

Pork packing: Just what is capacity?

By Steve Meyer

COVID-19 presents obstacles that may linger

A FUNDAMENTAL CHALLENGE in determining the total capacity of the U.S. pork packing sector in 2020 is defining just what capacity is. My traditional question of “How many hogs can you harvest in a day if margins are good and hogs are plentiful?” simply doesn’t address all of the constraints packers have faced in a COVID-19 world.

At the very least, the qualifier “if labor wasn’t a constraint” was required this year. In some instances “if carbon dioxide availability wasn’t a constraint” had to be added as well.

The first qualifier was necessary in just about every case. The second

was more significant with sow slaughter plants where carbon dioxide is used to chill pre-rigor (i.e., hot-boned) product that is widely preferred for whole-hog sausage products. Among plants that reported enough labor to operate kill floors at optimal levels, many were short of labor on boning lines and in byproduct capture operations.

Packers were asked to provide capacity figures that fully incorporate any changes that have been made to accommodate COVID-19 prevention and control. Though these changes may not be permanent, they are in place today and will be

so for the foreseeable future.

So, while this year’s data represent a reasonable number of hogs that can be harvested by the physical facilities available, they overstate the actual number that can be harvested due to labor availability. See the table on this page for capacity data of sow plants, and those on Pages 20-21 for the same figures for all plants.

Of note in the table below is the lack of a survey response from Smithfield Foods. The company declined to respond, citing pending litigation. Company officials did not specify exactly what litigation caused their concern, but we know of three separate legal issues facing Smithfield.

ESTIMATED DAILY SLAUGHTER CAPACITY, SOW PLANTS							
Rank	Company	Plant	Fall 2019		Fall 2020		Change '19-'20
			Plant	Company	Plant	Company	
1	Johnsonville Sausage	Watertown, Wis.	750		1,000		250
		Momence, Ill.	1,500		1,500		0
		Holton, Kan.	1,000	3,250	1,000	3,500	0
2	Smithfield/Pine Ridge	Des Moines, Iowa	4,000	4,000	4,000	4,000	0
3	Tyson (Hillshire/Dean)	Newbern, Tenn.	2,800	2,800	2,800	2,800	0
4	Abbyland Foods	Curtiss, Wis.	2,000	2,000	2,000	2,000	0
5	Bob Evans Farms	Xenia, Ohio	500		500		0
		Hillsdale, Mich.	500	1,000	500	1,000	0
6	Swaggerty Sausage Co.	Kodak, Tenn.	850	850	850	850	0
7	Calihan Packing Co.	Peoria, Ill.	750	750	750	750	0
8	Pioneer Packing Co.	Bowling Green, Ohio	450	450	450	450	0
9	F.B. Purnell Sausage	Simpsonville, Ky.	500	500	500	500	0
10	Williams Sausage Co.	Union City, Ky.	400	400	400	400	0
11	Wampler's Sausage	Lenoir City, Tenn.	300	300	300	300	0
12	Dean Sausage	Attalla, Ala.	300	300	300	300	0
13	Gunnoe Sausage	Goode, Va.	90	90	90	90	0
TOTAL CAPACITY				16,690		16,940	250

First are the ongoing appeals of nuisance suits in North Carolina. Second, Smithfield is one defendant in a Minnesota antitrust suit alleging collusion among leading pork packers to fix pork prices. Finally, there is the recently filed suit by Maxwell Foods alleging that Smithfield has not honored a long-standing pricing agreement in recent years.

The data shown for Smithfield on Page 20 are from 2019. In terms of physical capacity, those numbers are still reasonably accurate. Operational capacity is another question, especially for the Tar Heel, N.C., and Gwaltney, Va., plants, which have faced labor shortages that have limited their operations by 20% to 30% of maximum capacity. These shortfalls could, of course, disappear if workers can be secured and attendance improves.

The other major changes from 2019 are a 2,000-head-per-day addition to the capacity of Seaboard's Guymon, Okla., plant and the April opening of 2,100-head-per-day capacity at Iowa Premium Pork's new plant in Luverne, Minn. The WholeStone Farms plant in Fremont, Neb., added 825 head per day to its maximum throughput, but pointed out that "normal" operations are slightly more limited due to its marketing agreement with Hormel and somewhat limited carcass fabrication capabilities.

