



Confronting the Issues

How Can We Improve our Supply Chain in the Wake of COVID-19?

PFB Policy Development

June 2021

Issue

COVID-19 gave farmers and consumers alike a crash course in the fragility of our food supply chain. Whether it was panic buying, or plant shut downs due to outbreaks, both sides of the supply chain were hurt by those circumstances. Perhaps the most significant was farmers having to dump dairy products or euthanize animals due to problems at the processing level. Equally problematic was the inability of food production facilities to quickly pivot to moving extra products to our charitable food system. Even without the threat of a global pandemic, there are other forces that could cause significant disruptions in our food supply chain. Recently, two separate cyber-attacks shut down a fuel pipeline and the nation's largest meat processing facility. A strong supply chain is often the one with fewer links in the chain. Farmers and businesses that sold directly to the public, such as smaller meat processing facilities, saw robust growth in sales. Pennsylvania, given its diversity in agriculture and proximity to market, can likely capitalize in this growing interest in local foods fueled by the pandemic. Should Pennsylvania take steps to strengthen and diversify its food supply chain?

Questions

1. Processing capacity at meat production facilities have been an ongoing concern throughout this pandemic. What steps, if any, should Pennsylvania take to address this problem?
2. Pennsylvania already has one of the largest number of farmers that sell directly to the public. Is there a role that state government can play to compile and highlight those producers? Is there a role that county Farm Bureaus can play on the local level?
3. Pennsylvania has the Very Small Meat Processing Grants, which help existing processors expand, and also new processors get started. Currently, the program is funded at \$500,000 annual. Does that dollar figure accurately capture the need that is out there?

Background

The COVID-19 crisis gave us a better understanding of our food supply chain, and the ways that it can break down. While we likely never envisioned what a pandemic could do to our country, or economy, we also likely never considered that cyber-attacks could temporarily shut down a meat production facility. Knowing this, what steps can our state take to further protect our food supply chain? Pennsylvania is fortunate to have a number of regional, national and international food manufactures located in the state, many of whom purchase products from our farms. That creates a ready pipeline for many of the products grown and raised on our farms. Equally as important is the number of small independent businesses that purchase farm products, from the local butcher to area restaurants. Having both markets creates a level of diversity in our food supply chain. But are there steps that Pennsylvania can take to improve or protect either market?

Pennsylvania livestock farmers are acutely aware of the processing capacity issues faced statewide. This phenomenon is occurring across the country as more consumers are buying in bulk and trying to purchase products directly from farmers. While we have one of the largest concentrations of butchers in the country, it clearly is not enough to handle the demand. What can our state do to encourage additional processing? Our state funds the Very Small Meat Processing Grant program at \$500,000 annually. Is that an acceptable level of funding? Like many aspects of the industry, there is a shortage of individuals who want to pursue careers in meat processing. What role can Pennsylvania trade schools and colleges play in developing and training the next generation of workers? Pennsylvania is equally fortunate to have one of the largest number of farmers who are selling directly to consumers—a testament to the diversity of our agriculture industry, but also proximity to market. While Pennsylvania has the PA Preferred Program to promote local products, is the state doing enough to highlight home-grown foods? What role can county Farm Bureaus play in that promotion of local products?

Farm Bureau Policy

PFB, 1, General Program Funding

We recommend:

4. The State Food Purchase Program be increased by \$5 million to allow food banks to purchase and process more Pennsylvania surplus food products. ('16)

PFB, 1, Certification and Inspection Programs

We recommend:

3. Legislation to develop a state meat inspection program to promote local processing and retail sale of livestock. ('20).

PFB, 8, Processing Facilities

We recommend:

3. The Pennsylvania General Assembly commission a study of environmental, zoning, taxation and regulatory requirements that impact dairy manufacturing and processing plant decisions when selecting a location for a plant or upgrading an existing plant. ('20)