

Impacts on Agriculture due to Market Closures and Specific Industry Changes – as of 4/1/2020

VAAFAM's Agriculture and Food Business Impacts Survey received 64 responses between March 19-March 30. While this data captures the state of each business at in a moment of time, we have a snapshot of the impact COVID-19 has had on agricultural businesses in our state in the past 11 days:

- Of those 64 businesses, 9% reported closing their business, 43% reported being partially open, and 48% reported being fully operational.
- Businesses reported the impact of COVID-19 on their employment ranging from 0-100% loss of employees. The average (mean) loss of employees per business was 22%.
- Businesses reported their estimated economic losses totaling \$8,228,500 over the 64 businesses, with a median of \$25,000 per business.

The closure of restaurants has significant impact on a reduction in the amount of local food purchased from our state's agricultural producers:

- Farm to Plate estimated \$9.7 million of annual local food purchases are by VT chefs/restaurants - which is about 3% of total local food purchases

The closure of educational institutions has also impacted local procurement levels. Colleges, particularly, since some school meals are being prepared and delivered at home to k-12 students:

- Sodexo estimates their local purchases between March – end of July (based on 2019 levels) was about \$900,000 in local purchases (almost 33% of total local purchases for the year).

Farmers Market

Winter farmers market data are estimates for 14 VT winter markets

- \$1,171,005 = estimated loss of local food sales to farms vending at local winter farmers markets in March and April
- Representing approximately 300 businesses vending at 14 VT winter farmers markets

Summer market data are averaged assumptions based on 2018 data from 67 summer markets

- \$230,019 = AVG gross sales for summer season for individual farmers market
- Representing approximately 1540 businesses vending at the summer farmers markets
- \$2,802,049 total estimated monthly sales at ALL 67 summer farmers markets
- TOTAL SNAP benefits redeemed at summer farmers markets = \$69,737
- AVG monthly SNAP redemption = \$12,679
 - Matched by Crop Cash each month (NOFA-VT program)
- AVG monthly SNAP + Cash Crop sales = \$22,215

Grocery stores are seeing increased consumer demand and a difficulty at times to keep up with the demand

- VT Hannaford's 17 stores have seen 50% increase in demand and struggling to maintain adequate staff to support the customer demand
- Some coops have suggested "hazard pay" – some have approved 'an appreciation bonus' for employees working during these uncertain and challenging times

Dairy industry

- Estimated loss to Vermont Dairy Farmers of \$182,000 per month in income due to milk price decline
- Worse between April and August expected. 645 cow dairy farms impacted
- Great concern that large dairy farm attrition will occur but without ability for auctions, cattle transport, etc.

Cheesemakers

- Cheesemakers are reporting a range of market losses, which depends on the primary channels where their products are distributed.
- For those who engage in sales to restaurants, specialty stores, or for events such as weddings, loss of markets of 80% or greater are common.
- For those who only sell direct through farmers market, farm stores, or online, sales impacts are slightly less though many expect the impacts to grow.
- Grocery store sales losses depend heavily on the kind of cheese – cheeses that are cut and wrapped in store have taken the hardest hit as stores reduce staffing or shift staff priorities.
- Some cheesemakers have reported actual losses in the tens of thousands while others have lost upwards of \$100,000 in two weeks' time.
- Projections for the next 6-8 weeks indicate catastrophic losses for many, upwards of \$500,000 for some and for others a complete collapse of their business without incoming funds
- Actual numbers and more complete projections will happen in the next two weeks as stores and distributors who have depleted any remaining backstock will potentially re-order and consumers become accustomed to buying online.

Produce industry is still moving forward with plant propagation and anticipation of summer markets

- Worries about H2A labor workers available
- Many producers are creating online ordering systems and connecting with the growing customer interest

Diversified operations with online ordering and delivery options have seen a huge surge and overwhelming interest from additional customers

- Some farm stands are seeing their top consecutive sales days since COVID-19

Greenhouses and nurseries, having been identified as non-essential businesses, are concerned about sales

- Many are offering online ordering and home delivery to avoid person-to-person contact

Specialty food businesses are communicating that sales remain strong