

## **The Tragic Impact of COVID-19 on U.S Hog Farmers The Need to Euthanize**

U.S. pork producers face a financial disaster due to circumstances beyond their control caused by the COVID-19 pandemic, and they desperately need Congress to provide direct economic aid to avert the worst of it. Because meat packing plants have been closed or significantly slowed, farmers have not been able to sell or send thousands of hogs to market. At current plant capacity levels, approximately 170,000 market-ready hogs per day can't be marketed. Producers made economic projections and financial commitments about 10 months ago about how many hogs to have ready for the market this spring and summer; that is how long it takes to breed pigs and raise them to market maturity. After two years of losses due to trade retaliation, U.S. hog farmers now face the tragic reality: up to 10 million hogs over the next few months with no place to go. Housing these hogs is not an option as younger hogs coming up through the supply chain need someplace to go for care and feeding. Producers face a wrenching and tragic choice; watch their mature animals suffer because they can't care for them or euthanize them. The only humane option is to euthanize them, a tragedy for farmers who work to produce food for people. Destroying these animals and the food they represent goes against every farmer instinct. Substantial financial aid is required to sustain hog farmers through this crisis and preserve a highly competitive U.S. pork production system. Following is an overview of the U.S. pork production system and the factors that make euthanasia the only option for pigs with no available market.

### **10-11 Months from Sow Breeding to Market-Ready Hog**

Pork producer investments begin 10-11 months before a hog is sent from farm to market to be processed into the food supply system. These investments begin with sow breeding. Litters are born ("farrowed") approximately 114 days following sow insemination. Piglets then progress through the production cycle as follows:

Nursing with mother	21-28 days
Weaned/nursery stage	42-56 days
Finishing stage prior to harvest	135 days

These phases are usually managed on different farms by producers who specialize in each stage of the production cycle. This approach guards against disease transfer and allows for cost-efficiencies. Finishing barns, for example, are located near soybean and corn growers, the primary feed ingredients for pigs. For food safety and animal health reasons, pigs are raised in barns where their care – including air quality, temperature, feed and water – can be closely controlled and monitored.

Farmer decisions to produce hogs ready for market today were made in June 2019 when all market signals indicated favorable returns for these investments and the United States remained on record pork production pace.

### **A Just-in-Time, Precise Production Cycle**

Under normal market conditions, pigs efficiently move through the production cycle – when one group of market-ready hogs is ready for harvest, another group of pigs is right behind them – until they reach 270 pounds and are ready to be transported to harvest facilities. Pigs are raised to uniform specifications for harvest facilities technologically honed to process hogs of precise weights. Hogs are routed through one of two processing and product packaging lines: those processing meat for food services (i.e. restaurants and institutions) and those for retail (i.e. grocery stores). Hogs that exceed weight specifications cannot be processed through the nation's primary harvest facilities due to constraints in the equipment and concerns with worker safety.

## **The COVID Bottleneck: 10 Million Hogs with Nowhere to Go**

At the beginning of March 2020, based on decisions made well before anyone had heard of COVID-19, the nation's inventory of pigs and hogs was 77 million, four percent higher than the same time last year. The number of hogs harvested during the first week of March, before plant disruptions began, was 2.68 million.

Due to COVID-related plant shutdowns and slowdowns, pork harvest capacity is down nearly 40 percent as of May 6, 2020. For the week of May 2, 2020, USDA-inspected pork processing facilities harvested 1.55 million hogs. During the same week last year, 2.36 million hogs were harvested. This year's harvest for the week of May 2 was expected to be over 2.4 million head. At current capacity levels, more than 170,000 market-ready hogs per day can't be processed into the food supply. These hogs will eventually stay on farms too long and grow too large to be accepted by harvest facilities. It is estimated that up to 10,069,000 market hogs will need to be euthanized between the weeks ending on April 25 and September 19, 2020, resulting in a severe emotional and financial toll on hog farmers.

It's worth noting that the dramatic COVID-related reduction in restaurant and other food service demand has compounded the bottleneck at plants. As previously noted, plants are designed to process hogs through separate inspection and packaging lines set up for the retail and food service markets.

## **Euthanasia: The Only Humane Response**

The result on farms is overcrowding at every stage of the production cycle. Overcrowding impacts pigs' ability to eat and drink without competition and to rest comfortably. It may result in aggression and injuries. Maintaining air quality and temperatures that keep animals comfortable is also challenged. While farmers can find creative, short-term methods to house pigs, they will grow beyond weight specification and will not be accepted by harvest facilities. To prevent animal suffering, farmers are forced to euthanize pigs.

## **Immediate Relief Required**

U.S. pork producers are in desperate need of federal assistance to address this unprecedented tragedy. NPPC seeks congressional authorization to fund the following USDA programs to address this crisis:

- \$1.173 billion for the USDA Farm Service Agency Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish (ELAP) to compensate farmers, retroactive to April 19, 2020, who are not able to market hogs due to plant closures or slow-downs.
- \$505 million allocated as follows: \$250 million for USDA APHIS to pay euthanasia/depopulation expenses; \$255 million divided between National Resource Conservation Service (NRCS) and the Federal Emergency Management Agency to facilitate environmentally responsible disposal.

Without this and other assistance – including expanded direct payments to producers without restrictions to address severe losses as marketed hog values have plummeted – thousands of pork producers will be forced to liquidate their farms and other assets. Reduced pork production and significant industry consolidation will follow, leading to higher food prices for consumers.

*“The last time we had plant capacity issues was in 1998. The problems then were very similar. The USDA acted too slowly and with too little money and we lost an entire generation of hog producers, including two of the largest. Without federal assistance, including compensation for euthanized hogs, we will see further consolidation in the industry.”* -- Dr. Dermot Hayes, Economist, Iowa State University