET, May 21, 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.)

- [Iowa farm forced to euthanize pigs was 'infiltrated' by animal activists](#) – Des Moines Register, May 21, 2020



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- “An Iowa farm that has been forced to euthanize hogs because of the coronavirus was “infiltrated” by unknown animal activists this week. ... An estimated 500,000 pigs in Iowa are backed up, said Pat McGonegle, CEO of the Iowa Pork Producers Association.”

Previous updates available upon request