Retail Supply Chain Update
May 14, 2020

**Tyson Foods temporarily lowering prices on some beef**

- In a move to keep beef affordable, Tyson Foods, which processes about one-fifth of the nation’s beef, plans to reduce prices for ground beef, roasts and other beef products by as much as 20% to 30% for sales made this week to restaurants, grocery stores and other customers.
- Beef represented more than one-third of the company's $42.4 billion in sales last year. Nearly half of the company's beef is sold to grocery stores and food retailers, the company estimates.
- Wholesale ground-beef prices this week topped $6.21 a pound, according to the USDA, more than triple their cost at the beginning of March. Some steak prices have doubled over the past two months.
- Tyson, the biggest U.S. meat company by sales, has a lot riding on the price of beef. Beef represented more than one-third of the company's $42.4 billion in sales last year. Nearly half of the company’s beef is sold to grocery stores and food retailers, the company estimates.
- The U.S. Department of Agriculture estimated that nationwide production of beef, pork and other red meat last week was about 28% lower than the same period last year, and the agency projected Tuesday that beef production in the second quarter of this year would be one-fifth below first-quarter levels.

**Smithfield doing COVID-19 testing at a plant in Missouri**

- Large-scale COVID-19 testing is underway this week at the Smithfield Foods plant in Milan, Missouri,
- The testing is voluntary, and as of mid-afternoon Wednesday, about 400 workers had been tested.

**JBS: testing will happen at a plant in TX after the company had rejected the State’s offer to help with testing**

- Earlier this week JBS rejected the offer by the State of Texas to test employees at a meat processing plant in Cactus, TX. Cactus is located in Moore County, TX and about 60 miles from Amarillo.
- The plant employs about 3,000 people, mostly immigrants.
- With 24.54 infections per 1,000 residents, Moore County has the highest known infection rate in the state. The county’s rate is nearly 14 times that of Harris County, the state’s most populous county.
• State health officials have identified a rapidly growing cluster of cases tied to the JBS plant. As of Monday, that cluster comprised 323 people who had tested positive for the virus — up from 243 on May 3 and 114 on April 21.

**Lawmakers introduce bill to provide tax relief to grocery workers**

• Two Pennsylvania congressmen have introduced new legislation to provide tax relief to grocery and other food workers during the coronavirus pandemic.
• U.S. Reps. Glenn Thompson (R) and Dwight Evans (D) of Pennsylvania yesterday announced the Assistance and Gratitude for Coronavirus Heroes in Agribusiness who are Invaluable to the Nation (AG CHAIN) Act. The bill (H.R. 6841) would provide a federal tax holiday and a payroll tax exemption for all essential employees in the food and agriculture industry, as defined by the Cybersecurity and Infrastructure Security Agency (CISA), part of the Department of Homeland Security.
• The measure would be effective for eligible individuals making less than $75,000 annually for the period of Feb. 15 to June 15. The Treasury Department also would have the option to extend the benefit for an additional three months.

**Publix begins same-day prescription delivery service**

• The service, called ScriptDrop, is available at its pharmacy locations and will offer prescription delivery for a $5 fee to patients within a five-mile radius of the store. The number of prescriptions that can be ordered for delivery isn’t limited, but the service excludes age-restricted products, controlled substances and prescriptions needing refrigeration.
• Prescription home delivery isn’t available for individuals paying for their medications through Medicare Part B and Medicaid insurance.
• Although the program is beginning during the pandemic, it will continue to operate after the pandemic ends.