How COVID-19 is affecting animal producers – and what to focus on right now

As the novel coronavirus pandemic continues to spread and large parts of the world are under lock-down, meat, dairy, and egg producers are working hard to maintain production in the face of many uncertainties. Let's take stock of three major challenges for animal production businesses – and consider three elements of the multi-pronged "solution" our industry is creating to this unprecedented situation.

Demand patterns are volatile

Stock-piling and panic buys in light of quarantine and social distancing measures have driven up consumer demand for non-perishable, shelf-stable, and frozen food. Accordingly, sales of products such as eggs, long-life milk, and fresh chicken have strongly picked up, while demand for restaurant cuts is waning. Animal producers are trying hard to increase retail processing to meet consumer needs, yet future demand slumps are looming: eventually, consumers will purchase less while they use up their provisions.

Moreover, the economic knock-on effects of this pandemic might include higher unemployment and long-term pressure on the hospitality industry. Dan Sumner, an agricultural economist at the University of California, also expects longer-term reduced export demand from areas strongly affected by the virus.

Inputs: feed additive price hikes and labor shortages

Measures to contain COVID-19 have led to multiple production and transport disruptions in China, where much of the global supply of ingredients such as vitamins, threonine, and lysine, as well as fertilizers, originates. According to Nan-Dirk Mulder, Senior Global Specialist for Animal Protein at Rabobank, these developments will drive up animal health and feed additive prices in 2020.

Animal producers are also concerned about the pandemic's impact on labor availability. Staff shortages due to sickness, quarantine, childcare issues, and movement restrictions for seasonal labor could have severe consequences, from productivity losses to major animal welfare challenges. The National Pork Producers Council in the US, for example, warns that "the specter of market-ready hogs with nowhere to go is a nightmare for every pork producer in the nation."

Misinformation can create hazards

The media landscape, in particular social media, is rife with misinformation about COVID-19. There is no scientific evidence that farm animals can contract, transmit, or spread the SARS-CoV-2 virus, but fake news along these lines may have a detrimental impact on animal production.

In India, rumors were spread that the novel coronavirus can be transmitted through the consumption of chicken. This has led to a 70% drop in the wholesale price of chicken, as reported by Minister of State Sanjeev Kumar Balyan, putting tremendous pressure on the local poultry industry. Knock-on effects are already felt by feed companies, equipment providers, corn, and soybean growers – but also fish, meat, and egg producers as the rumors have morphed into a general suspicion towards animal protein.

Biosecurity and planning matter more than ever

Many of the prevention and control measures against SARS-Cov-2, such as tight hygiene standards and limiting visitors to facilities, are familiar to animal producers. Biosecurity is of paramount importance to prevent the spread of diseases, not least devastating pests such as Highly Pathogenic Avian Influenza and African Swine Fever. Now is the moment to reinforce biosecurity protocols, on farms and in processing plants, to keep both workers and animals safe.

Experts at the Friedrich Löffler Institute, a German swine producer interest group, have also stressed that producers need to develop feasible contingency plans in case key staff members need to self-isolate. Businesses are also exploring how automation can help safeguard production in case of labor disruptions; agricultural drone manufacturers are reporting significant increases in sales already.

Feed additives to safeguard performance

Nick Major, president of the European Feed Manufacturers' Federation (FEFAC), has urged the European Commission to recognize "feed as essential goods in the EU COVID-19 guidelines, which is crucial to (…) prevent supply chain disruptions and shortages of essential nutrients to the EU farm animal population."

As border controls, transport restrictions, and port closures upend the normal flow of raw feed materials, quality concerns with regard to the origin and storage conditions, e.g. mycotoxin contamination, are becoming topical. Especially given the added issue of how to guarantee appropriate care for their animals during labor shortages, producers need to, therefore, prioritize their feed additive portfolio. Intelligent feed additive solutions have been proven to support animal performance in challenging situations, boosting gut health and immune functions.

Collaborate and communicate

Now is the moment to remind people that meat, dairy, and egg production is part of a society's critical agricultural infrastructure. Industry associations and advocacy groups are working hard to prevent the spread of misinformation and to ensure that politicians and regulators do not gloss over the needs of producers and farm animals. These include access to feed supplies and practicable labor arrangements, but also guaranteed allocations of protective equipment, without which safe operations are not possible.

This crisis highlights what should be obvious: animal producers are in the business of "what really matters," providing safe and nutritious food for everyone. This is a time to rally – if anyone knows how to deal with uncertainty, volatility, and rapidly changing circumstances, it is animal production.