The largest reduction in capacity this year was at J.H. Routh Packing in Ohio, which went from 4,200 to 2,900 head per day. The major driver of the reduction is labor, but the company views that change as more or less permanent. This plant was purchased in February by Holden Farms of Minnesota and Kalmbach Feeds of Ohio.

The capacity at Martin's Pork Products of Falcon, N.C., is reduced this year to reflect single-shift operations for the past few years, a practice that we will now view as permanent until told differently.

Survey results indicate that the

packing sector can handle roughly 512,370 head per weekday if:

- Hogs are plentiful.
- Margins are good.
- Full labor complement is available.

That number would put weekly capacity at 2.77 million head, assuming 5.4 workdays per week. That standard workweek was pegged in the mid-'90s as one at which the hog price impacts of a

capacity constraint would be minimal, and I have used it since then to keep year-to-year comparisons consistent. The gain of 12,420 per week amounts to 0.45%.

The rub, of course, comes in determining just how much "capacity" can be utilized. Our ongoing monitoring of the major packers indicates that just over 96% of capacity has been utilized in



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ESTIMATED DAILY SLAUGHTER CAPACITY

			Fall 2019		Fall 2020		Change '19-'20
Rank	Company	Plant	Plant	Company	Plant	Company	
1	Smithfield Smithfield, Va.	Tar Heel, N.C.	34,500		34,500		0
		Gwaltney, Va.	10,400		10,400		0
		Sioux Falls, S.D.	19,500		19,500		0
		Crete, Neb.	10,450		10,450		0
		Denison, Iowa	10,450		10,450		0
		Monmouth, Ill.	12,600		12,600		0
		Milan, Mo.	10,500		10,500		0
		Clinton, N.C.	10,600		10,600		0
		Los Angeles	7,300		7,300		0
		Des Moines, Iowa	4,000	130,300	4,000	130,300	0
2	JBS Greeley, Colo.	Worthington, Minn.	21,000		21,000		0
		Marshalltown, Iowa	21,000		21,000		0
		Louisville, Ky.	10,000		10,000		0
		Beardstown, Ill.	21,000		21,000		0
		Ottumwa, Iowa	20,000	93,000	20,000	93,000	0
3	Tyson Foods (IBP) Dakota Dunes, S.D.	Waterloo, Iowa	19,500		19,500		0
		Logansport, Ind.	15,400		15,650		250
		Storm Lake, Iowa	17,250		17,250		0
		Columbus Jct., Iowa	10,100		10,100		0
		Madison, Neb.	8,000		8,250		250
		Perry, Iowa	8,250		8,250		0
		Newbern, Tenn.	2,800	81,300	2,800	81,800	500*
4	Clemens Food Group	Hatfield, Pa.	11,700		11,700		0
		Coldwater, Mich.	12,000	23,700	12,000	23,700	0
5	Seaboard Farms	Guymon, Okla.	20,500	20,500	22,500	22,500	2,000
6	Triumph Foods	St. Joseph, Mo.	21,500	21,500	21,300	21,300	-200
7	Seaboard Farms	Sioux City, Iowa	20,400	20,400	20,400	20,400	0
8	Hormel	Austin, Minn.	19,000	19,000	19,000	19,000	0
9	Indiana Packing Co.	Delphi, Ind.	17,300	17,300	16,700	16,700	-600
10	WholeStone Farms	Fremont, Neb.	10,675	10,675	11,500	11,500	825
11	Prestage Foods	Webster City, Iowa	10,000	10,000	10,000	10,000	0
12	Agar Foods	Rantoul, Ill.	7,400	7,400	7,400	7,400	0
13	Premium Iowa Pork	Hospers, Iowa	3,150	3,150	3,150		0
		Luverne, Minn.	—	—	2,100	5,250	2,100*
14	Prime Pork	Windom, Minn.	5,100	5,100	5,100	5,100	0
15	Sioux-Preme Packing	Sioux Center, Iowa	4,600	4,600	4,600	4,600	0
16	Johnsonville Sausage	Watertown, Wis.	1,000		950		-50
		Momence, Ill.	1,500		1,525		25
		Holton, Kan.	1,000	3,500	950	3,425	-75*
17	Yosemite Meats	Stockton, Calif.	3,200	3,200	3,200	3,200	0

