GLOBAL COLD CHAIN ALLIANCE®

NEW WORLD SCREWWORM
COLD CHAIN IMPACT ASSESSMENT

Implications for North American Cold Chain Operators in the Beef and Dairy Sectors

4 June 2026

BREAKING — 3 June 2026

The USDA confirmed the first detection of New World Screwworm in US livestock in decades: a three-week-old calf in Zavala County, South Texas. A 20km quarantine zone has been established. No further cases confirmed at time of publication.

Executive Summary

Cold chain operators across North America that serve the beef and dairy sectors are impacted by the emergence and northward spread of New World Screwworm (NWS). Its confirmed arrival on United States (U.S.) soil this week has short, medium, and long-term implications for protein cold chains — from primary production through processing, warehousing, and distribution.

The core message is this: NWS is not a food safety issue, but it is a significant and worsening food production issue. Any meaningful reduction in U.S. or Mexican cattle supply — against a backdrop of already historically low U.S. herd sizes — will tighten throughput at processing facilities, reduce warehouse utilisation on beef lines, and sustain elevated beef prices for an extended period. Dairy supply chains face secondary but real exposure through shared livestock populations and veterinary resource constraints. Cold chain operators should be scenario-planning now.

1. What Is New World Screwworm?

New World Screwworm (Cochliomyia hominivorax) is a parasitic fly whose larvae burrow into the living flesh of warm-blooded animals — cattle, horses, sheep, wildlife, and in rare cases humans. Unlike common blowflies, which feed on dead tissue, NWS larvae feed exclusively on living flesh, causing wounds that expand rapidly as they attract further egg-

laying. A fully grown cow can be killed within seven to ten days of infestation. Newborn animals are particularly vulnerable, as are animals with any open wound.

The pest was eradicated from the U.S. in 1966 through the sterile insect technique (SIT) — the mass release of sterilized male flies to prevent successful reproduction. This same technique progressively pushed NWS south through Mexico and into Panama, where a biological barrier at the Darién Gap held it in check for nearly 20 years. That barrier collapsed in 2023.

2. The Regional Outbreak: Panama to the Rio Grande

The current crisis did not begin at the U.S. border. It originated in Panama in 2023, when annual NWS detections surged from a long-run average of around 25 cases to more than 9,300 in a single year. From there, the pest moved north with speed, passing through Costa Rica, Nicaragua, Honduras, Guatemala, Belize, El Salvador, and into Mexico by November 2024 — covering the length of Central America in roughly 18 months.

By January 2026, the CDC reported more than 1,190 human cases and seven deaths across Central America and Mexico, alongside over 148,000 animal cases. By 2 June 2026 — one day before the Texas detection — those animal case numbers had risen to more than 171,700.

Impact on Mexico

Mexico has borne the heaviest economic damage outside the U.S. The Mexican National Agricultural Council has estimated that disruption to cattle exports caused by the infestation cost the country $1.3 billion over the past year alone. Mexico's own food safety authority, SENASICA, projects a reduction of around 23% in livestock sector profitability if the pest becomes endemic. By April 2026, nearly 20,000 head of livestock had been affected, with active cases recorded across cattle, swine, equine, canine, and other species.

The pace of northward progression was alarming. From first detection in Chiapas in late 2024, confirmed cases reached Oaxaca, Veracruz, and by September 2025 the border state of Nuevo León — less than 70 miles from Texas. Despite extensive sterile fly releases and coordinated surveillance, the pest crossed into the U.S. this week.

3. Supply Chain Context: Why This Matters to Cold Chain

The livestock and cold chain sectors were already operating under significant strain before this week's detection. The U.S. cattle herd stands at its lowest level in 74 years — approximately 86 million head — driven by drought, consolidation, and sustained high cattle prices. That supply tightness has already pushed ground beef prices up $1.35 per pound and steak prices above $13.00 per pound since the start of 2025.

Against this backdrop, the NWS outbreak introduces a compounding supply-side risk. The USDA estimates that NWS threatens over $100 billion in U.S. economic activity tied to the cattle and livestock industry. Economic modelling based on the last significant U.S. outbreak — Texas, 1976 — puts the potential annual cost to Texas alone at $1.9 billion, adjusted to current cattle inventories. Texas accounts for approximately 14% of the entire U.S. cattle herd.

The Mexico Trade Disruption

The cross-border livestock trade has already been materially disrupted. Mexico accounted for 62% of U.S. live cattle imports between 2020 and 2024, with up to 20,000 head per week crossing in normal seasons — representing around 5% of U.S. feedlot placements. The U.S. suspended live cattle, horse, and bison imports from Mexico in May 2025 as NWS advanced north. That suspension remains in effect and, following this week's Texas detection, is unlikely to be lifted in the near term. For cold chain operators supplying feedlots and beef processors in the Southwest and beyond, this is a structural supply constraint, not a temporary disruption.

