

LESSONS LEARNED FROM HURRICANE KATRINA

CARLA J. PRICE, PhD
CORPORATE NUTRITIONIST
SANDERSON FARMS
LAUREL, MS

SANDERSON FACILITIES IN MISSISSIPPI

- FIVE PROCESSING PLANTS
 - LAUREL – 625,000 HD/WK
 - COLLINS – 950,000 HD/WK
 - HAZLEHURST – 625,000 HD/WK
 - McCOMB – 1,250,000 HD/WK
 - HAMMOND, LA – 625,000 WK

FACILITIES CONTINUED

HATCHERIES:

- LAUREL
- COLLINS
- HAZLEHURST
- McCOMB

FACILITIES CONTINUED

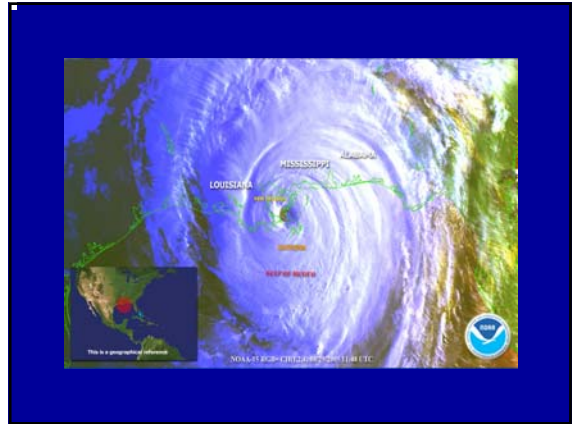
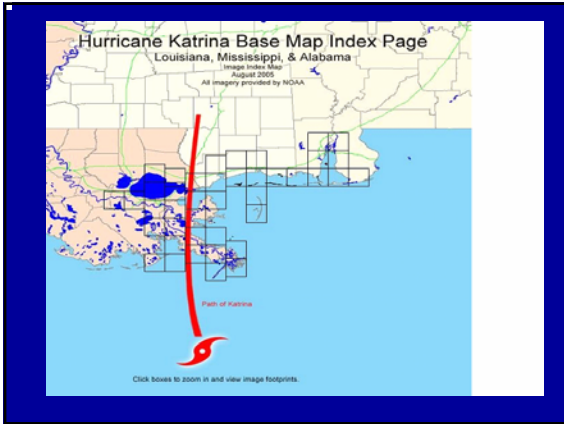
- FEED MILLS:
 - LAUREL – 7000 TONS/WEEK
 - HAZLEHURST – 7000 TONS/WK
 - McCOMB – 19000 TONS/WK

STANDARD HURRICANE PREPARATIONS

- FILL ALL FUEL TANKS – GAS AND DIESEL
- CHECK ALL HATCHERY GENERATORS AND FILL FUEL TANKS
- DELIVER AS MUCH FEED AS POSSIBLE IN ADVANCE
- PICK UP AS MANY HATCHING EGGS AS POSSIBLE IN ADVANCE

HURRICANE PREPARATION CONTINUED

- DELIVER CHICKS EARLY – PRIOR TO HURRICANE LANDFALL
- PLANT DECISIONS ARE MADE APPROXIMATELY 24 HOURS PRIOR TO LANDFALL
- NOTIFY GROWERS AND CHECK THEIR PREPAREDNESS – i.e. FUEL SUPPLIES, CULVERTS, DRAINAGE



AFTER KATRINA

- NO POWER
- NO WATER IN MANY AREAS
- LITTLE TO NO PHONE SERVICE OR RADIO COMMUNICATIONS
- MAJOR ROADWAY BLOCKAGE INCLUDING INTERSTATES

GENERAL SITUATION

- NO POWER FOR ANYONE SOUTH OF I-20
- NO HOME OR LANDLINE PHONE SERVICE
- CURFEWS WERE ORDERED IN EVERY TOWN
- VERY LITTLE RADIO SERVICE FOR INFORMATION

GENERAL SITUATION

- DOWNED POWER LINES AND TREES EVERYWHERE
- MAJOR DEBRIS EVERYWHERE
- POLICE AND CITY OFFICIALS RECOMMENDING LIMITED MOVEMENT
- NO GAS OR DIESEL AVAILABLE

