JBS meatpacking plant reopens in Brazil as Latin America becomes COVID-19 epicenter

By Gabriel Lemos
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Brazilian transnational meat processing company JBS reopened its plant in the city of Passo Fundo, in Brazil's southmost state of Rio Grande do Sul on May 20. Auditors from the government's Regional Labor Court had shut the plant down on April 24 after it became a hotspot for the new coronavirus in the region, with 19 workers testing positive.

By the time the plant reopened, the total number of confirmed cases among its 2,410 employees had risen to 94. Although no deaths have been recorded among the workers, seven people who came into contact with those infected in the plant have died.

State Governor Eduardo Leite (PSDB) and the Bolsonaro government's Agriculture Minister Tereza Cristina worked closely together to assure the plant's reopening. The Supreme Labor Court's decision in favor of JBS last Tuesday called for the implementation of safety measures such as the mandatory use of face masks and shields, constant hygiene and distance between workers, who will be separated by acrylic sheets.

This decision comes after JBS reported a loss of R$5.9 billion (US$1.1 billion) in the first quarter of this year, against a profit of R$1.1 billion (US$200 million) in the same period of 2019.

The reopening of the JBS plant in Passo Fundo took place two days before the World Health Organization announced that Latin America had become a new epicenter of the coronavirus pandemic. Brazil, which is suffering by far the continent's worst toll from the pandemic, for the first time last week confirmed more than 1,000 COVID-19 deaths in a single day, while surpassing Russia as the country with the second highest number of cases after the US. By Tuesday, it reported 23,622 deaths and 377,780 confirmed infections. Studies have indicated that the real figure is likely 14 times higher.

Although the largest number of cases are concentrated in major cities such as São Paulo and Rio de Janeiro, the coronavirus pandemic is spreading rapidly to Brazil's impoverished interior. A study by Fiocruz, the leading epidemiological institution in the country, showed that in the last month the number of cases in cities of up to 20,000 inhabitants increased by 50 percent. Today, the Brazilian cities with the highest case and death rates are in the northern state of Amazonas, which has no ICU beds outside the capital Manaus.

As has been the case in many countries around the world, particularly the US, meatpacking plants have been a vector for the spread of the virus to many small towns in the interior of the country. Brazil is the largest producer and exporter of beef and poultry in the world.

In April, 42 of the country's 446 meatpacking plants were shut down to stop the virus's spread. In Rio Grande do Sul alone, 529 workers in 19 meatpacking plants had tested positive for the virus by last Thursday, May 22.

The city of Passo Fundo, where the JBS plant was reopened last week, had by May 11 the same number of COVID-19 deaths as the state capital, Porto Alegre, which has seven times as many inhabitants. The rural city has the highest coronavirus case rate in the state, with 135.7 cases per 100,000 residents, compared to 35.8 in the capital.

BBC Brasil reported on May 13 that the city of Ibirapuitã had its first cases "imported" from Passo Fundo. The small town of 5,000 inhabitants already has one of the highest case rates in Rio Grande do Sul, 360 per 100,000 inhabitants.

On the same day that the JBS factory reopened, the local daily, *Campo Grande News*, reported that an indigenous JBS employee in the city of Dourados, in the central western state of Mato Grosso do Sul, was infected with the coronavirus and took the disease to the village of Bororó, infecting 31 indigenous people. Together with the Jaguapiru village, Bororó is part of the Dourados Indigenous Reserve, where 18,000 indigenous people live.

The daily also reported that 16 employees of JBS in Dourados went into isolation last Tuesday after showing symptoms of COVID-19. They all live in the neighboring city of Rio Brilhante, which has 37,000 inhabitants.

In another city in Mato Grosso do Sul, Guia Lopes da Laguna, the meatpacking plant of the Brasil Global Industrial company, with 300 employees, became a COVID-19 hotspot after a truck driver coming from São Paulo infected five employees. By May 20, 61 employees had tested positive and another 190 were waiting for test results. On Monday, Guia Lopes da Laguna recorded the eighth highest rate of infections in Brazil, with 1,627 cases per 100,000 inhabitants.

These developments in Brazil's meatpacking industry are part of a worldwide phenomenon. As the *World Socialist Web Site* reported, meatpacking plants have become coronavirus hotspots in the US, where 12,000 workers have already been infected with the deadly virus and 50 had died as of May 23. Hundreds of slaughterhouse and meatpacking plant workers have also been infected in Germany and Northern Ireland, where a worker at the Moy Park plant died of COVID-19.

Many of these infections and deaths occurred in JBS-controlled meatpacking plants. In 2015, JBS bought the Moy Park plant from another Brazilian company, Marfrig. In the US, where JBS has 60 plants, the company bought Swift Foods in 2007, Pilgrim's Pride in 2009 and Cargill's pork division in 2015. After purchasing XL Foods in 2012, JBS also began operations in Canada, and since 2007 has been operating in Australia, where it purchased Australian Meat Holdings abattoirs, the Tasman Group meatworks and the Primo

Group.

JBS's first international purchase took place in 2005, when it bought Argentina's largest meat producer and exporter, Swift-Armour, becoming the largest meat producer in Latin America. Two years later, with the purchase of Swift Foods, JBS became the world's largest meat producer. Today, the Brazilian transnational company employs over 260,000 workers in 30 countries.

JBS's internationalization developed under governments of the Workers Party (PT), which for 13 years—from 2003 to 2016—was the Brazilian bourgeoisie's preferred ruling party.

As part of their so-called "neo-developmentalist" policy, PT governments used the state-owned National Bank for Economic and Social Development (BNDES) to finance the internationalization and merger of large Brazilian companies in order for Brazil to create its own "national champions"—i.e., large companies supported by the national state with a global reach. This policy began in 2005, at the end of former PT President Luiz Inácio Lula da Silva's first term in office, when BNDES for the first time used its Foreign Direct Investment operation to finance JBS's purchase of Argentina's Swift-Armour.

From 2005 to 2013, BNDES invested R$12.8 billion (US$2.3 billion) in JBS's controlling group, J&F, both through loans to the Brazilian "national champion" and through the purchase of shares and debentures. Today, the BNDES subsidiary responsible for these operations, BNDES Participações (BNDESPAR), owns 21 percent of JBS. This huge capital injection made JBS's revenues soar from R$4 billion (US$730 million) in 2006 to R$170 billion (US$31 billion) in 2016.

The amount of resources invested by BNDES and BNDESPAR in the process of internationalizing JBS and other "national champions" increased more than fivefold between 2003, the first year of the Lula government, and 2010, when it reached the record of R$168 billion (US$31 billion). Among other "national champions" boosted by PT governments via BNDES are the construction giant Odebrecht, which under PT governments began large construction projects in Africa, across Latin America and even the United States, and Fibria, which was created in 2009 from the merger financed by BNDES of two large national pulp companies and is today the largest pulp producer in the world.

However, unlike the Chinese and South Korean "national champions," which supposedly inspired the PT's "neo-developmentalist" policy, BNDES financing was largely in companies producing commodities and low- and-medium technology products. This process strengthened Brazilian agribusiness and positioned the country in the global market as a major commodities exporter.

BNDES's operations brought the PT ever closer to the most powerful layers of the Brazilian bourgeoisie, which year after year increased the party's campaign financing. In the 2006 elections, one year after the first international purchase of JBS, when Lula was re-elected president, the company donated R$2.5 million (US$460 thousand) to the PT's electoral campaigns, a sum five times greater than that donated to the PSDB, which came in second. In the 2010 presidential election, won by PT candidate Dilma Rousseff, JBS donated R$9 million (US$1.7 million) to the party, an amount three times greater than that donated to PSDB, again coming in second. In the last presidential election allowing corporate donations, in 2014, the PT received the most donations of any party from major Brazilian companies, first and foremost the "national champions."

Emílio Odebrecht, whose construction conglomerate received R$28 billion (US$5 billion) from BNDES between 2008 and 2015, reported in a plea bargain in 2017 that Lula, in the late 1970s, "created the conditions so that he could have a differentiated relationship with the unions"—i.e., end strikes before workers' demands were met.

In the mid-1990s, the CUT, the union federation controlled by the PT, responded to the brutal attacks on workers' rights and the free market policies of the government of President Fernando Henrique Cardoso (PSDB) by turning the unions toward the creation and management of pension funds. Carried out in consultation with the US AFL-CIO, the Quebec Federation of Labour Solidarity Fund and the French CGT, this transformation was led by Luiz Gushiken, former president of the São Paulo Bank Workers Union and former minister of the Lula government. In the 1970s, he had been a member of the Lambertist OSI (Socialist Internationalist Organization), which promoted the creation of the PT, as had Lula's former Finance minister—today under house arrest on corruption charges—Antonio Palocci.

In 2003, in his first year as president, Lula spelled out this transformation by saying that "the union needs to understand the role that pension funds have," since "the unionism of confrontation has passed...although I may have been noted for it." Together with BNDES, the pension funds of state-owned companies, largely controlled by PT union officials, became the main financiers of the policy of "national champions."

These developments expose not only the PT as a bourgeois party, but also the pro-corporate character of the CUT and its affiliated unions.

Today, in the midst of the COVID-19 pandemic, workers in meatpacking plants and all other sectors threatened by the deadly virus must form rank-and-file safety committees against the profit drive of large global corporations like JBS, which are backed by the pro-corporate unions and parties like the PT. These committees must fight to unite with workers internationally in the struggle for the restructuring of society based on social necessity and not private profit—that is, for socialism.