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Smithfield HPD

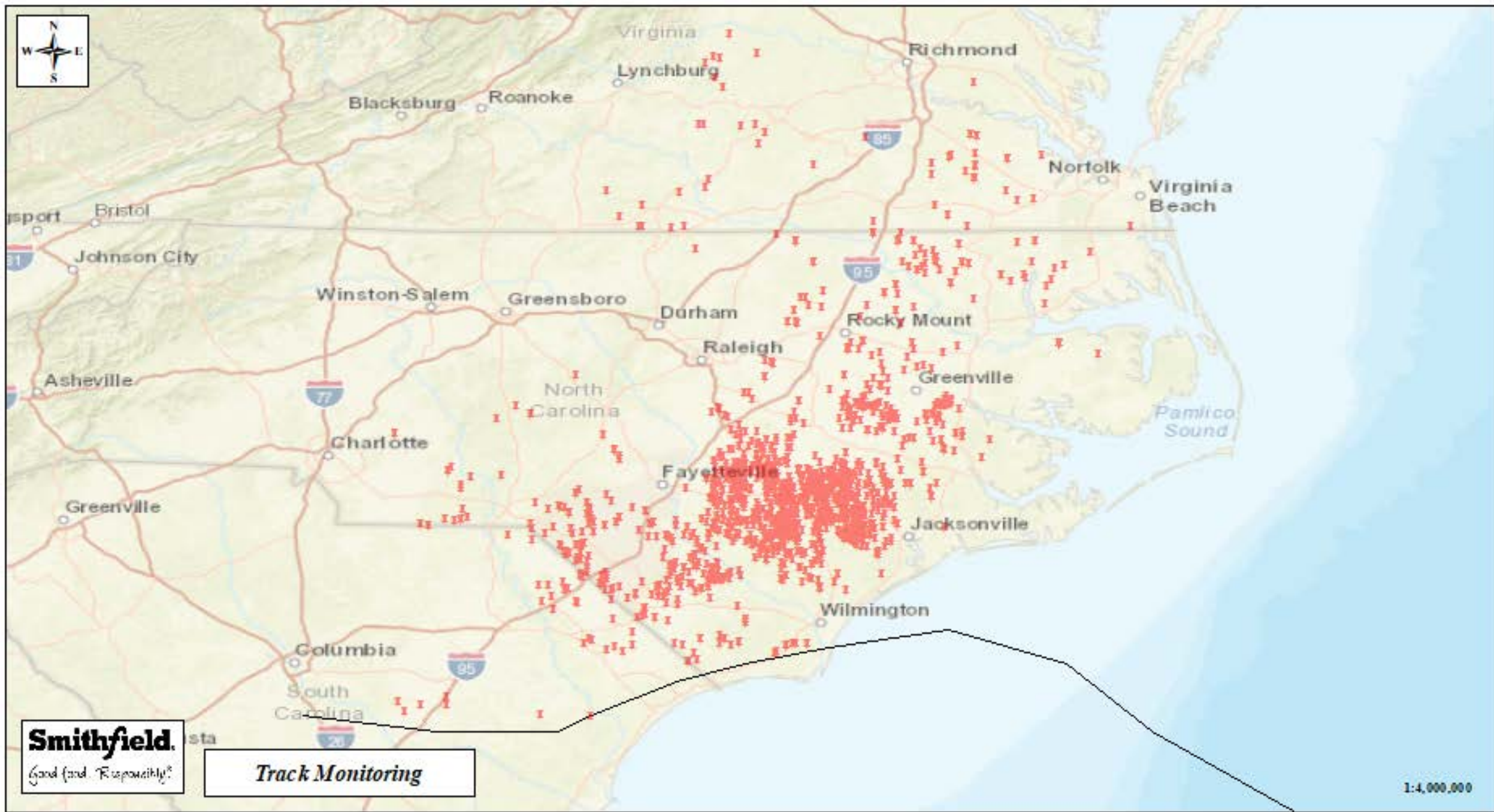
Joe Szaloky, VP Procurement & Business Development