ESTIMATED DAILY SLAUGHTER CAPACITY

			Fall 2019		Fall 2020		Change '19-'20
Rank	Company	Plant	Plant	Company	Plant	Company	
18	J.H. Routh	Sandusky, Ohio	4,200	4,200	2,900	2,900	-1,300
19	Pork King Packing	Marengo, Ill.	2,200	2,200	2,250	2,250	50
20	Redwood Farms (Dakota Pork)	Estherville, Iowa	2,400	2,400	2,000	2,000	-400
21	Abbyland Foods	Curtiss, Wis.	2,000	2,000	2,000	2,000	0
22	Fisher Ham and Meat	Spring, Texas	1,200		1,200		0
		Navasota, Texas	500	1,700	500	1,700	0
23	The Pork Co.	Warsaw, N.C.	1,500	1,500	1,500	1,500	0
	USA Pork Products	Hazleton, Pa.	1,500	1,500	1,500	1,500	0
25	Leidy's	Souderton, Pa.	1,350	1,350	1,350	1,350	0
26	Verschoor Meats	Sioux City, Iowa	1,200	1,200	1,200	1,200	0
27	Spectrum Meats	Mount Morris, Ill.	1,150	1,150	1,150	1,150	0
28	Tri-Eagle Provision (Vin-Lee-Ron)	Mentone, Ind.	1,100	1,100	1,100	1,100	0
	Swaggerty Sausage Co.	Kodak, Tenn.	850	850	1,100	1,100	250
30	Bob Evans Farms	Xenia, Ohio	500		500		0
		Hillsdale, Mich.	500	1,000	500	1,000	0
31	Jim's Farm Meats	Atwater, Calif.	850	850	850	850	0
32	Olson Meat Co.	Orland, Calif.	800	800	800	800	0
	Peoria Packing	Chicago	800	800	800	800	0
34	Calihan Packing Co.	Peoria, Ill.	750	750	750	750	0
35	Independent Meats	Twin Falls, Idaho	730	730	730	730	0
36	Martin's Pork Products	Falcon, N.C.	1,300	1,300	650	650	-650
37	F.B. Purnell Sausage	Simpsonville, Ky.	500	500	500	500	0
	Masami Meat Co.	Klamath Falls, Ore.	500	500	500	500	0
	DeKalb County Packing Co.	DeKalb, Ill.	500	500	500	500	0
40	Pioneer Packing Co.	Bowling Green, Ohio	450	450	450	450	0
41	Williams Sausage Co.	Union City, Ky.	400	400	400	400	0
42	Carleton Packing Co.	Carleton, Ore.	375	375	375	375	0
43	Parks Family Meats	Warsaw, N.C.	350	350	350	350	0
44	Morris Meat Packing	Morris, Ill.	300	300	300	300	0
	Wampler's Sausage	Lenoir City, Tenn.	300	300	300	300	0
	Dean Sausage	Attalla, Ala.	300	300	300	300	0
47	Dealaman Enterprises Inc.	Warren, N.J.	200	200	200	200	0
48	Gunnoe Sausage	Goode, Va.	90	90	90	90	0
	Dayton Meat Co.	Dayton, Ore.	200	200	0	0	-200
Other plants				3,600		3,600	0

TOTAL DAILY CAPACITY 510,070 512,370 2,300

Weekly capacity at 5.4 days 2,754,378 2,765,448 11,070

Plants that did not respond to survey calls or messages are in yellow boxes. Capacities are from the last response on record.

Red numbers denote plants that primarily harvest sows/boars.

*Represents change for entire company between 2019 and 2020.

recent weeks. That number is a vast improvement on the roughly 60% levels in the dark days of late April and early May, when as many as nine plants were closed due to COVID-19 cases, absenteeism and social distancing efforts. Should 96% be as well as the industry can do, maximum throughput for a 5.4-day workweek would be 2.66 million head. Market hog inventories, June-to-August farrowing intentions and recent litter sizes from USDA's June Hogs and Pigs report imply that slaughter hog availability will exceed that level in every non-holiday week for the rest of 2020.

