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Coronavirus-Era Food Supply: America Has a Lot. Moving It Is Tricky.

Farm giants juggle operations to answer surge in demand and ready workers to fill in for any who fall ill; 'Platoon coverage'

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You wouldn't know it from the bare grocery store shelves across the country, but America has plenty of food. The challenge is getting it from the farm to your table.

Companies that supply meat, vegetables and other staples are struggling to redirect the nation's sprawling food supply chain to meet a surge in demand caused by the coronavirus pandemic.

Restaurant closures and shoppers' rush to stock their pantries are forcing the agriculture industry to boost production, hire new employees and set up "war rooms" to keep grocery stores stocked.

"It is in fact unprecedented, the type of growth we've seen," said Noel White, chief executive of Tyson Foods Inc., [TSN -2.20%](#) ▼ describing the demand from supermarkets needing to refill shelves.

Still, he said, "the food supply is sufficient."

To meet demand, processing plants are churning out more supermarket-ready packs of chicken breasts, pork chops and salad greens while companies build volunteer teams to deploy across facilities if workers fall ill.

Companies' plans include cross-training employees to do various tasks; monitoring possible disruptions to the H-2A visa program used to import agricultural workers; and talking with hospitals and churches about setting up child-care options for workers if schools close.

Arkansas-based Tyson, the biggest U.S. meat supplier by sales, had employees working through the weekend to ship chicken, beef and other products to

grocery stores, Mr. White said. Tyson switched some of its processing lines to make more shrink-wrapped meat and other store-ready products, while scaling back meat production for restaurants.



Tyson whole-bird chickens on a conveyer belt at a company facility PHOTO: TYSON

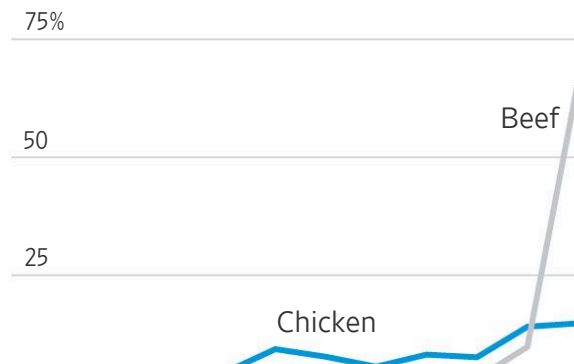
Sanderson Farms Inc., a Mississippi-based poultry company, said it ran extra shifts last weekend in its five plants that produce meat for supermarkets and will add more this weekend.

In coming weeks, Sanderson could convert two plants handling mainly restaurant chicken to produce for grocery stores. That would involve cutting larger carcasses typically bound for restaurants and cafeterias into smaller pieces, and bringing in more labels and trays to package them, industry executives said.

Meat Supply

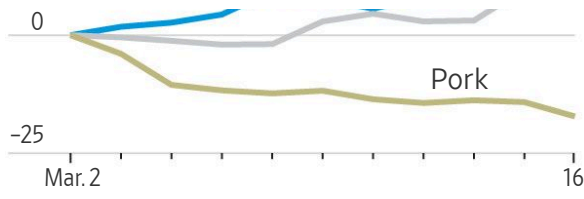
Consumers' rush to stock up on staple foods has driven wholesale meat prices higher, though domestic meat supplies have been at high levels.

Percentage change in price



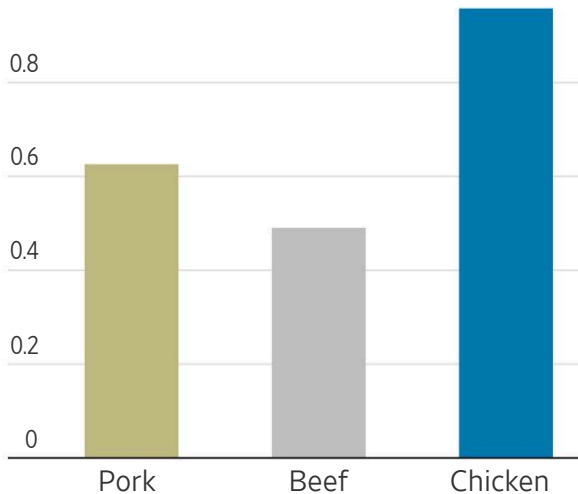
Consumers' clamor to stock up is boosting poultry prices. Per-pound prices for boneless chicken breasts are up 30% since the start of March, according to commodity market-research firm Urner Barry.