SANDERSON SITUATION

- NO MAJOR DAMAGE TO ANY COMPANY FACILITIES FEED MILLS, HATCHERIES, PROCESSING PLANTS
- NO LOSS OF LIFE TO ANY EMPLOYEES, GROWERS OR CONTRACTORS
- NO POWER OR PHONE TO ANY FACILITIES
- ALL HATCHERIES ON GENERATOR POWER – PRODUCTION OFFICES LOCATED IN HATCHERIES DID HAVE POWER

COMPANY FACILITIES

- ALL HATCHERIES RAN ON GENERATOR POWER –
- NO CHICK PLACEMENTS AUG 30 – SEP 3 FROM LAUREL OR COLLINS
- REDUCED PLACEMENTS IN McCOMB AND HAZLEHURST

FEED MILLS

- HAZLEHURST FEED MILL RECEIVED POWER ON TUESDAY, AUGUST 30
- LAUREL FEED MILL RECEIVED POWER ON WEDNESDAY, AUGUST 31
- McCOMB MILL RECEIVED POWER ON FRIDAY, SEPT 2
- ALL MILLS MADE ONE BROILER FEED, ONE PULLET FEED AND ONE BREEDER FEED THROUGH SEPT 9, 2005
- MILLS RAN NONSTOP UNTIL SATURDAY SEPTEMBER 24 TO CATCH UP

COMPANY FACILITIES (CONT)

- FIRST PLANTS TO REOPEN WERE McCOMB AND HAMMOND ON SAT SEP 3
- COLLINS AND HAZLEHURST PLANTS OPENED SUNDAY, SEPTEMBER 4
- LAUREL OPENED WEDNESDAY, SEPTEMBER 7
- EMPLOYEE ATTENDANCE WAS NOT AT NORMAL LEVELS

SANDERSON FOODS PLANT

- FOODS PLANT WAS CLOSED UNTIL SATURDAY, SEPTEMBER 3
- LOST ABOUT 1000 LBS OF RAW PRODUCT
- EMPLOYEE ATTENDANCE WAS BELOW AVERAGE

PROCESSING PLANTS

- ALL EMPLOYEES WERE PAID 40 HOURS FOR THE WEEK OF AUGUST 29-SEPTEMBER 2
- ICE WAS PROVIDED TO EMPLOYEES
- MEALS WERE PROVIDED FOR EMPLOYEES WORKING WEEKENDS
- SANDERSON SUPPLIED GAS TO EMPLOYEES AT A RATE OF 10 GALLONS EVERY OTHER DAY
- SANDERSON TRAINED OUR EMPLOYEES TO ASSIST WITH RED CROSS AND FEMA APPLICATIONS

FEED MILLING

- RAILROAD DELIVERY WAS DISRUPTED
- PHONE SERVICE WAS VERY POOR MAKING IT DIFFICULT TO ORDER INGREDIENTS
- FAT SUPPLY WAS DISRUPTED – PURCHASED FROM OUT OF STATE
- TRUCKING WAS DISRUPTED DUE TO FUEL INTERRUPTIONS – GUARANTEED FUEL FOR RETURN TRIP AFTER DELIVERY

FEED MILLING

- CORN IS SUPPLIED TO LAUREL FROM A GRAIN ELEVATOR IN COLLINS
- ELEVATOR WAS FULL BUT NO GENERATOR – LOCATED A GENERATOR TO ENSURE SUPPLY
- DELIVERY WAS NOT POSSIBLE TO MANY FARMS FOR THE FIRST WEEK

POULTRY HOUSING

- 71 POULTRY HOUSES WERE COMPLETE LOSSES
- 65 BROILER HOUSES, 2 BREEDER HOUSES AND 3 PULLET HOUSES
- McCOMB DIVISION LOST 4 BROILER HOUSES
- THE REMAINING 61 BROILER HOUSES, 2 BREEDER HOUSES AND 3 PULLET HOUSES WERE LOST IN THE LAUREL DIVISION

HOUSING SITUATION

- VIRTUALLY EVERY FARM HAD SOME DEGREE OF DAMAGE TO TIN, CURTAINS, ROOFS AND/OR END DOORS
- CLASSIFIED HOUSES AS MINOR, MODERATE, MAJOR OR DESTROYED
- APPROXIMATELY 90 HOUSES REQUIRED MAJOR RECONSTRUCTION – 3-6 MONTHS FOR REPAIR
- IF HOUSES WERE PARTIALLY DESTROYED BUT BIRDS WERE STILL CONTAINED, BIRDS WERE MOVED TO OTHER HOUSES ON THE FARM OR TO OTHER FARMS