Adding Saturday shifts to get to 5.8 days per week would push that number to 2.85 million head. With weekday operations restricted to 96%, this weekly total would require Saturday operations that harvest 393,500 head. The largest Saturday run since the beginning of the pandemic was 318,305 during the week of June 6. The sector's tight labor situation would suggest that 393,000 might be possible on a Saturday, but that it will definitely not be possible on a regular basis.

Sow slaughter capacity has changed little in the 2020 survey. The only major change is an increase of 250 head per day at Swaggerty Sausage in Kodak, Tenn. Note that about 2,000 head per day of the total 17,115 capacity is used for market hogs at Smithfield Foods' Pine Ridge Farms plant in Des Moines, Iowa.

The net available capacity for sows of 15,115 per day would imply the sector could handle just over 75,575 sows per week on five-day operations. The highest weekly sow slaughter total in 2020 was 70,296 head the week of May 8. The sow subsector does not usually run five full days per week, with some plants having standard operating practices of only running four days per week. **NHF**

Meyer is an economist with Partners for Production Agriculture, based in Ames, Iowa.

PACKING PLANTS CLOSED, 1993-2016

Company	Plant	Date closed	Capacity
Swift	St. Joseph, Mo.	December 1993	10,000
Seaboard	Albert Lea, Minn.	February 1994	14,000
Thorn Apple Valley	Hyrum, Utah	1995	1,500
Reeves Packing	Ada, Okla.	1995	400
Worthington Packing	Worthington, Ind.	April 1996	4,700
Premium Pork	Moultrie, Ga.	April 1996	4,700
Ohio Packing Co.	Columbus, Ohio	April 1996	900
IBP	Council Bluffs, Iowa	April 1997	7,300
Dakota Pork	Huron, S.D.	August 1997	5,850
Thorn Apple Valley	Detroit	July 1998	14,000
Fisher Packing	Louisville, Ky.	1998	3,000
Field Packing	Owensboro, Ky.	July 1999	1,200
AVA Pork	Shamokin, Pa.	February 2000	2,500
Farmland Foods	Dubuque, Iowa	June 2000	11,000
Brown Packing	Little Rock, Ark.	June 2000	600
Fineberg Packing	Memphis, Tenn.	February 2001	500
Excel	Marshall, Mo.	July 2001	8,000
Mosby Packing Co.	Meridian, Miss.	July 2001	400
AmPac/Iowa Pack	Chicago	December 2001	3,600
Hormel Foods	Rochelle, Ill.	January 2003	7,100
Metzger Foods	Paducah, Ky.	March 2003	250
Simeus Foods	Forest City, N.C.	October 2003	300
America's Family Farms	Alcester, S.D.	November 2003	600
RC Pork (Pork Packers Int'l.)	Downs, Kan.	May 2004	1,500
Smithfield Packing	Smithfield, Va.	September 2005	7,800
Bryan Foods (Sara Lee)	West Point, Miss.	March 2006	6,200
Lowell Packing	Fitzgerald, Ga.	June 2005	350
Meadowbrook Farms*	Rantoul, Ill.	December 2008	3,800
John Morrell	Sioux City, Iowa	April 2010	14,000
Southern Pride Meats	Goldsboro, N.C.	June 2010	210
Bob Evans Farms	Galva, Ill.	August 2010	330
Bob Evans Farms	Bidwell, Ohio	July 2011	220
Cloverleaf Foods	Minot, N.D.	June 2011	600
J.C. Potter	Durant, Okla.	July 2012	400
Odom's Tennessee Pride	Little Rock, Ark.	April 2012	400
Avco	Gadsden, Ala.	April 2012	210
Bob Evans Farms	Richardson, Texas	October 2013	400
Southern Quality Meats	Pontotoc, Miss.	April 2014	160
Greenwood Packing	Greenwood, S.C.	May 2016	3,000
Kapowsin Meats Inc.	Graham, Wash.	August 2017	150
Weltin Meat Packing	Minden City, Mich.	January 2017	175
Moon Ridge Pork	Pleasant Hope, Mo.	April 2018	2,500
TOTAL CLOSED			144,805
*Reopened as Rantoul Foods (now Agar Foods), 2012			-3,800
NET CLOSED CAPACITY			141,005