Retail Supply Chain Update
June 18, 2020

Family of Pilgrim’s Pride employee who died of COVID-19 suing company

- The family of a 63-year-old employee of the Lufkin, TX Pilgrim’s Pride chicken processing plant who died of COVID-19 is suing the company. The petition for lawsuit alleges Pilgrim’s did not warn the employee that employees had tested positive for the illness and they transferred her to the shipping and labeling department, which was a “hot spot” for the illness.
- The petition also states Pilgrim’s did not provide her suitable personal protective equipment.
- The petition states there was further negligence due to the employee’s age.

Retail meat sales still highly elevated as consumers continue cooking at home

- A first look at June IRI data on meat sales showed that supply chain issues continued, with retail meat prices still highly elevated over this time last year, according to Anne-Marie Roerink, president of 210 Analytics LLC.
- Data showed retail demand remained above last year’s levels in both dollars and volume, even as restaurants around the country started seeing improvements in reservations, transactions and continued record levels of takeout business.
- Roerink noted that purchase limits had started to resolve, though geographic differences were significant.
- During the first week of June, dollar sales grew 19.4% versus a year ago and volume grew 1.9%, its lowest gain since the first week of March.
- “Shoppers may be using their freezer stash as backup and are also highly engaged with seafood, frozen meat and frozen seafood sales, that have all been highly elevated for weeks,” Roerink said.
- Year-to-date through June 7, meat department dollar sales were up 24.2%, boasting double-digit growth for the months of March, April and May. This, Roerink said, reflects an additional $6.2 billion sold versus the same time period in 2019. Year-to-date volume sales through June 7 were up 16.1% over the same period in 2019, reflecting an additional 1.2 billion pounds of meat and poultry sold versus the same time period in 2019.
- IRI’s insights reported that on the average retail price per volume shows significant upward year-over-year pressure on retail prices for the week ending June 7, particularly for beef. However, pork prices were more favorable the first week of June versus the week prior, though still up 17.2% over year ago.
IGD Research releases its June 2020 report on COVID-19: how the pandemic is re-shaping food retail trends in North America

- All five trends identified at the start of the year remain relevant. The pandemic is expected to accelerate progress on ecommerce, health and wellness and partnerships, while the reimagining of supermarkets and purpose-driven retail will evolve differently in the short-term.
- Value and affordability will also shape retail strategy. In addition to the five core trends, we highlight value and affordability as an important theme to track through this year and into 2021. The economic impact of the pandemic is likely to place household budgets under pressure.
- These trends have major impacts for the future of store design. To better accommodate future extreme swings in demand, changing shopping patterns, the growth of ecommerce, the integration of health and wellness and a lower focus on experiential foodservice concepts, the look and feel of food retail stores could change over time.
- For 2020, the focus is on incorporating many of the temporary elements to support social distancing over the medium-term, adjusting space allocation based on fewer trips but larger baskets and using technologies to create a fast-efficient and contactless experience.
- New technologies to support social distancing.
- Re-birth of the big-box? Walmart’s scale and large store size enables it to support high demand but still maintain a safe shopping experience whilst social distancing. Its big-box strategy is well aligned to the shift to one-stop shopping and it has also made significant progress with checkout-free shopping.
- New models. A Toronto based entrepreneur is aiming to launch ‘Grocery Neighbour’, a fleet of trucks that will operate like a supermarket on wheels. The idea is to create one, 53-foot shopping aisle. To help with social distancing, shoppers will enter at the back of the trailer and exit at the front.
- Efficient e-commerce will be a focus. Online, direct-to-consumer, curbside pick-up and dark stores are expected to grow.

**Amazon to use AI tech in its warehouses to enforce social distancing**

- Amazon.com Inc on Tuesday launched an artificial intelligence-based tracking system to enforce social distancing at its offices and warehouses to help reduce any risk of contracting the new coronavirus among its workers.
- Monitors set up in the company’s warehouses will highlight workers keeping a safe distance in green circles, while workers who are closer will be highlighted in red circles, Amazon said.
• The system, called Distance Assistant, uses camera footage in Amazon’s buildings to also help identify high-traffic areas.

• Amazon is also testing a wearable device that lights up and makes an audio alert when workers are too close to each other, according to an internal memo seen by Reuters. The device is to be piloted from Wednesday at a warehouse outside Seattle.

• The company has also been hiring for roles like social distancing ambassadors and guardians, according to internal job postings reviewed by Reuters. Responsibilities of such hires range from frequent audits at warehouses to verifying that headcount does not exceed seating limits in break rooms.