HOUSING SITUATION CONTINUED

- IF BIRDS WERE OUT OF CONFINEMENT THEY WERE EUTHANIZED ON SITE
- ALL HOUSES WERE ON GENERATOR POWER
- SANDERSON PROVIDED GROWERS WITH DIESEL FUEL FOR GENERATORS
- AFTER SEVERAL DAYS GENERATORS BEGAN FAILING
- SANDERSON FARMS PURCHASED 19 GENERATORS TO MAKE AVAILABLE TO GROWERS

HOUSING/MANAGEMENT

- BIRDS WERE FED ONLY TWICE PER DAY UNTIL THE THIRD WEEK OF SEPTEMBER AND SLOWLY PLACED BACK ON FULL FEED
- MANY HOUSES WERE NOT ABLE TO TUNNEL VENTILATE DUE TO CURTAIN, ROOF OR END WALL DAMAGE
- HEAT LOSS IN OLDER BIRDS DUE TO HEAT STRESS

HOUSING SITUATION

- HAZLEHURST HAD ALL FARMS BACK ON REGULAR ELECTRICITY BY 9/15
- McCOMB HAD ALL FARMS BACK ON ELECTRICITY BY 9/23
- LAUREL RECEIVED POWER TO THE LAST FARMS ON 10/12



TOTAL BIRD LOSSES

- SANDERSON LOST APPROXIMATELY 6 MILLION LIVE BIRDS IN TOTAL
- SANDERSON LOST APPRXIMATELY THREE MILLION BIRDS DUE TO REDUCED PLACEMENTS
- LOST APPROXIMATELY 1 MILLION IN REDUCED EGG SETS

COLD STORAGE LOSSES

- LOST 3.4 MILLION POUNDS OF PRODUCT IN NEW ORLEANS COLD STORAGE
- LOST 200,000 POUNDS OF PRODUCT IN GULFPORT COLD STORAGE

GROWER SETTLEMENTS

- ALL BROILER GROWERS WHO HAD BIRDS ON 8/29/05 WERE PAID FOR THAT FLOCK
- TOTAL LOSS GROWERS WERE PAID IN NORMAL WEEK OF SETTLEMENT ON A FIVE FLOCK AVERAGE
- PAYMENT WAS CALCULATED ON THAT FLOCK'S PERFORMANCE OR ON A FIVE FLOCK AVERAGE PERFORMANCE THROUGH THE MIDDLE OF DECEMBER
- HAVE CONTINUED TO PAY A FLAT RATE PER HOUSES THAT WERE UNDER REPAIR UNTIL BIRDS ARE PLACED AGAIN

REBUILDING

- SANDERSON CONTRACTED WITH CONSTRUCTION COMPANIES IN MISSISSIPPI AND SEVERAL FROM OUTSIDE MISSISSIPPI FOR ONGOING CONSTRUCTION/REPAIR SERVICES

IN HINDSIGHT

- PREPARATIONS IN TERMS OF FEED DELIVERY AND EGG PICKUP WERE ALL WE ARE CAPABLE OF
- HOUSING WAS CONSTRUCTED PROPERLY
- **BUT**
- BETTER COMMUNICATION EQUIPMENT
- DESIGNATED MEETING TIMES AND PLACES

2006 HURRICANE PREPARATIONS

- SPECIFIC HURRICANE READY CELL PHONES HAVE BEEN ISSUED
- 16 GENERATORS PURCHASED IN SEPTEMBER 2005 HAVE BEEN DISTRIBUTED AMONG THE DIVISIONS
- A LARGE GENERATOR REPLACED DURING HATCHERY UPGRADE IS BEING FITTED ON A TRAILER

2006 PREPARATIONS CONTINUED

- MAY BRING IN EXTRA STORES OF FUEL
- SMALL GENERATORS AVAILABLE TO RUN GAS AND DIESEL PUMPS
- DESIGNATED MEETING PLACES AND TIMES WILL BE DETERMINED