In California's Salinas Valley, Taylor Farms, a giant supplier of fresh vegetables and salad, has designated a conference room with white boards for walls as its war room. There, chief executive Bruce Taylor and a team



Cold storage*

1.0 billion pounds



*As of January

Source: USDA; cold storage compiled by Steiner Consulting Group

have been mapping out how to quickly move raw produce grown on thousands of acres across North America through the company's 16 processing facilities and onto store shelves.

"It's a crazy puzzle," Mr. Taylor said. "This is war."

Plans include major shifts for plants such as one in Yuma, Ariz., that typically processes 15 million pounds of fresh-cut vegetables a week into 5-pound bags for food-service customers like Taco Bell Corp. or McDonald's Corp.

With restaurant traffic slashed, employees are prepping smaller bags

of vegetables or mixing them into salad blends for retailers such as Costco Wholesale Corp. To meet demand, four of Taylor Farms' largest retail-gearred plants also ran overtime last week and two did on Sunday.

Last week, Taylor had to quickly truck packaging and equipment to Yuma in order to send vegetables to grocers in their usual plastic clamshell boxes, and it had to reroute the company's hired trucking fleet to accommodate a roughly 25% surge in retail demand.

At Minnesota-based Cargill Inc., one of the biggest U.S. suppliers of ground beef, frozen turkey and cooked eggs, grocery chains' orders surged over the last week as consumers stocked up, according to Ruth Kimmelshue, supply-chain head. Cargill maintains weeks' worth of supplies of products such as deli meat, frozen turkeys and frozen eggs in cold storage, providing a buffer, she said.

The company has barred visitors from U.S. plants, is checking workers' temperatures and is asking truckers to stay in their vehicles when making deliveries or pickups. In some plants, Cargill is stationing workers farther apart or spreading employees across multiple shifts.

The Food and Drug Administration says there is no evidence that food or food packaging has transmitted the coronavirus.

“We’re confident in the food system,” said Ms. Kimmelshue. “The pipelines will refill normally and there will be food available through this crisis.”

Chicken supplies in U.S. cold-storage facilities recently sat at their highest January levels on record, with pork hitting a similar record in December. Stockpiles of grains and oilseeds such as soybeans have swelled, partly because the U.S.-China trade war cut into exports. Milk production is set to rise 1.8% this year to a record 222.3 billion pounds, and egg production is projected to rise 1.7%, according to the U.S. Department of Agriculture.

Worker shortages for farms, plants and logistics could hamstring the food industry’s efforts to deal with the crisis, executives said. The Agriculture Department on Monday pledged to make sure federal food inspectors would continue to supervise meat processing and other functions.

U.S. highway-safety regulators late last week suspended rules limiting daily driving hours for truckers moving food, medical equipment and other critical goods, which some food companies had requested.

Lineage Logistics LLC, the biggest U.S. operator of refrigerated warehouses that serve as way stations for meat, produce and other goods on their way to supermarkets, says shipments from its facilities to stores are up by between 20% and 50%. Some chains are doubling their business from February’s levels, said CEO Greg Lehmkuhl.

“We are at full tilt right now,” Mr. Lehmkuhl said.

At Lineage’s hub facilities in places such as Mira Loma, Calif., workers are loading and unloading trucks round the clock, racking up record overtime. The company has shifted some salaried employees to warehouse roles and is calling temp agencies to recruit laid-off restaurant and service workers.

“There’s not a building in the country we’re not hiring at right now,” said Mr. Lehmkuhl. “We’re looking to hire people on the spot.”

Taylor Farms, to make sure it can operate if some of its 22,000 employees fall ill, is cross-training some on the staff, such as teaching a forklift driver to operate a

robot that puts bagged salads in boxes.

On farms, the company is limiting contact between workers, sending spinach-harvesting crews to work in separate vans and instructing them not to take breaks or eat lunch with crews in nearby fields.



Rose Acre Farms CEO Marcus Rust with his cage-free chickens in February 2015. PHOTO: TAYLOR GLASCOCK FOR THE WALL STREET JOURNAL

At the southern Indiana headquarters of Rose Acre Farms, one of the nation's largest egg producers, chief executive Marcus Rust is assembling a volunteer team of employees that could be deployed to any of its farms in six states if workers fall ill.

To prevent the spread of disease, employees must answer daily questions about their health, and truck drivers have been told to avoid truck stops.

