

PERMANENT CLOSURES IN THE FOOD SUPPLY CHAIN DUE TO COVID-19

This Agriculture and Food Research Initiative is a multi-region, multi-institution research and outreach project that assesses the impact of COVID-19 on food and agricultural systems to develop strategies for coping with future crises. Lessons from COVID-19: Positioning Regional Food Supply Chains for Future Pandemics, Natural Disasters and Human-made Crises is one of 17 projects nationwide to receive funding through a new program area of the USDA's Agriculture and Food Research Initiative, targeting rapid response solutions to the pandemic through applied research, education and extension activities. This data was collected as a part of this project. This project is supported by the Agriculture and Food Research Initiative, grant no. 2020-68006-33037, from the USDA National Institute of Food and Agriculture.

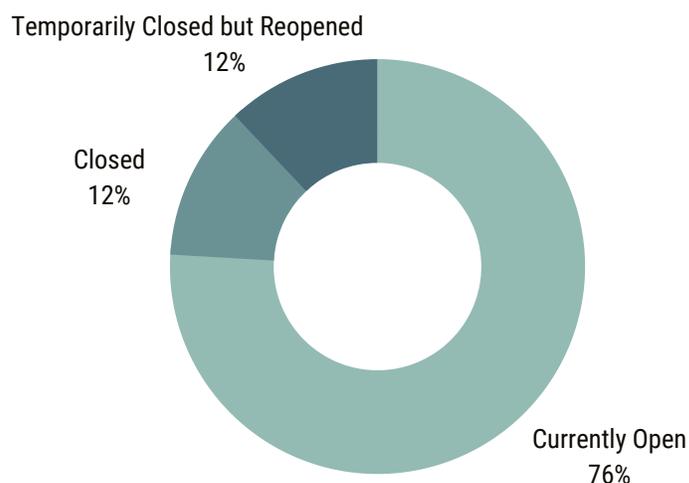
BUSINESS CLOSURES AS A RESULT OF COVID-19

The COVID-19 pandemic affected the way that agricultural businesses operated. Many businesses closed temporarily, some businesses closed permanently, and some businesses remained open throughout the pandemic. To assess business operators' experiences during the first year of the pandemic, an online survey was fielded in three study regions: California (CA), Florida (FL), and Minnesota-Wisconsin (MN-WI). Survey data were collected from February 1 to April 15, 2021.

Survey findings indicate that during the time of data collection, 76 percent percent of businesses reported being "open," 12 percent of businesses had "temporarily closed but reopened," and 12 percent of businesses had "permanently closed."

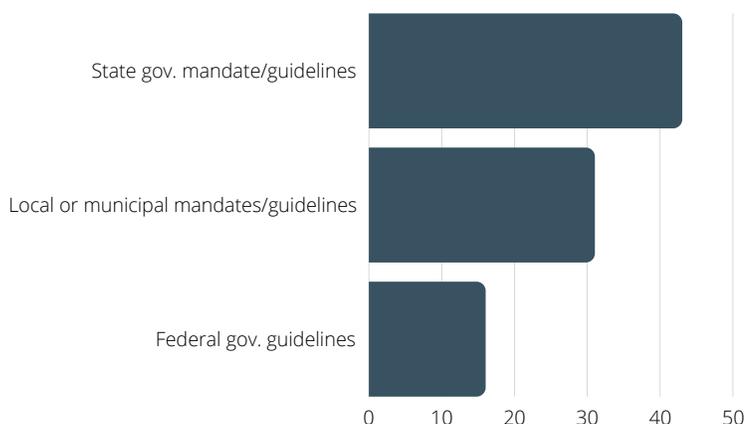
Sixty-five percent of respondents indicated that their business' temporarily closure was a direct result of the COVID-19 pandemic. Respondents were additionally asked to identify which government responses contributed to the closing of their business. Of those 65 percent that experienced business closures, 48 percent responded that state government

BUSINESSES THAT WERE OPEN, CLOSED, OR PERMANENTLY CLOSED



mandates/guidelines contributed to their closure, while 18 percent responded that Federal government guidelines contributed to their closure.

Overall, the majority of surveyed agricultural businesses had to close for some period of time due to the COVID-19 pandemic. Most of these closures happened during March, April, and May of 2020. Businesses were closed anywhere from 1 week to 75 weeks.



Of the businesses that temporarily closed, 47 percent of respondents shut their doors early on in the pandemic (March 2020, 41 percent; April 2020, six percent) while the remainder of businesses reported waiting until the fourth quarter of 2020 (October, 16 percent; November, 8 percent; and December, 10 percent).

When asked which factors contributed to the temporary closure of their business, more than half of respondents identified the cost of compliance with public health measures as a contributor. Other factors included owner and operator decisions, labor and workforce challenges, lack of customers, unable to sell products, and product safety.

HOW CAN THIS INFORMATION BE USED?

The COVID-19 pandemic affected the way that agricultural businesses operated. Many businesses closed temporarily, some businesses closed permanently, and some businesses stayed open. Understanding what changed, when it changed, and how it changed can help us to prepare for future disasters or pandemic situations. The research presented in this factsheet and other resources related to this project aim to answer these questions and help us to prepare for the future.

For more information about this project and to access other fact sheets in this series, please visit <https://ruralengagement.org/lessons-from-covid-19-toolkit/>

TOP FACTORS CONTRIBUTING TO BUSINESS CLOSERS

- 1 Cost of compliance with public health measures
- 2 Owner and operators decisions
- 3 Labor and workforce challenges
- 4 Unable to find customers or sell products
- 5 Product safety concerns

THIS PROJECT IS A COLLABORATION OF THE FOLLOWING UNIVERSITIES AND ORGANIZATIONS:

