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Meat companies refuse to get specific about Covid-19 caseloads, record exports during height of pandemic

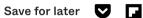
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AP / Carolyn Kaster

Senators Warren and Booker release the findings of their June investigation into Tyson

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On Friday, Democratic Senators Elizabeth Warren of Massachusetts and Cory Booker of New Jersey released the findings of their June investigation into why America's biggest meat companies warned of domestic shortages while at the same time exporting record quantities of meat to China during the height of pandemic-related supply chain backups in April.

But the responses the senators received to their letters of inquiry from CEOs at Tyson Foods, JBS USA, Cargill, and Smithfield Foods contained few specific answers about the quantities of meat produced domestically and exported in April, or about the total number of worker illnesses in their facilities. Nor did they shed much light on rising consumer prices and plummeting prices for farmers and ranchers during the same period, an issue of increasing concern, particularly for cattle ranchers, because beef packers' profit margins reached historic levels during the peak shutdown period in April. In lieu of that information, Warren and Booker are renewing their calls to ramp up worker safety standards in the next coronavirus relief bill.

"The Covid-19 pandemic has made it painfully clear that these giant meatpackers can use their power to exploit their workers for profit."

"The Covid-19 pandemic has made it painfully clear that these giant meatpackers can use their power to exploit their workers for profit," Warren said in a statement. "If Smithfield, Tyson, JBS USA, and Cargill were actually interested in standing up for their workers on the line, they would have provided real answers to our serious concerns."

Last month, we reported that American meatpackers had sold record amounts of pork and beef to China while simultaneously lobbying President Trump to issue an <u>executive order</u> that would permit their increasingly virus-stricken facilities to stay open in an

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had the year before, but exported nearly four times their usual amount, far exceeding the amount of production lost to the pandemic, USA Today <u>reported</u>.

The New York Times revealed that Smithfield, the same company that warned in April that the pandemic was pushing the United States "perilously close to the edge in terms of our meat supply," had exported to China 9,170 tons of pork, one of the highest export totals in three years, that same month. Tyson Foods, which sounded the alarm with a full-page national newspaper ad that said "the food supply chain is breaking," and warned that plants would have to close, exported 1,289 tons of pork to China that month, the most since January 2017.

The reports about the apparent discrepancy raised "questions about what, exactly, Smithfield meant when the company said that 'we have continued to run our facilities for one reason: to sustain our nation's food supply during this pandemic,' and about how seriously Tyson takes its 'responsibility to feed our country," the senators wrote on June 22, as part of formal requests for production statistics, data on capacity and exports, consumer and producer prices, and Covid-19 caseloads in plants.

But the responses, all of which are <u>available to read</u> <u>here</u>, offer few specifics on any of those fronts.

Meat companies had produced 171 million fewer pounds of beef and pork than the year before, but had exported nearly four times their usual amount.

What they do shed light on is what a complex business industrial-scale meat production and distribution actually is. Several of the companies said their export orders were booked and sold weeks before the pandemic hit the United States. They also said that exports don't threaten the domestic meat supply, because foreign markets receive cuts that Americans don't regularly eat, such as organ meat, feet, and tails. ("Variety cuts" accounted for less than 25 percent of the weight of April exports, according to *USA Today*'s investigation.)

employees. "Consequently, every pig harvested for U.S. consumption also generates export products. There will always be exports even in a time of shortage in the U.S."

The Virginia-based pork processor said its facilities had production lines dedicated to "carcass export," and converting them to process cuts for American consumers was a difficult, expensive process, even during normal times. The company acknowledged that exports had increased significantly, but attributed the jump to a new trade agreement with China. (They continue to rise as domestic frozen supplies dwindle.)

"Export production lines set up to ship three-piece frozen carcasses to foreign destinations cannot immediately convert to domestic production because conversion requires engineering new production flows, installation of new cutting equipment, hiring and training additional staff, etc.," he wrote. "The time to convert lines is typically measured in months under the best of circumstances, never mind during a global pandemic."

Cargill, the Minnesota-based company, was alone in providing production figures, stating that its total beef and turkey exports were down compared to the same period the year prior, and that the decrease continued through June. The company said it had not exported any beef or turkey from the United States to China this year, excluding exports to Hong Kong. After this article published, a Tyson spokesman told The Counter that the Springdale, Arkansas-based processor had exported only 3 percent of its total pork production to China since October.

"Slowing line speeds by 50 percent means euthanizing half of our nation's livestock, the collapse of farm prices, burying food in the ground."

