The rapid spread of COVID-19 (also commonly referred to as “novel coronavirus”) has caused nations and organizations across the world to take emergency action in the interest of public health. Most companies are issuing statements advocating for consistent hygiene (handwashing and minimal face touching) aimed at containing the spread of the virus. Other companies are taking more aggressive action by instituting work from home policies and even travel bans.

The food industry is particularly susceptible to experiencing a duel impact from the global outbreak, both in terms of both domestic sales and supply chain disruptions. Many food manufacturers have foreign production facilities in China, Italy, and other
locations where coronavirus has stalled the workforce, and in turn, the economies. And, because a timeline on a meaningful dissipation of the outbreak is so uncertain, manufacturers, distributors, and retailers must prepare to engage in significant deviations in their current approach, by considering diversions to alternative sourcing locations, and an increased focus on inventory management. For example, not surprisingly, grocery stores have seen a surge in demand for hand sanitizers, soaps, and other disinfectants, leaving many retailers with empty shelves. Indeed, supply of these products is so scarce that recipes for “DIY” hand cleaners are being circulated by news and social media outlets. Retailers that are able to meet that demand will benefit from increased foot traffic and overall sales.

Restaurants and other food providers must also brace for substantial changes resulting from recommended social distancing. In China, for example, food delivery companies experienced a 20 percent increase in sales in the immediate aftermath of early diagnoses. The increased demand for at-home delivery options corresponded to a sizable drop in brick-and-mortar restaurants sales. The same shift in demand for food options should be expected in the United States.

Food industry participants must also be extremely vigilant in adopting appropriate and effective disease containment and maintenance policies. While coronavirus is not spread through food, the industry must mitigate against the substantial risks associated with the close contact between possibly-infected food service workers, the food being prepared, and the end consumer. The lack of health-related benefits traditionally made available to food preparation workers only amplifies the concern. Indeed, while three out of every four American workers receive some form of paid sick leave, only 25 percent of food service workers enjoy this same benefit.

Food service workers who continue to work should take heightened care to ensure the cleanliness of their workstations and hands. However, encouraging sick employees to stay home is the most effective method of combating the spread of disease. Indeed, a report recently published by two Cornell University researchers studying the spread and containment of influenza across ten states that enacted legislation requiring employers to offer paid sick leave, found that infection rates fell by more than 10 percent in the first year the legislation was signed into law. The CDC has echoed these sentiments and strongly suggests employers actively encourage sick employees to either work remotely or take paid sick leave. Accordingly, companies providing food preparation, packaging, or delivery services should review their policies on paid sick leave and make every effort to provide their employees with the benefits and support needed to take time off when sick.

In dealing with these serious public health concerns, it is imperative that the food industry continue to stay abreast of expert guidance.

© 2022 Bilzin Sumberg Baena Price & Axelrod LLP