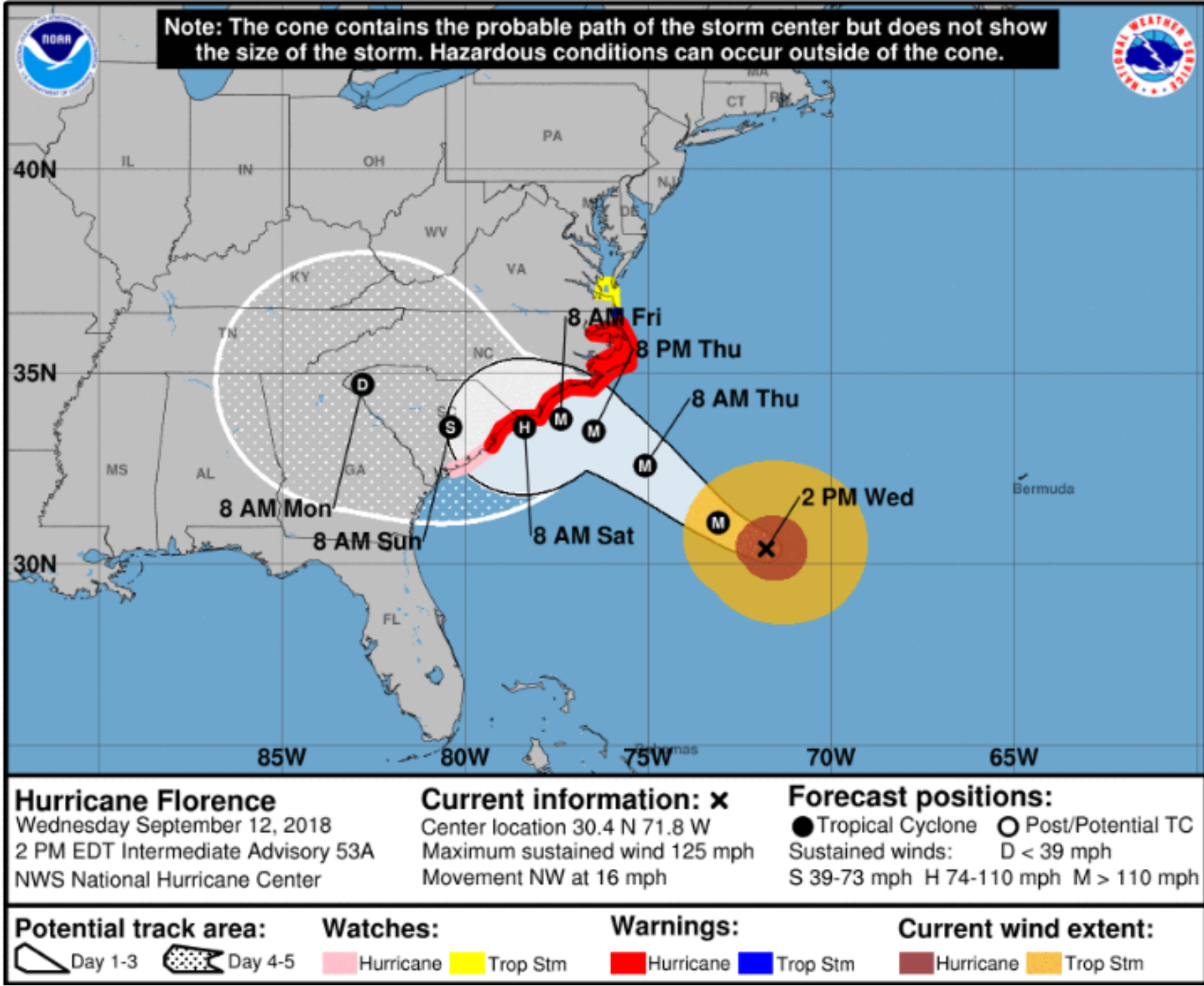
Learnings from Hurricane Florence



Smithfield Hog Production – Eastern Operations

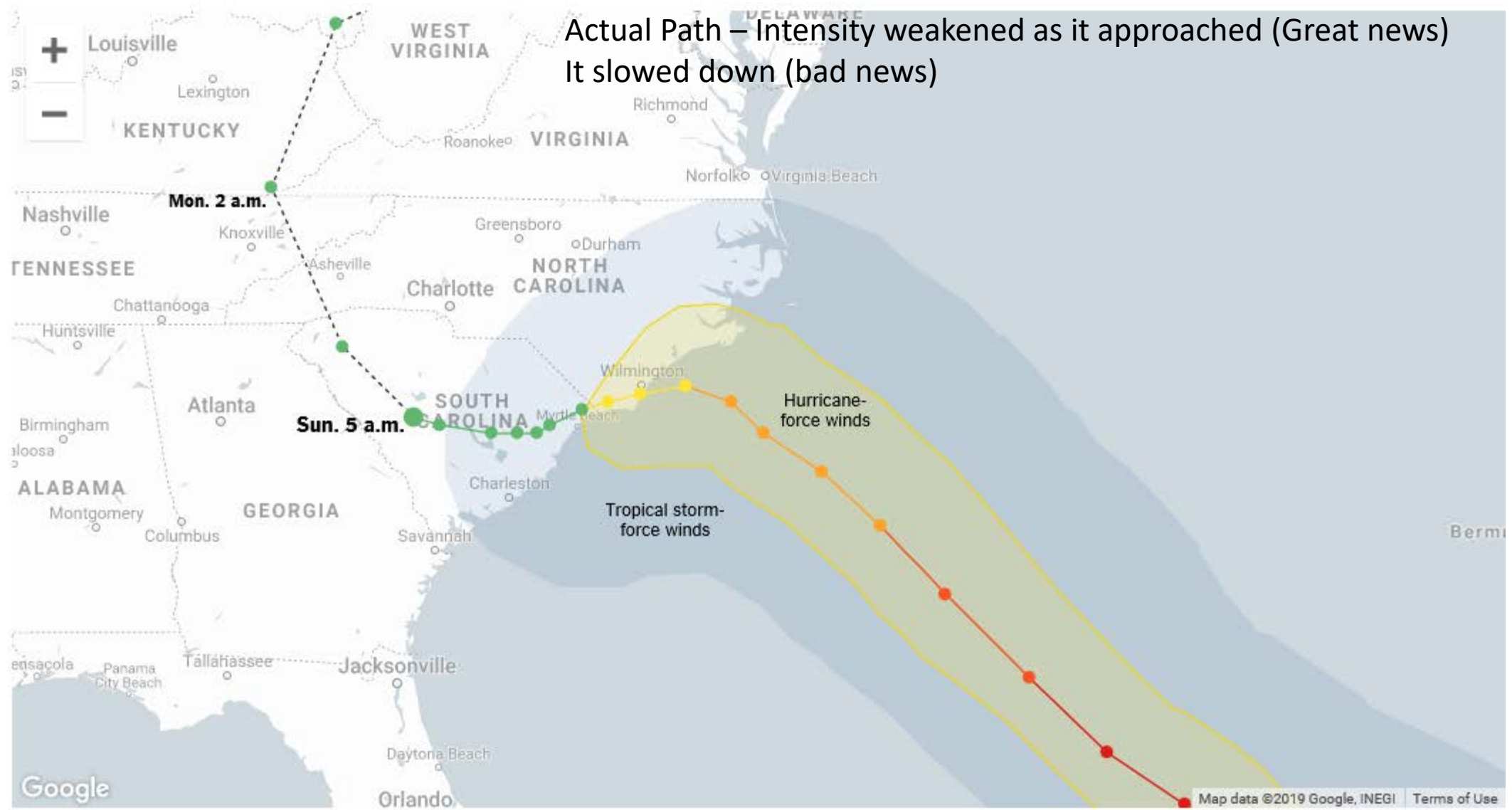
- NC, SC & VA
 - 550,000 sows
 - 1,650 contract farms and 300 company farms
 - 8 feed mills with weekly production of 85,000 tons per week
 - 2,500 employees
 - Weekly production of 210,000 market hogs per week – 3 kill plants
-
- Not a stranger to hurricanes tropical storms





Hurricane Florence 9/14/18

- This one looked different
- Projected as cat 4 – 131S MPH
- Looked like the worst direct hit!



