# BUSINESS **SUNDAY, FEBRUARY 12, 2023** | siouxcityjournal.com |

#### SWIFT & CO. TURKEY PLANT



JESSE BROTHERS, SIOUX CITY JOURNAL

The former Swift turkey processing plant is shown Tuesday. The city has repeatedly had to hire contractors to secure the building's doors, which is typically followed by the doors being pried open again. An open door can be seen at the lower left.

# Hate to see it go, but it is in bad shape'

One of the last major buildings of the Sioux City stockyards faces demolition

#### **MASON DOCKTER**

mdockter@siouxcityjournal.com SIOUX CITY – Rick Stewart worked at the Swift & Co. turkey plant in Sioux City for a couple of seasons from 1976 to 1978, when he was in his early 20s. The plant, at the time about 50 years old, remained in operation for only one more season after he left. In the 43 years since its closure, the condition of the plant a long neglected, four-story, brick-and-concrete structure, painted a shade of beige, graffitied and with many of its windows broken - has declined quite noticeably. The city has come to see the deteriorating building, at 1804 Dace Ave., as a sort of attractive nuisance. It's red-tagged as unfit for occupation and has been ordered demolished. "Hate to see it go, but it is in bad shape," Stewart, 68, said of the plant, where he worked mostly in the shipping department, driving truckloads of boxed turkeys to cold storage. "Probably, from a safety standpoint, it definitely needs to come down."



to be seen as antiquated and inefficient before it closed in 1980. It then went through a succession of owners and a prolonged period of dilapidation.

#### 'An attractive addition to the stockyards'

The Chicago meatpacking firm of Swift & Company came to Sioux City in 1917. In 1924 Swift purchased the assets of the de-

# S.D. lawmakers seek to curb Chinese influence on farmland

#### AMANCAI BIRABEN **Associated Press**

PIERRE, S.D. - South Dakota lawmakers are advancing a number of bills that would curb Chinese influence in South Dakota's farmland amid concerns among Republican leaders after a spy balloon was spotted and shot down last week.

Republican Rep. Will Mortenson proposed Thursday investigating partnerships between landowners and foreign entities. It comes a week after other lawmakers pushed forth other propositions tackling foreign influence, like banning contracts between state land and foreign countries, and establishing a committee to oversee future foreign purchases.

"We don't know what we don't know, and we're going to start finding out so we can make the next step," Mortenson said, after his bill passed a house committee vote with a unanimous vote.

The proposals stem from Republican Gov. Kristi Noem's recent history of curbing the state's relationship with China. Last year, she banned state employees and contractors from accessing the video platform TikTok on state-owned devices, citing its ties to China. She also said late last year that the state held no direct investments in China after a review.

Noem's emphasis on her perception of threats posed by China comes as she plans for a series of three policy speeches in Washington that seem to portend the rollout of a possible 2024 bid for the Republican presidential nomination.

Next week, according to a person familiar with Noem's plans, Noem will use one of the three speeches - a Feb. 15 address at the America First Policy Institute - to highlight South Dakota's response to the threat posed by the Chinese Communist Party. She'll also discuss an executive order, which Noem signed last month, barring the state from engaging in business with some telecom companies owned or controlled by "evil foreign governments," including China, according to

#### VIA SIQUX CITY PUBLIC MUSEUM

The then-new Swift & Company produce plant, at the intersection of Dace Avenue and Chambers Street (now Cunningham Drive) is shown circa the late 1920s. Swift originally used the plant for what the company called "produce" - poultry, eggs and some dairy products. The meatpacker later housed its turkey operations there. Today the plant is forlorn, with many of its windows broken and boarded up.

Sioux City Code Enforcement the property this past Tuesday, Manager Darrel Bullock told the several exterior doors were wide city council recently that the open. deserted plant "constantly has

In spite of the severe state of dilapidation, the building itself remains structurally sound, Bullock said, though parts of the interior are not sound. "Unfortunately there are many, many hazards within the building," he said.

An ignominious end now appears likely for one of the last major buildings of the Sioux City stockyards: a plant that was considered highly modern when During a Journal visit to see it was new in the 1920s, but came the link. NEWSVU

funct Midland Packing Co. and moved its operations to Midland's state-of-the-art plant in the stockyards, just east of what is now the abandoned turkey plant.

"There was a big packing plant there, comprised of half a dozen buildings or so," said Tom Munson, archives manager at the Sioux City Public Museum.

In 1926, Swift spent \$175,000 (or \$100,000, depending on the source) to build what the company called a "produce plant," which housed poultry and egg production, and some dairy products. The building was, at

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**SEE:** Photos of the stockyards from **O** through the years. Point your smartphone camera at the QR Code and tap

Please see CHINA, Page B7

# **Pilot shortage** pressures airlines

#### DAVID KOENIG **Associated Press**

GOODYEAR, Ariz. - Until last summer, Ashley Montano had never flown. Now she was preparing to land a small plane with three passengers after a previous touch-and-go that had been rough.

"The plane is a bit heavy, so give it just a little more power to make a smooth landing," flight instructor Jason Fink told her.

There was the tiniest of bounces as the plane's nose came down, then a smooth touchdown and taxi in to end Montano's training flight late last year at a United Airlines school in the Arizona desert.

On the ground, Montano was happy with her progress. "You guys were my first real passengers!" she gushed to a reporter and video journalist who had been in the rear seats.

Montano hopes that in a few years she will be flying airline jets and carrying many more passengers. If she does, she'll be helping solve a critical problem facing the industry: not enough pilots.

Airlines have complained about a shortage for several years, but they made it worse during the pandemic by encouraging pilots to take early retirement when air travel collapsed in 2020. Helane Becker, an analyst for Cowen who has tracked

# Faulty weld, pressure on pipe led to Kansas oil spill

## Cost of cleanup estimated at \$480M

#### JOHN HANNA AND **HEATHER HOLLINGSWORTH Associated Press**

TOPEKA, Kan. - A faulty weld at a bend in an oil pipeline contributed to a spill that dumped nearly 13,000 bathtubs' worth of crude oil into a northeastern Kansas creek, the pipeline's operator said Thursday, estimating the cost of cleaning it up at \$480 million.

Canadian-based TC Energy said the flawed weld caused a crack that then grew over time because of the stress on the bend in its Keystone pipeline system in rural pastureland in Washington County, about 150 miles (240 kilometers) northwest of Kansas City. The company said the weld was for a fitting that connected two sections of pipe, and the fitting and weld came from a manufacturing plant.

The company, which is re-

spections of its pipeline system, said it still is investigating the cause of the pipeline stress and is analyzing "other areas with potentially similar conditions." The Dec. 7 rupture spilled nearly 13,000 barrels of crude oil, with each barrel containing 42 gallons, the size of a standard household bathtub.

vagrants in it" and has become

Bullock told The Journal re-

cently that the city has repeat-

edly had to engage contractors

to "secure" the building to keep

out unwanted visitors, usually by

welding its doors shut and put-

ting up yet more boards. Then

people pry the doors open again,

and the building needs to be se-

cured, again.

"a big play hangout for kids."

"Our focus continues to be the safe operation of the pipeline system," the company said in a statement.

No one was evacuated following the spill, and officials said it did not affect the two larger rivers and reservoir downstream. With federal regulators' permission, the company reopened the affected segment a little more than three weeks after the spill, though at a lower pressure than before.

But Bill Caram, executive director of the advocacy group Pipeline Safety Trust, said it's "troubling" that TC Energy said the flawed weld came from a "fabrication facility." He said sponsible for overseeing in- conditions there should have



**UCGR**, DRONEBASE, FILE

In this photo taken by a drone, cleanup continues in the area where the ruptured Keystone pipeline dumped oil into a creek in Washington County, Kan., on Dec. 9. A faulty weld at a bend in an oil pipeline contributed to a spill that dumped nearly 13,000 bathtubs' worth of crude oil into a northeastern Kansas creek, the pipeline's operator said this week.

been ideal for making a weld that the U.S. Department of Transwould not fail - as opposed to portation struggle to deal with a welding in the field.

Caram also said pipeline companies and pipeline regulators in

combination of multiple threats

## **Demolition**

From B6

the time, located at the corner of Dace Avenue and Chambers Street; the latter stretch of road later became Cunningham Drive.

"They were slaughtering and processing chickens, and turkeys, they were candling eggs that were laid there, they were getting those ready for the market," Munson said. "It's also a dairy and a creamery, so they were producing things like milk, and butter, and cheese."

The first floor of the building housed offices, receiving and shipping, the creamery and the egg-candling and butter-cooler rooms; the second floor was used for dressing, grading and cooling of poultry; the third housed poultry-feeding operations. (It's not clear what the fourth floor was originally used for, but at the time it was much smaller than the first three floors.)

