The Corona Virus & Supply Chain Food Security

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When the Novel Corona virus first appeared in Wuhan, China in late January, Chinese authorities were not ready to accept the severity of this disease or the disruptions to business that it would create. The government made a deliberate effort to suppress health concerns to the public and manage the outbreak locally. But as the virus spread quickly and the death toll began to rise, Chinese authorities had no choice but to go public. Suddenly, within a matter of hours the government revealed all that they knew about this new virus and pinpointed Wuhan as the epicenter of its origination.

Most confirmed infections of the Corona virus now renamed covid-19 by the World Health Organization are still in China. But the disease is beginning to spread across Asia as Singapore has now confirmed over 5o cases, where the majority of infected people had recently travelled from Wuhan. As health officials continue to try and isolate the virus such as the cruise ship, Diamond Princess quarantined off the coast of Japan for the past two weeks, Chinese authorities have begun lifting some of the travel restrictions from the region and have asked selected essential services and businesses reopen. However, the general population is still weary of assimilating in public. To date, twenty countries have reported the presence of covid-19 virus outside of China. The question is, how many other countries have yet to recognize or report infections within their borders.

The World's supply chains have not yet felt the full effect of this disruption as many manufacturers and suppliers had increased their normal inventories in anticipation of the Chinese Lunar New Year, when the majority of Chinese businesses shut down. However, it will only be a matter of time before the vacuum created by non-activity in manufacturing strains the system and begins to affect the supply lines. Those industries will need to make major adjustments to their sources and supply routes in order to continue servicing their customers. Outside of China, places like Vietnam, Cambodia, India and Indonesia will ramp up to meet some of these demands. Many foreign companies have multiple supply chains in place to circumvent these types of disruptions. However, this change in logistics will surely have an impact on the worlds supply chains, especially in the area of quality control of food exports, which already have deficiencies in guaranteeing 100% safe delivery of food products.

Wuhan is the capital of central China's Hubei province. A tier two industrial region and transportation hub that feeds the larger cities of Beijing, Shanghai and others to the east. The country is experiencing its own internal supply chain dilemma as various communities are now running out of basic essentials. This network is comprised of fragmented groups of local producers and suppliers. Food must be transported to the major cities from these outlying areas which makes the movement of people essential to restock inventories.

The region supports hundreds of small and medium size manufacturing and food processing operations with populations made up of transient low-wage laborers, living in close proximity to the factories. As in many Chinese cities, working class people live in cramped, shared flats with poor living and sanitary conditions. People are literally living on top of each other.

The food supply chain in China and other developing countries is regularly plagued with contaminates due to the lack of basic sanitary knowledge, pollution and unhygienic practices. In India, according to the U.N., it is estimated that 40% of the population defecate in the open. The Indian government has built over 500,000 public toilets and according to U.N studies, the majority of the population still do not use these facilities.

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While the Chinese Government continues some travel restrictions for people with a high probability of contracting or spreading the virus, the actual incubation period of the disease is still unknown and a growing number of villages within the region are being ordered under quarantine. In a recent W.H.O. public conference, the incubation period was addressed with health experts unable to clearly define the incubation period or transmission process of the virus. From the standpoint of export food security, no specific research is underway to determine how long these viruses can survive inside of shipping containers or within packaging for export.

Today, millions of shipments are handled and distributed from hundreds of developing countries and have the potential to spread this and other diseases. The U.S. receives thousands of daily air shipments from China. They travel from their point of origins to the U.S. in less than 24 hours, well within the incubation period health authorities have imposed for humans. What remains uncertain, is the time period that the virus can remain in a dormant state inside any of these sealed packages and containers and then become active and released once opened at their destination.

Time will tell if the Chinese government can ensure the security of their existing food exports. Since China, as well as many other developing countries lack the same quality standards as the United States, the potential for contaminated foods reaching our retail markets is a serious threat.

The source of these problems stem from where things are grown and how they are processed. As China's economy has grown to triple digits over the past ten years, very little attention has been paid by the Chinese Government on how all this has impacted the environment. A tainted food supply chain begins with the degradation and pollution of the land, water and air.

With the shift in population to major cities and the dumping of waste by manufacturers into rivers and landfills, air pollution has crippled many cities in developing countries. While politicians argue over how to protect the environment, a vast majority of countries have imposed very little control over industry to mitigate pollution that affects our food supply.

This fact has been amplified on several occasions, as witnessed from the death of over 1000 dogs that consumed pet treats made in China to the selling of expired meats to U.S. restaurant companies. The Chinese have become experts in cutting corners and promoting illicit practices to meet the ever-growing demand for cheap products. In fact, last June the U.S. Congress expressed their concern over the safety of imported processed chicken from China and are moving toward additional regulations to ensure proper inspection of all Chinese products prior to entering the U.S.

"In the U.S we have gone thru a period with heavy lobby to remove product origin labels off our food products. Now we got product on supermarket shelfs that doesn't clearly identify where things are manufactures or the source of their origin. Health safety has gotten lost in the back and forth between China and the U.S. Last year, the United States Department of Agriculture (USDA) allowed processed chicken to be imported from China; but this has spiraled into confusion over where food is made, and regulation has become lost in the process."

This current situation should serve as bellwether note to the highly debated issue of American outsourcing. While American consumers have acclimated themselves to purchasing less expensive goods manufactured in China, India and in other Asian countries, they have, for the most part, disregarded any thought of product quality or the safety of the imported foods they are currently consuming. Retailers lack serious supply chain audits to verify the source and quality of the products they are selling. Only a very small percentage is truly audited, and most are self-audits with paperwork that is less than reliable. For example, many products that are branded USDA Organic, are never audited by the USDA.

Perhaps this is a wakeup call for the U.S Government, importers, suppliers and most importantly for consumers to recognize the vulnerability of our food supply chain and how polluted our food has actually become with the revolution of outsourcing. It is literally killing us.