Actual Path – Intensity weakened as it approached (Great news)
It slowed down (bad news)

Category ● 4 ● 3 ● 2 ● 1 ● Tropical storm Forecasted path - - - - -

LOCAL WEATHER COVERAGE YOU CAN COUNT ON



FLORENCE RADAR

Sep 13, 2018

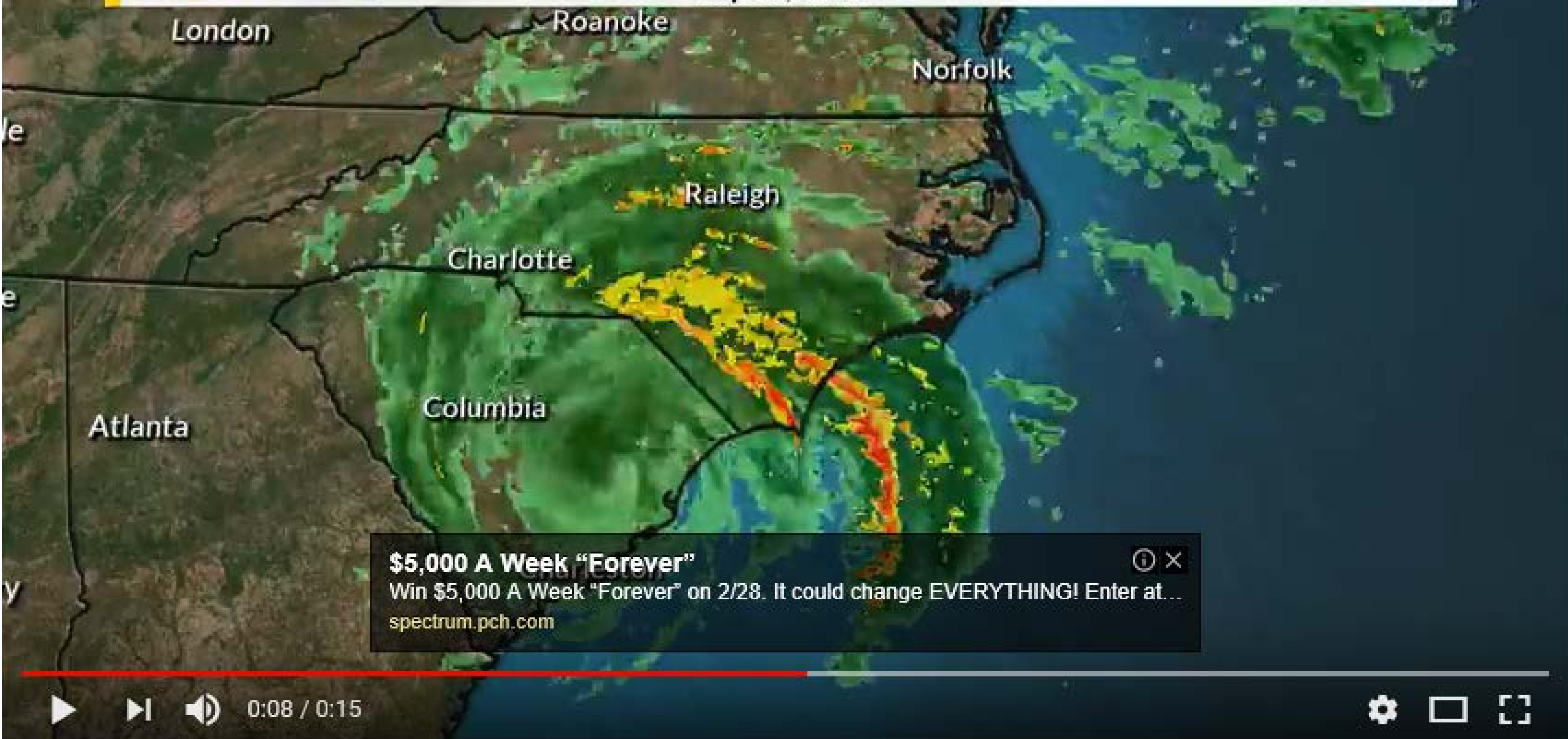


LOCAL WEATHER COVERAGE YOU CAN COUNT ON



FLORENCE RADAR

Sep 15, 2018



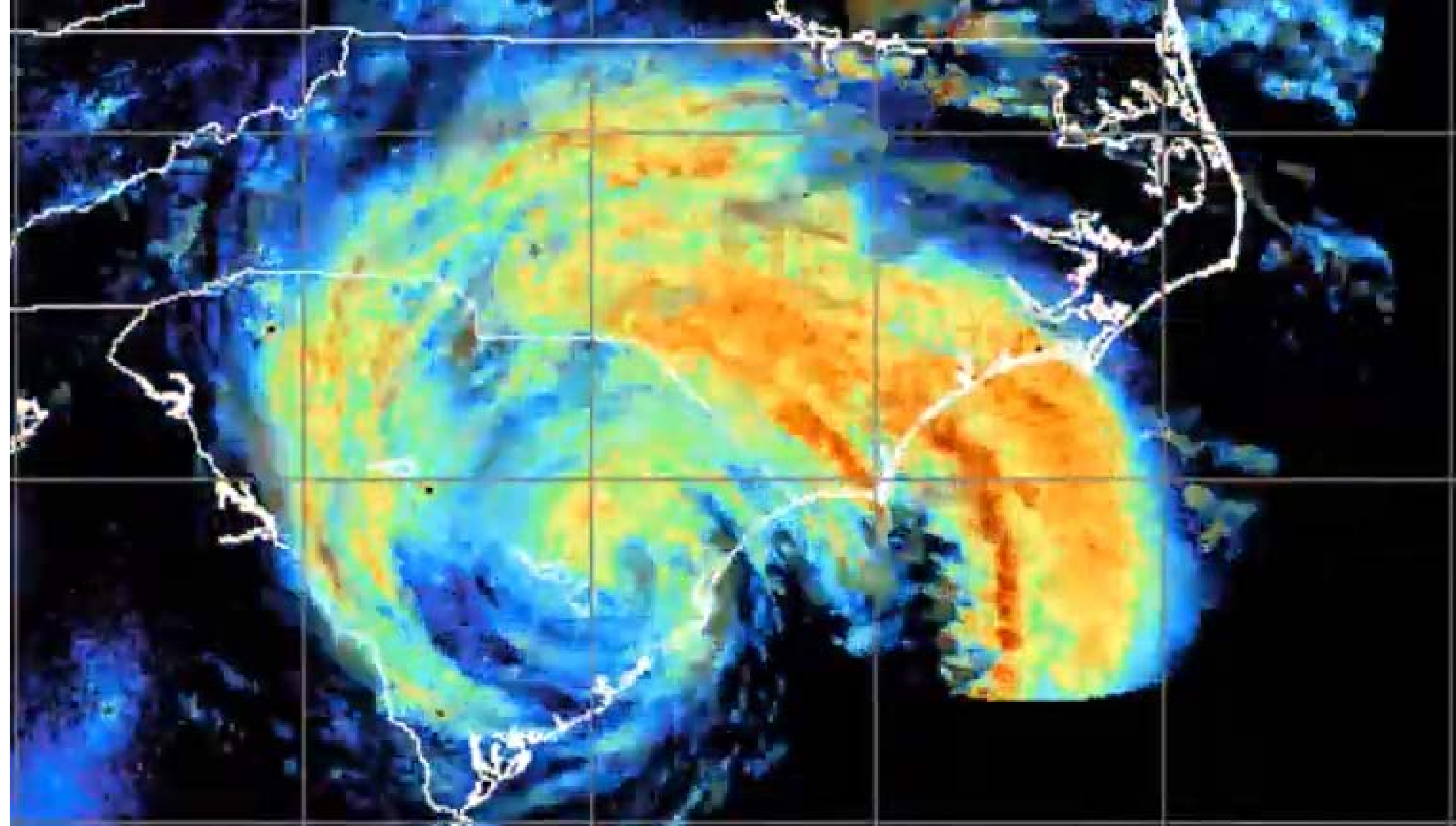
\$5,000 A Week "Forever"

