Trump order keeping meat packing plants open worries unions

Unions in the U.S. meat packing industry say President Donald Trump is jeopardizing lives and prioritizing cold cuts over workers' health

By JILL COLVIN
Associated Press

HONS

In this April 2020, photo provided by Tyson Foods, workers wear protective masks and stand between plastic dividers at the company's Camilla, Georgia poultry processing plant. Tyson has added the plastic dividers to create separation between workers because of the coronavirus outbreak.

WASHINGTON (AP) — President Donald Trump took executive action to order meat processing plants to stay open amid concerns over growing coronavirus cases and the impact on the nation's food supply.

The order signed Tuesday uses the Defense Production Act to classify meat processing as critical infrastructure to try to prevent a shortage of chicken, pork and other meat on supermarket shelves. Unions fired back, saying the White House was jeopardizing lives and prioritizing cold cuts over workers' health.

More than 20 meatpacking plants have closed temporarily under pressure from local authorities and their own workers because of the virus, including two of the nation's largest, one in Iowa and one in South Dakota. Others have slowed production as workers have fallen ill or stayed home to avoid getting sick.

"Such closures threaten the continued functioning of the national meat and poultry supply chain, undermining critical infrastructure during the national emergency," the order states.

The United Food and Commercial Workers International Union, which represents 1.3 million food and retail workers, said Tuesday that 20 food-processing and meatpacking union workers in the U.S. have died of the virus. An estimated 6,500 are sick or have been exposed while working near someone who tested positive, the union says.

As a result, industry leaders have warned that consumers could see meat shortages in a matter of days. Tyson Foods Inc., one of the world's largest food companies, ran a full-page advertisement in The New York Times and other newspapers Sunday warning, "The food supply chain is breaking."

"As pork, beef and chicken plants are being forced to close, even for short periods of time, millions of pounds of meat will disappear from the supply chain," it read.

Tyson suspended operations at its pork plant in Waterloo, Iowa, after a slew of infections, and Smithfield Foods halted production at its plant in Sioux Falls, South Dakota, after an outbreak infected 853 workers there.

The 15 largest pork-packing plants account for 60% of all pork processed in the U.S., and the country has already seen a 25% reduction in pork slaughter capacity, according to UFCW.

A senior White House official said the administration was trying to prevent a situation in which a "vast majority" of the nation's meat processing plants might have temporarily closed operations, reducing the availability of meat in supermarkets by as much as 80%.

The official, who spoke on condition of anonymity to discuss the order before its release, said the White House was also working with the Labor Department to provide enhanced safety guidance for meatpacking workers. That will include trying to minimize the risk to workers who may be prone to serious complications from the virus, including strongly recommending those over the age of 65 and with preexisting conditions stay home.

The order, which was developed in consultation with industry leaders including Tyson and Smithfield, is designed, in part, to provide companies with additional liability protections in case workers get sick.

But UFCW International President Marc Perrone said that more must be done to protect the safety of workers.

Economists tally cattle losses at $13.6 billion

By CAROL RYAN DUMAS
Capital Press

The beef industry has begun to add up the coronavirus pandemic damages, which so far have soared past $13 billion.

The impacts on the cattle industry vary widely due to its distinct sectors, said Derrell Peel, extension livestock marketing specialist at Oklahoma State University. But the stark decline in cash and futures prices shows all have been hit hard — from the cow-calf and stocker/background producers to feedlots.

National Cattlemen's Beef Association commissioned Peel and a team of other livestock economists to do the numbers to help USDA determine the most effective way to assist the industry.

They found losses to the cattle industry will reach a staggering $13.6 billion — $9.2 billion in total revenue losses in 2020 and $4.4 billion in the value of breeding animals if the revenue losses are not compensated.

The cow-calf segment will have the largest losses at $3.7 billion due to the decline in calf prices and damages of almost $112 per cow. But it could also incur another $4.4 billion in losses in the value of breeding cows and bulls to the tune of about $135 per animal.

Lower calf prices reduce the value of the mother cow (with the bull implicitly included in that value), which goes on the producer's asset sheet, pulling down her worth. If the producer sells the cow, it's not worth as much to anyone else either, Peel said.

If she loses money this year — due to lower calf prices — her lifetime earning is reduced. If that loss isn't compensated this year, she never gets that value back, he said.

If the losses in calf prices are not compensated, the total loss to the cow-calf sector would more than double to about $8 billion.

Losses in the stocker/background sector, where weaned cattle add weight outside feedlots, are estimated at almost $160 a head for a total of $2.5 billion.

Losses to feedlots, where cattle are finished for slaughter, are estimated at nearly $206 a head for a total of about $3 billion.

"Everybody who was in the cattle business when this thing hit was impacted, and that's what we tried to measure," Peel said.

The economists focused on giving USDA an idea of the losses in the whole industry and breaking down the impact on the different sectors to assist in how USDA might allocate funding, he said.

"I'm under no illusions that everybody's going to be happy," he said.

It's the nature of the cattle business with its vertical sectors to see one person benefit at another's expense at some point, but it usually evens out, he said.

"The loss happened to the industry, and we tried to divide it up into different sectors," he said.

The economists did not consider any risk-management factors because they didn't know who might have done what, he said.

Hop-pellet maker offers aid to brewers

By BRAD CARLSON
Capital Press

Mill 95, which makes and markets hop pellets, recently began offering deeply discounted or no-cost inventory and promotional assistance to brewers hit by COVID-19 shutdowns.

The company, which employs 11 people at its production plant on U.S. Highway 95 near Parma, Idaho, has announced its Brewery Relief Program. Marketing specialist Amaya Aguirre-Landa said it will run at least through May.

"The goal is that this enables them to get back to business as usual potentially a little quicker once the pandemic is over," she said.

Stay-at-home orders and mandated closures in the past two months amid coronavirus concerns slashed brewers' revenues and disrupted production. Input purchases slowed greatly.

Aguirre-Landa said brewery operators must juggle meeting remaining current demand — on substantially lower income — and preparing for reopening under their state's guidelines.

Planning for production increases and marketing will be challenging since post-opening demand is yet to be determined.

"Craft brewers need help and need it now," she said. "With little to no sales, getting back on their feet will be tough to impossible due to cash-flow issues."

Program resources include a portfolio of hops that can be immediately shipped to brewers at little or no cost, and opportunities to receive varieties through 2021 under contract at "extreme" discounts, Mill 95 said.

Brewery Relief also helps the company by enabling it to retain or add customers as it keeps inventory moving on timetables that ensure the best quality, Aguirre-Landa said. Pelletized hops can be stored for three to five years depending on variety, but can start to degrade around the three-year mark.

"This program puts product in the hands of the customer," she said.

"We are getting great feedback," Aguirre-Landa said. "A large portion of the activity is definitely based around ingredient procurement." The promotion-assistance component also is generating interest.

Mill 95 recently added a New Zealand-based supplier that harvested in March. The company also looks forward to bringing in new varieties from the 2020 U.S. hop harvest.

Garlic supply 'pressed': shortages, high prices

By SIERRA DAWN MCCLAIN
Capital Press

Christopher Ranch LLC

A field of garlic in Gilroy, Calif. A combination of short supply and higher demand have driven prices higher.

GILROY, Calif. — The garlic market is running hot.

U.S. retailers are experiencing garlic shortages and prices are spiking during the COVID-19 shutdowns. Growers say the pandemic was the final nudge on a row of dominos that moved the market.

Stuck at home, more people are cooking with garlic, according to retail data. Some industry leaders speculate the garlic rush is also tied to the vegetable's health properties. But while demand is rising, supply is shrinking.

The virus caused disruptions in the supply chain with China, the world's largest garlic producer. Argentina, another garlic Goliath, recently rerouted most of its exports to Brazil instead of the U.S. in a trade deal. And domestic-produced garlic was already in short supply after violent rainstorms destroyed much of 2019's crop.

"All these stars lining up have really made an impact," said Doug Stanley, garlic grower and general manager at Harris Fresh.

According to the USDA, one string of five garlic bulbs cost around $1.43 on average this spring — 29% more than at the same time last year.

Industry experts predict garlic imports will increase and prices will stabilize in May or June as global supply chains recalibrate and lockdowns are eased.

"There's no need to panic-buy," said Bill Christopher, president of Christopher Ranch LLC in Gilroy, Calif., one of the nation's largest garlic producers. "I know a lot of stores are out of garlic, but it shouldn't be for long."

When the pandemic hit, Christopher said he suspected some consumers were buying more garlic to stay healthy.

Google Trends, a tool that analyzes top search queries, seems to confirm Christopher's hypothesis. It revealed that in the last month, some of the most popular search terms related to garlic were:

- Garlic immune system.
- Does garlic kill viruses?
- Does garlic help fight viruses?
- Garlic antiviral.
- Coronavirus garlic.

According to health professionals, a post circulated on Twitter and Facebook advising people to make garlic soup as a "cure" for the virus. The World Health Organization called the claim that garlic could cure coronavirus a myth.

Garlic has health benefits, WHO says, and is being researched for its antimicrobial, antiviral, anti-tumor and antibacterial potential. But according to WHO's statement, "there is no evidence from the current outbreak that eating garlic has protected people from the new coronavirus."

With global supply chains disrupted, Americans are turning to domestic producers. California produces the most U.S. garlic, with Oregon in second place.

Growers such as Stanley say domestic garlic has a richer flavor profile and adheres to higher food safety standards, but it's hard to compete with international prices.

In recent years, according to Mintec, a commodities data firm, China has been responsible for about 80% of the global garlic supply.