

South Dakota pork plant closure will reduce nation's meat supply, impact entire supply chain

April 14 2020, by Shannon Roddel



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Virginia-based Smithfield Foods, one of the country's largest pork producers, announced Sunday, April 12 that it is closing its pork processing plant in Sioux Falls until further notice after some 300 employees tested positive for the coronavirus.

The move could not only hurt the nation's meat supply, it will impact every tier of the supply chain, according to Krista Foster, who teaches <u>supply chain management</u> at the University of Notre Dame's Mendoza College of Business.

"Just as we have seen the effects of coronavirus within other industries, these plant closures will disrupt the entire pork supply chain—from the <u>livestock farmers</u> to the consumers who purchase <u>pork</u> products," Foster said.

Smithfield President and CEO Kenneth Sullivan said, "The closure of this facility, combined with a growing list of other protein plants that have shuttered across our industry, is pushing our country perilously close to the edge in terms of our meat supply."

"Meat products are perishable and because they require cold storage, there's also limited storage capacity," Foster explained, "making it difficult to carry a large amount of inventory. Once the existing inventory is used up, consumers can expect to see smaller quantities of <u>pork products</u> in stores due to processing plant closures.

"In this case, the inputs into the process are also perishable, and farmers will be left with livestock that they won't be able to move down the supply chain," she noted. "With production halted, every tier of the supply chain will be impacted."

Provided by University of Notre Dame



Citation: South Dakota pork plant closure will reduce nation's meat supply, impact entire supply chain (2020, April 14) retrieved 26 April 2024 from <u>https://phys.org/news/2020-04-south-dakota-pork-closure-nation.html</u>

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