Win \$5,000 A Week "Forever" on 2/28. It could change EVERYTHING! Enter at...
spectrum.pch.com



0:08 / 0:15







Florence Impacts

- 20" to 40" of rain
- 12 hours of hurricane force winds
- 24 more hours or more of tropical storm winds
- Massive flooding
- Downed trees
- Wash out roads
- Flooded REGIONS
- Major interstates closed
- Power outages up to 2 weeks post storm

Generally speaking, it could have been much worse

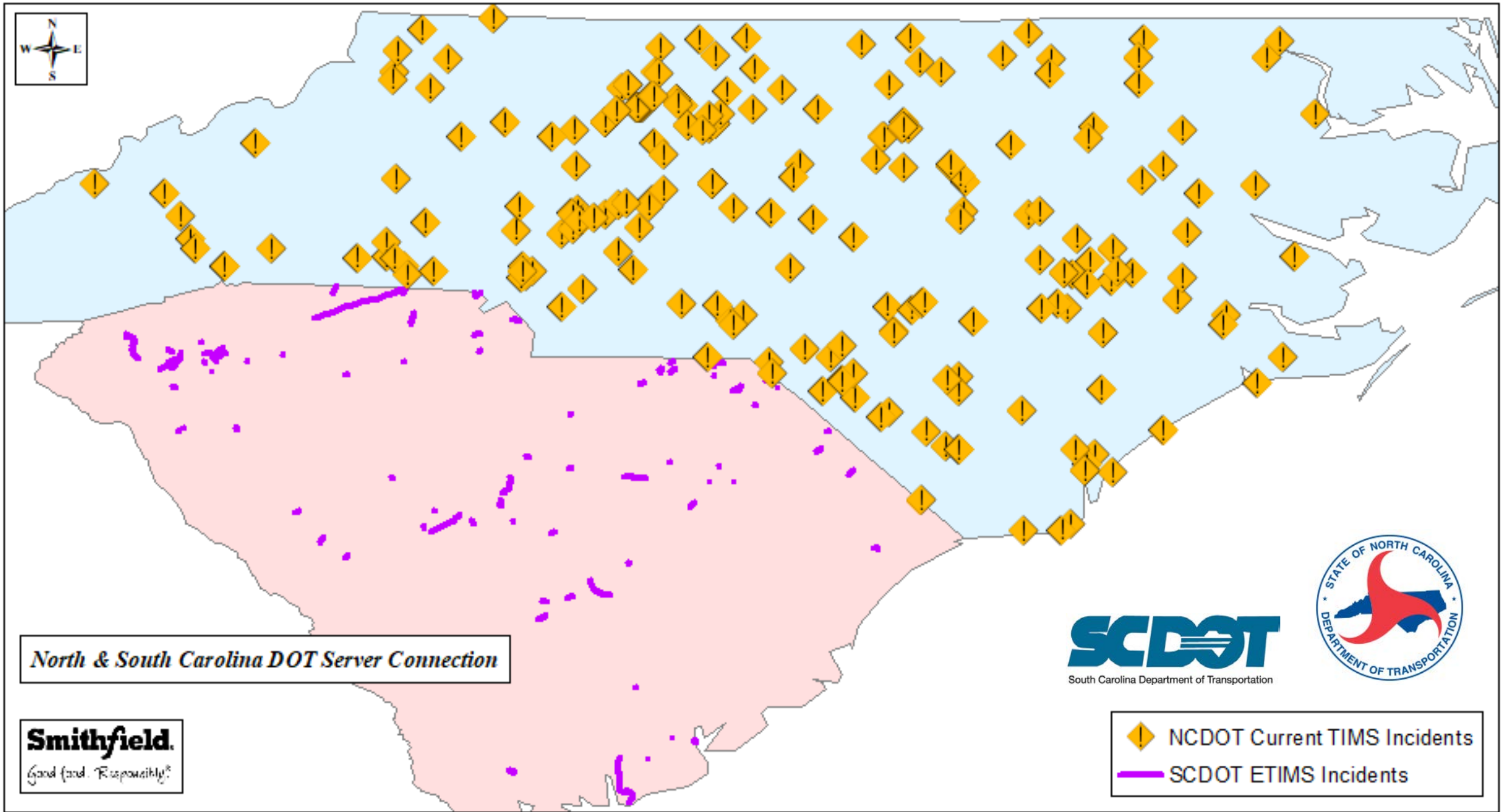
Post storm challenge – feeding 6M hogs & pigs

- Employee accessibility & safety
- Employee focus (flooded damaged homes with no power)
- Farm accessibility; road closures; long detour routes
- Power outages, limited cell service and no computer systems
- Limited communication with contract growers
- Disrupted ingredient supplies
- FSMA and farmer relationships (flooded grain)

Here's what we did and what we learned....

We developed an app that enabled more effective logistics...

- Very similar to Waze app; adjusted for floods instead of traffic
- Tapped into NCDOT and SCDOT for road closures
- Tapped into NOAA for historic flood plain information; for projections
- Easy input from users to allow for updates
- We shared the app with a wide audience
 - Employees
 - Contract growers
 - Suppliers/logistics
 - Procurement
 - Feed delivery
 - Local government branches





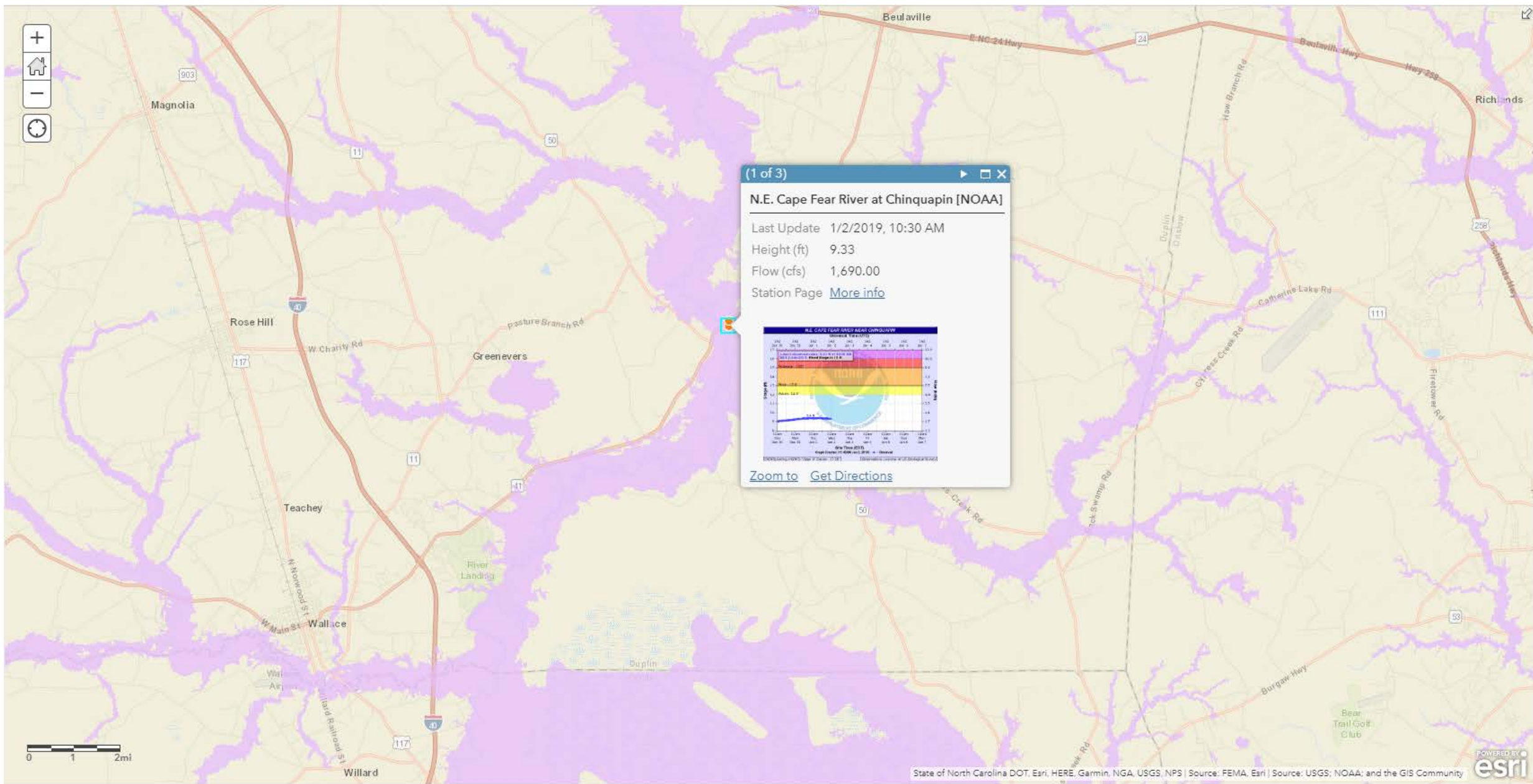
North & South Carolina DOT Server Connection

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SCDOT
South Carolina Department of Transportation



-  NCDOT Current TIMS Incidents
-  SCDOT ETIMS Incidents





Smithfield HPD-Hurricane Florence Event Collection

Use this form to submit events caused by Hurricane Florence. Please fill out relevant information, fields can be left blank.

Events such as flooding, wash outs, structure damage.

1. Enter Information

Event Type (required)

Select...

Grower/Department Number

Leave blank if not on internal facility

Location Description

ex. Kenansville Warehouse

Describe where the event occurred

Event Details

ex. Farm path under water / roof destroyed

Details of the event

Submitter Name

ex. John Doe

Please enter your name

Contact Number

ex. 910-293-3434

Please provide a phone number

Attachment

Select File

Tarheel Rd

Tarheel Ferry Xing

Burney Rd

Grower/Department Number

Location Description

Event Details

Submitter Name

CreationDate

EditDate

Attachments:

Edited by

Zoom to

Edit

Get Directions

Tar Heel ferry rd

One lane washout

Gm

9/22/2018, 10:01 AM

9/23/2018, 8:59 AM

image.jpg

swine-tech on 9/23/18 at 8:59 AM



We sourced ingredients from two directions (North & South)

- Before the storm, we became less price sensitive and contracted with more suppliers
- SBM, fat, amino acids, whey, salt
- We tried to fill our feed mills with added ingredient supplies; here we learned something*

What we learned....

Ingredient outages

- We ran out of a few ingredients at feed mills;
- all of which were turned away before the storm
- Mill reluctance; willing to gamble (bagged vs bulk)
 - *If we brought it, eventually they would have to use it*
 - *We should have agreed to return it after the storm*
 - *Maybe temps to do the lifting*

What we learned....

Generators for mills & offices

- Some generators didn't work; needed better maintenance and pre-storm testing
 - *Make all locations ready for a portable generator; plug and play*
 - *High quality portable generators are available; service techs and replacement parts aren't*

What we learned....

Price Gouging

- It happens post crisis; “the pigs have to pay for everything”
 - *Bulk purchases of certain materials; available to growers for fair prices*
 - *ABC rock*
 - *Sheet metal*
 - *Other repair items*

What we learned....

Our employees

- We need our employees able to focus on our crisis; family home with no power
- Post storm generator program to help for the next storm
 - Payroll deducted over 9 months
 - Offered to all employees & contract growers; no real cost to us
 - We used our size and buying power to purchase high quality generators
 - 10Kw Generators for under \$600
 - 25% lower cost than best retail prices
 - We will have more employees at work when the next storm hits

Questions??