Rose Acre, which has about 25 million hens, has been overrun by supermarket orders and is scrambling to reroute eggs destined for food service to retail customers. That includes eight truckloads a week earmarked for a cruise line that has gone dark. Still, Mr. Rust said Rose Acre could be as much as 60 million eggs short this week.

"All our warehouses were cleaned out over the weekend," said Mr. Rust, adding that the price he receives for eggs has doubled over the past two weeks to roughly \$1.60 a dozen.

Rose Acre has begun rationing the eggs it supplies to customers. "We can't squeeze the chickens," Mr. Rust said.

Andersons Inc., an Ohio-based grain company, is identifying employees available for travel between dozens of its grain elevators to keep its corn, soybeans and wheat flowing from farms to processing plants in the event of worker shortages, said Corey Jorgenson, a senior vice president.

Such “platoon coverage” could keep affected plants running in states like Michigan and Ohio, where company facilities are clustered in close proximity to one another.



Workers in Florida City, Fla., sort through tomatoes after they are washed before being inspected and packed. PHOTO: WILFREDO LEE/ASSOCIATED PRESS

At warehouses in eastern Washington, employees at Domex Superfresh Growers, one of the largest growers and shippers of apples, pears and cherries, raced to meet a 50% jump in demand over the weekend—packing and shipping six million pounds of fruit each day.

Robert Kershaw, president, said if the surge continues, Domex may delay international shipments. Grandparents and older siblings have stepped in to care for young children belonging to its 1,500 employees. If child-care needs begin to keep employees home during the day, he said Domex would add shifts on nights or weekends.

Staffing problems could grow more dire if new visa-processing restrictions limit the number of immigrant workers Mr. Kershaw can bring from Mexico to work on his fruit farms this year. Domex’s workforce typically swells to upwards of 10,000 people by fall. The State Department this week said it would stop

processing most visas for U.S. entry in its offices across Mexico, including visas for seasonal workers, as the coronavirus spreads.

The move could affect tens of thousands of farm workers who enter the country through the nation's H-2A visa program, threatening access to labor during a critical time in the growing season, though the Agriculture Department says consulates in Mexico have said they will prioritize visa-processing for returning farm workers.

In central Iowa, the surge of shoppers into grocery stores is helping pork producer Prestage Farms Inc. offset slower exports to China.

Company president Ron Prestage is nervous, though, that the virus's spread could reduce staffing at the firm's Eagle Grove, Iowa, pork-processing plant. That could create a logjam in the thousands of hogs the plant receives daily from farmers, who in turn depend on getting paid and clearing out space to raise the next generation of hogs.

Prestage is talking with hospital officials and day-care providers about setting up child-care options if schools close, he said. Tyson, too, is looking at contracting with child-care providers, or working with church groups to set up temporary options for employees, said the company's Mr. White.

Just weeks ago, the U.S. meat industry was contending with oversupply concerns. China's reopening to U.S. chicken shipments encouraged companies to raise more and fatter birds, but the coronavirus's spread in China earlier this year bogged down some exports, swelling levels of poultry and pork in U.S. cold-storage facilities.

The virus's spread, and responses of government and businesses, have changed the picture in a matter of days, said Russell Whitman, senior vice president at Urner Barry, the market-research firm.

"You have retailers on fire, and food service shutting down," he said.



MVP Dairy co-owner Ken McCarty PHOTO: MVP DAIRY

The U.S. is also awash in milk, but dairy farms are nonetheless hurrying to ensure they can keep the staple flowing. For MVP Dairy in northwest Ohio, co-owner Ken McCarty is scrutinizing his supply chain for shortfalls that could prevent him from delivering milk to the nation’s largest yogurt plant, owned by Danone North America, which produces brands such as Dannon and Oikos.

He is stocking up on extra feed ingredients in case transportation grows more restricted, and is hunting for vitamin and mineral substitutes for the dairy’s 4,000 cows in case overseas supplies are disrupted. MVP Dairy has also stepped up cleaning and sanitation of high-contact areas such as lunch counters, time clocks and door handles.

Eighteen miles away, Danone is running its yogurt plant at full speed to meet burgeoning demand, and taking precautionary measures such as ensuring it has a longer-lasting supply of critical raw ingredients than usual.

“We’re in uncharted territory,” said Mariano Lozano, Danone NA’s chief executive. “We make decisions and cross-correct almost by the hour.”

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Corrections & Amplifications

Beef prices have grown over 65% since March 2. A previous version of a chart that ran with this article showed a 165% increase. (March 19)

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