COVID-19: Effects on U.S. Labor, Supply Chains and Consumption

Since the onset of the coronavirus pandemic and the subsequent lockdown mandates, unemployment has surged in almost every sector of the economy.

### Change in unemployment in agriculture (Feb-Aug 2020)¹

<table>
<thead>
<tr>
<th>Sector</th>
<th>Feb-Apr</th>
<th>May-Aug</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food services</td>
<td>+29.7%</td>
<td>-13.5%</td>
</tr>
<tr>
<td>Food processing</td>
<td>+4.4%</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Food production</td>
<td>-1.4%</td>
<td>-0.9%</td>
</tr>
</tbody>
</table>

### Increase in U.S. Unemployment by race and ethnicity (Feb-Aug 2020)¹

<table>
<thead>
<tr>
<th>Race</th>
<th>Overall Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>+11.1%</td>
</tr>
<tr>
<td>Black</td>
<td>+10.9%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>+14.5%</td>
</tr>
</tbody>
</table>

Epidemiological data shows the consequences of SAR-CoV-2 infection vary substantially across individuals, depending on underlying health and social risk factors.

- **83.8%** of workers at risk due to health-related conditions
- **31.2%** of workers at risk due to social factors

The U.S. Temporary Agricultural Workers Program (H-2A) represents about **27.4%** of the national farm labor force.

H-2A Program

- **97,321** H2A labor certifications
  - Certified during Jan-March 2020 by U.S. Department of Labor
- **88,621** H2A visas approved
  - Approvals by U.S. Citizen and Immigration Services during Jan-April 2020

Travel restrictions

- Implemented by U.S. Customs and Border Protections. The main question is then how will H-2A workers arrive?

### Food Distribution

Regulatory exemptions to transportation enabled rapid emergency relief efforts to mitigate food supply chain shocks. Food supply chains have since rebounded, but vulnerabilities were exposed.

- **75%** of all agricultural commodities shipped

### Consumer Behavior

Households are making financial adjustments based on their economic expectations leading to decreases in large purchases and vacation packages.

- **50%** increase in groceries and card spending
  - Driven by Panic Buying – Fear of shortage

- **50%** decrease in shipments of Florida tomatoes for food service decreased

What is happening now?

What will be the new norm?

- New behaviors have also emerged, such as demand for local food and food safety attributes.