4. Cold Chain Impact Assessment by Time Horizon

Horizon	Primary Risks	Cold Chain Implications
Short Term (0–6 months)	Quarantine zone in Zavala County; movement controls on cattle in affected area; heightened surveillance across South Texas border region.	Localized throughput disruption at Texas processing and distribution facilities. Potential spot shortages on beef lines. Increased compliance and documentation burden on cross-border movements.
Medium Term (6–24 months)	Risk of wider infestation across Texas cattle regions if containment fails. Sustained import suspension from Mexico. Continued herd attrition and production shortfalls.	Reduced beef volumes through cold chain. Extended pressure on warehouse utilization rates for chilled and frozen beef. Processor capacity underutilised or reprioritized. Price volatility complicating forward contracts and procurement planning.
Long Term (2–5 years)	Prolonged eradication program (estimated years to decades to push barrier back to Panama). Permanent structural shift in U.S. cattle herd composition and regional supply flows.	Sustained reduction in beef throughput. Possible rebalancing of cold chain capacity toward alternative proteins. Dairy sector exposure if veterinary and biological resources remain stretched. Strategic repricing of cold storage linked to beef and dairy.

5. Beyond Beef: Pork, Dairy, and Other Livestock

While beef cattle carry the primary risk, cold chain operators with exposure to other protein sectors should note the following:

Pork

The NWS fly infests all warm-blooded animals, and the Mexican swine herd has already been materially affected — by April 2026, over 1,270 pigs had been confirmed as cases, representing approximately 6.5% of total Mexican detections. The USDA has specifically identified swine surveillance as a priority component of its U.S. border monitoring program. Should NWS establish itself in U.S. swine populations, the implications for pork processing volumes and cold chain throughput would be significant. Operators with pork-exposed facilities or customers should treat this as a live risk requiring active monitoring, not a secondary concern.

Dairy

Dairy herds — particularly in Texas, New Mexico, and adjoining states — face direct infestation risk if the pest spreads from its current detection zone. The near-term risk to dairy cold chains is indirect, primarily through input cost inflation and broader market volatility, but the medium-term scenario of herd losses in dairy-producing regions warrants inclusion in supply continuity planning. Regional veterinary capacity is also finite: a sustained beef cattle response will draw on the same infrastructure used to support dairy herd health management.

Sheep and Goats

Small ruminants are among the most susceptible species. Historically, U.S. outbreaks have hit sheep and goat populations hard — the 1976 Texas outbreak affected over 330,000 sheep and goats alongside its cattle toll. The U.S. sheep and goat sector are comparatively small, limiting the direct cold chain implications, but operators serving specialist or ethnic retail markets should be aware of potential supply tightening.

Poultry

NWS only rarely affects birds and presents no material cold chain risk to the poultry sector.

6. The Response: What Is Being Done

The USDA response to the Texas detection is extensive and pre-planned. Measures include:

- Establishment of a 20km infested zone around Zavala County with quarantines and movement controls
- Immediate deployment of ground-release sterile fly chambers, supplementing the 4 million sterile flies per week already being released aerially in the border region
- Activation of a joint Incident Command Team with the Texas Animal Health Commission
- Deployment of USDA National Veterinary Stockpile resources including treatments, equipment, and logistics support
- Expanded fly trapping along the border and within the dispersal area

Longer-term, the USDA is constructing a domestic sterile fly production facility in Edinburg, Texas, capable of producing up to 300 million sterile flies per week. This complements existing facilities in Panama and a new facility being built in Metapa, Mexico. Experts caution, however, that full re-eradication — pushing the pest back to the Darién Gap — is a process likely to take years, not months, given the size of the current cattle herd and the speed of livestock movement in commerce.

Federal investment in the response has been substantial: USDA received emergency funding of $109.8 million in 2023 and a further $165 million in 2024, with additional tranches committed in 2025 and 2026. The National Cattlemen's Beef Association has publicly stated that $300 million in early investment now could avoid an estimated $8 billion in eventual eradication costs.

7. Outlook

A single confirmed case in Zavala County is not yet an outbreak. The response infrastructure is in place, the detection was rapid, and there are no further confirmed cases at time of publication. But the context matters: this is the culmination of a two-and-a-half-year regional crisis that has already devastated livestock industries across seven countries and cost Mexico over $1 billion in export losses. The pest has demonstrated a consistent ability to outpace containment efforts.

The most realistic planning assumption for cold chain operators is a prolonged period of elevated uncertainty in beef supply — not a short-term shock followed by recovery, but a

structural disruption whose depth will be determined by how effectively the U.S. -led eradication effort performs over the next 12 to 24 months. That uncertainty itself has value: operators who plan for it now are better positioned than those who wait for it to materialize in throughput figures.

GCCA will continue to monitor developments and issue updates as the situation evolves.

Sources: USDA APHIS, CDC, Texas Animal Health Commission, Texas A&M AgriLife, American Farm Bureau Federation, National Cattlemen's Beef Association, Mexican National Agricultural Council, Scientific Reports (Nature), CIDRAP. Data current as of 4 June 2026.