Beyond the details on export-market economics, the human cost of coronavirus on America's meat supply chain cannot be understated. Upon re-opening, many plants <u>failed to implement safety measures</u> like

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But in their responses, none of the companies provided exact numbers on total positive cases or deaths at their individual plants, referring only to national figures or the numbers of employees tested. Smithfield, for instance, stated that "employees should never be reduced to numbers," while Tyson, which boasted of "transparency in data," didn't report how many cases it had identified in its facilities.

(The companies haven't been required to keep those numbers. Meat companies weren't asked to start tracking their positive cases <u>until May</u>. State officials have sent <u>conflicting signals</u> to local health departments and meatpacking companies about tracking cases.)

Anna Nagurney, director of the Virtual Center for Supernetworks at the University of Massachusetts, said that packers must do more to stop the virus spread in their factories, if only to avoid future supply chain crunches. Nagurney said meatpackers should reengineer their production lines to allow for social distancing, limit the varieties of meats produced, and consider offloading more of the butchering responsibilities to retailers. In the long run, she said, processing must de-consolidate, so that the closures of a few major plants don't cripple the industry.

"It is imperative that they take care of labor, which is really the most importance resource," she said. "The capacity is going way down because of the illnesses, and without workers being able to do the processing, these companies can't exist. So I just can't see that they don't get it."

But Smithfield and other companies have largely not abided by those practices. A <u>recent report</u> by the CDC found that only 37 percent of meat factories reporting cases tested their employees, only 22 percent closed facilities temporarily, and only 21 percent reduced line speeds. The letters from the packers also reveal widespread inconsistency in attendance and sick leave policies. In a statement to The Counter, Cargill said that its employees have received an additional 80 hours of paid leave, which can be used for child care or family leave. (Smithfield and JBS did not respond

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national caseloads.

Some of the companies also rejected the possibility of slowing down processing line speeds to create more space between workers—a move that would allow them to abide by CDC guidelines for social distancing rules. In its response to the senators' letter of inquiry, Smithfield said its plants were "no more designed to operate in a pandemic than hospitals were designed to produce pork."

"In other words, for better or worse, our plants are what they are," Sullivan wrote. "Four walls, engineered design, efficient use of space, etc. Spread out? Okay. Where?"

Slowing line speeds by 50 percent, the company stated, would send shockwaves down the supply chain, forcing farmers to euthanize half the nation's livestock, and leading to the collapse of farm prices.

"If you process only half the animals, where does the other half go? It's a continuous flow system; the biological flow coming from our nation's prolific producers is inexorable," the letter read. "There is nowhere for livestock to go but in the ground. There is no space available. We do not like it any more than you do."

(ProPublica <u>reported</u> that Sullivan previously called social distancing "a nicety that makes sense only for people with laptops.")

So what's next? Warren and Booker do not have subpoena power in a Republican-led Senate, so are unable to use that mechanism to force the companies to respond more thoroughly to their inquiries. That leaves them to the slow-moving power of policymaking—a far less promising outcome in terms of legislative priorities.

The senators were troubled by the companies' claims that they were "meeting" or "exceeding" CDC safety guidelines, despite what we know about the rates at which meatpacking

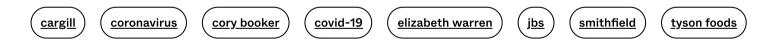


of the growing power of the Big Four amid continued consolidations in the meat industry. Booker has been pushing for a moratorium on agricultural mergers <u>for years</u>, most recently reintroduced in the form of the <u>Farm System Reform Act</u>. Warren, meanwhile, has pushed <u>since April</u> for increased safety protections, premium compensation, and universal paid sick leave and medical leave for essential workers.

Warren and Booker are next turning their attention to OSHA—the agency that has abdicated its responsibility to enforce workplace safety during the pandemic. They are now calling for the next Covid-19 relief package to include an emergency temporary standard (ETS) that would set specific, enforceable workplace safety rules to protect workers from airborne disease.

Why? Both say they were troubled by the companies' claims that they were "meeting" or "exceeding" CDC safety guidelines, despite what we know about the rates at which meatpacking workers continue to contract and die from Covid-19—an indication that voluntary guidelines were insufficient to stop the spread.

"If these companies believe they're doing everything required of them to protect workers, yet workers continue getting sick and dying, then it's clear that non-enforceable CDC guidance is not enough—the next coronavirus relief package must include an OSHA ETS to keep workers safe," Warren wrote.





Sam Bloch is a staff writer for The Counter.