When it was new, the produce plant was heralded as a "Fine New Building" and "an attractive addition to the stockyards district" in contemporary news coverage. A 1926 Journal article described it as "one of the most modern and completely equipped in the country," where "the latest scientific methods of handling cream, eggs and poultry have been introduced."

The produce plant was but one part of the sprawling Swift meatpacking complex, the bulk of which processed hogs and cattle -"but mostly hogs," Munson said.

At some point during the 20th century the poultry plant began to be used solely for turkey processing. As a turkey plant it operated seasonally - "usually early fall through late winter," Stewart said. Plant workers were sidelined during the off-season.

"Some of them collected unemployment, some had other jobs. I would usually work another job and then go back as soon as they called me back," Stewart said.

the turkey plant through the 1970s before the decision was made to



The former Swift turkey processing plant is shown Tuesday. The city has repeatedly had to hire contractors to secure the building's doors, which is typically followed by the doors being pried open again. The open door in this photo is an example of this.

close it permanently during the Safe Air (an asbestos removal from the other buildings of the off-season in 1980, costing about 200 jobs. The nearby meatpacking plant had closed down in 1974 after Swift moved to a new plant.

Management at the time of the closure said the aging turkey plant had been operating at a loss for some time.

"Over the past five years it has become apparent that the Sioux City plant was not profitable. Until now the company need the plant's capacity, though. Since the (turkey) market has changed and Swift has enough capacity elsewhere it is more economical to move the operation," Bill Dillman, assistant director of public relations for Esmark, Swift's parent company at the time, said in 1980.

"It was pretty old and dilapidated," Stewart said of the facility.

#### The best-laid plans

For a time beginning in the 1980s the building was occu-Swift continued operating in pied by a series of businesses: the Apollo Solar Energy Company (a solar panel company), Enviro

company), Pro Pipe Refrigeration, Lacey's Furniture and an auto repair shop, Munson said.

It's also believed to have been used as warehousing during this time period, as several of the occupants likely did not make use of the entire vast building.

Stewart's son played in a band that rented a space in the building after Swift moved out.

"It was actually the old room that we had our freezer in, so that was kind of interesting. But it was leaking really bad and all the windows were broken out," Stewart said.

The last known business occupant was a pet salon, located there circa 2011.

"None of them was there for a very long time," Munson said of all the post-Swift occupants of the building.

Meanwhile, a catastrophic fire in 2006 ravaged the nearby KD Station – the former Swift packing plant – leading to its demolition in 2009. Due to its separation

Swift complex, the turkey plant escaped largely unscathed from the calamities that damaged other Swift buildings, including the legendary Swift explosion of 1949.

With the demolition of KD Station, the turkey plant became one of only two surviving Swift structures in the former stockyards (the other being a nearby, smaller brick structure built circa 1951. that Swift used for offices). One or two building each also remain from the old Cudahy and Armour packing complexes.

"Of all of our big meatpacking plants we had here in Sioux City in the early 20th century, there are little bits of each one still around," Munson said. "Like Armour, which was at the southern end of the old stockyards, there's still one little office building. And Cudahy, which was just to the north of that, there's still part of their cold-storage warehouse that's part of that more-modern meat processing center. And then there's still the two Swift build-

ings left."

The old turkey plant changed hands on numerous occasions in the decades after Swift moved on; the price declined precipitously over time. In 1999 it sold for \$350,000, according to county property records. In 2011 it was sold for \$90,000. In 2020 it sold again for \$40,000.

The 2020 sale was to a Harrisburg, South Dakota-based entity called DLRS Properties Inc. The Journal was unable to reach the owner.

Bullock said the latest owner of the property, in common with others in the past, had planned to rehabilitate it for a "new use," though what the new use would be was never actually known to the city. For a time the owners had been "cooperative" with city officials, but that ended about a year and a half ago. "They have fallen through on that," he said.

"Several people have come to be the owners of that building, and have done nothing with it. They've had plans of rehabbing the building in some manner, but nothing has come through," Bullock said.

The city has been in touch with the owner to let them know about the planned demolition, Bullock said; the owner's intentions going forward are not known. Demolition could cost as much as \$750,000, which would be invoiced to the owners. Should they not pay, the costs would be assessed against the property.

Because the building is not considered an "imminent danger" - meaning a structural failure or collapse is not believed to be likely in the near term - the demolition might not take place for another year and a half to two years. Should a more significant structural risk present itself, the demolition could occur sooner, Bullock said.

On the other hand, the property owner could still step in and have a role in the process.

"It just depends on what the owner's going to be doing, or tries to do, with it at this point," Bullock said.

## China

From B6

the executive order. The person spoke on condition of anonymity because the person is not yet authorized to speak about Noem's air force base. She said that was plans publicly.

support of the bill that would pro- ship in state land and for what

ply and will be heard further by a Senate committee on agriculture and natural resources Feb. 14.

Tobin has been in discussion with states like North Dakota, government China's where bought a tract of land near their an eye-opener to the rest of the Alan Vester, Noem's deputy gen- country about the lack of knowleral counsel, testified Thursday in edge about who's taking owner-

## Oil

From B6

to need immediate attention but together add up.

"The threats aren't in a vacuum," Caram said. "This leads to committee plans to have hearother."

to its original design, its construction or the manufacturing of the pipe.

The company's statement that on their own don't appear Thursday said an analysis of the pipeline's metal showed no issues with it or its strength.

The Kansas House energy the need for more sophistication ings on the oil spill in March, in the way operators are mitigat - according to its chair, state Rep. his property line, spraying crude ing against their threats, looking Leo Delperdang, a Wichita Reat how they interact with each publican whose career includes ter the pipe goes under a creek a stint with a pipeline company.

Pistora argued that people don't have any real assurances that the existing Keystone pipeline won't "fail again."

"It should be unsettling to everyone along the pipeline path and to Americans generally," he said.

Local farmer Bill Pannbacker said the rupture occurred near onto his pasture at a point af-

vide further insight into the how much of South Dakota's land is owned by foreign governments.

"Gov. Kristi Noem believes strongly in protecting our state from maligned foreign governments from acquiring foreign agricultural land to the detriment of our state's security, critical infrastructure or food security," Vester said.

Last week, Republican Sen. Erin Tobin proposed an act to create the Committee on Foreign Investment in the United States to regulate foreign purchases of agricultural land from out-ofcountry buyers. This oversight is intended to curb international influence in the state's food sup-

purpose, like spying. The committee would do a deep dive to investigate the motives behind any foreign purchase by looking at the buyer's history.

"You realize that China's kind of coming in the front door and nobody's putting any restrictions on anything," Tobin said. "When you really start paying attention and looking at what's happening, you get even more concerned."

Foreign entities and individuals control less than 3% of U.S. farmland, according to the U.S. Department of Agriculture. Of that, those with ties to China control less than 1%, or roughly 600 square miles (340 square kilometers).

The spill was the largest onshore in nine years and larger than than 22 previous spills on the Keystone system combined, according to U.S. Department of Transportation data. That's even though the company decreased its estimate for its size from its initial figure of 14,000 barrels.

Zack Pistora, who lobbies the Kansas Legislature for the Sierra Club, argued that the company's explanation shows the pipeline's design was flawed. In July 2021, a U.S. Government Accountability Office report said the four biggest system were caused by issues tied the plug on the project in 2021.

"I've got lots of questions," he said.

The 2,700-mile (4,345-kilometer) Keystone system carries heavy crude oil extracted from tar sands in western Canada to the Gulf Coast and to central Illinois.

Concerns that spills could pollute waterways spurred opposition to plans by TC Energy to build another crude oil pipeline in the same system, the 1,200mile (1.900-kilometer) Keystone XL, across Montana, South Dakota and Nebraska. President Joe Biden's cancelation of a permit for previous spills on the Keystone the project led the company to pull

and starts to ascend an 80-foot (24-meter) hill. He suggested that a straight section of pipe would be less prone to problems but added, "I'm not an engineer."

Pannbacker said crews swarmed over the area as they cleaned up the mess, aided by relatively dry weather. The company said its estimate for the cost of the cleanup may change, calling its commitment to the work "unwavering."

"It is like a little city out there," said Pannbacker, also a former Kansas House member. "I just went by last night, and the lights get your attention, but I mean, they're working hard."

## Shortage

From B6

the issue closely, estimates that 10,000 pilots have left the field since then.

Meanwhile, airlines have been in a hiring frenzy that is likely to continue for several years as the carriers replace pilots who reach the federal mandatory retirement age of 65.

The government estimates that there will be about 18,000 openings per year for airline and commercial pilots this decade, with many of those replacing retirees. However, the Federal Aviation Administration issued on average only half that number of pilot licenses from 2017 through 2021.

Private forecasts are dire, too. Consulting firm Oliver Wyman estimates that despite efforts to close the gap, airlines in North America will face a shortage of nearly 30,000 pilots by 2032. The supply of new pilots will grow, but not enough to offset a continuing wave of retirements, the consultant says.

There is cause for hope, however. Last year, the FAA issued 9.588 airline-transport licenses - the type needed to fly for an airline. That topped even the recent peak of 9,520 in 2016.

The key question is whether that pace can be maintained. Some of last year's spurt might

"The airlines are doing their best to move things along, but it's an uphill slog," Becker said.

have been catch-up from low

numbers in 2020 and 2021, which

were held down by the pandemic.

Southwest Airlines has more than 700 planes but parks 40 to 45 of them each day because it lacks pilots to fly them, said CEO Bob Jordan at a recent media event. That amounts to more than 200 flights a day or up to 8% of the Dallas-based airline's flying. Southwest expects to hire 2,250 pilots this year after adding about 1,200 last year, mostly by drawing from smaller airlines.

United Airlines CEO Scott Kirby says the lack of pilots will continue to prevent airlines from expanding as much as they would like to take advantage of strong travel demand.

"Pilots are and will remain a significant constraint on capacity," he said during an earnings call last month.

Kirby figures that his airline, American, Delta and Southwest combined will hire about 8,000 pilots this year, up from the normal 6,000 to 7,000.

The pilot shortage is most severe at smaller carriers that don't pay as well and serve as stepping stones to the big airlines. Many of them operate regional flights under the names of American Eagle, United Express and Delta Connection.

of the Regional Airline Association, says those carriers have parked more than 400 planes for lack of pilots, "and air service is collapsing as a result." Black estimates that regional airlines are short by 8,000 pilots and the trade group says a dozen smaller cities have lost all air service – about 50 more have lost half or more of their flights - despite the broad rise in travel demand.

If a pilot calls in sick, often there is no one immediately available to replace them, and that is leaving tens of thousands of travelers stranded. The lack of pilots contributed to a 52% increase in flight cancellations last year compared with 2021, although it is unclear how much of that was also related to weather and air traffic congestion.

The shortage is giving pilot unions leverage in contract negotiations that were paused by the onset of the pandemic. New contracts are certain to include hefty pay raises that will drive up costs for airlines.

Delta pilots are voting on a contract that their union says would raise pay by more than 30% over four years. If ratified, it likely would become the model for deals with pilots at American, United and Southwest.

The median annual pay for U.S. airline pilots last year topped \$200,000, according to the Labor Department, and was likely much Faye Malarkey Black, president higher at the biggest airlines.

The pilot shortage started even before the pandemic. Over the past decade or two, industry officials warned it was coming as travel boomed and thousands of U.S. pilots approached mandatory retirement age. The Federal Aviation Administration raised that age from 60 to 65 in 2007, which pushed the problem off for a few vears.

For decades, airlines enjoyed an ample supply of pilots, most of whom came out of the military fully trained and with extensive experience, but the military has its own shortage.

The Air Force said it had a shortfall of about 1,900 pilots at the end of September. It is trying to increase retention and the training of new pilots after producing nearly 1,300 in the previous 12 months.

Not everyone agrees, however, that there is a shortage. The Air Line Pilots Association, the largest union of pilots in North America, says that over the past decade, airlines hired only about half of the people who received FAA licenses that let them fly airliners.

The union argues that airlines are hyping a shortage narrative to water down qualification standards and hire inexperienced flyers at lower pay. It says that airlines should increase pay to attract more applicants.

That is beginning to happen at regional airlines – the smaller carriers that handle flights for

American Eagle, United Express, Delta Connection and Alaska Airlines' Horizon Air subsidiary. Three of American's regional affiliates recently announced that it would offer \$100,000 bonuses to some new pilots.

Several U.S. airlines have started their own training programs or partnered with flight schools to ensure a pipeline of future pilots that would be more diverse - fewer than 4% of current airline pilots are Black, fewer than 5% are women.

"Even though I saw my dad fly planes, saw my brother fly planes, I never saw a woman fly planes," says Sara McCauley, a student at United's Aviate Academy who hopes to follow her father and fly for United. "The world is going to change, and aviation will be more inclusive."

Tuition for flying schools and the cost of flight time are not cheap. Reaching 1,500 hours of required flight time is often estimated to cost between \$70,000 and \$100,000.

Aviate charges \$71,250, and when students are done they need to find work as a flight instructor to build enough hours to get hired by a regional airline.

Montano, who has two degrees in criminology, left her job analyzing prison-sentencing data and ook out a loan to attend Aviate.

"I saw that as a great investment in my future," she says. "I absolutely think it will pay off."