Farms with Direct to Consumer Sales in the Northeast Region and COVID-19: Some Early Challenges and Responses

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Given how the coronavirus (COVID-19) is spread, businesses that require close contact between buyers and sellers are at heightened risk. Agricultural producers who sell directly to consumers face a particular conundrum in that they both tend to be located close to population centers and it is in these densely populated areas where COVID-19 cases are most common. Here we document this issue and discuss resulting challenges for farmers, and their adaptation strategies to date. The problem is especially pronounced in the Northeast U.S.

On March 27, 2020, the number of confirmed COVID-19 cases in the United States surpassed 100,000. Figure 1 shows confirmed cases on March 23 and 28. While these numbers will continue to change over the next few weeks and months, it is clear that the Northeast region is heavily impacted by the pandemic. New York City has both the largest and the most rapidly increasing number of cases in the U.S.: a more than doubling, from 12,305 to 29,776, occurred over these five days.

![Figure 1: Confirmed cases of COVID-19. Data source: the 2019 Novel Coronavirus COVID-19 (2019-nCoV) Data Repository by Johns Hopkins CSSE](image-url)
The share of farms with direct to consumer sales is significantly higher in the Northeast (17.7%) than in other regions (5.8%) and nationally (8.2%) (2017 Census of Agriculture). Moreover, the map of shares of direct to consumer sales (Figure 2), is strikingly similar to the map of confirmed COVID-19 cases (Figure 1). Outside of the Northeast, high shares of farms with direct sales are also found in Washington, California, and Florida.

Table 1 Share of farms with direct sales to consumers and agritourism business

<table>
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<th>Region</th>
<th>National</th>
<th>Northeast</th>
<th>Others</th>
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<tbody>
<tr>
<td>Share of farms with direct sales to consumers</td>
<td>8.2%</td>
<td>17.7%</td>
<td>5.8%</td>
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<tr>
<td>Share of farms with agritourism</td>
<td>1.4%</td>
<td>2.0%</td>
<td>1.3%</td>
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Data source: The 2017 Census of Agritourism of the U.S. Department of Agriculture

Not surprisingly, the pandemic has had an immediate impact on food supply chains across the nation. Grocery stores have seen supply shortfalls for some staples and fresh items, and many farmers with direct sales saw their usual marketing venues shut down while others are spiking in demand. As market channels experienced closures, including farmers markets (at the time of writing all NE states except Vermont and Delaware consider farmers markets essential businesses), restaurants and institutions, farmers have urgently sought other outlets for their perishable goods.

**Exploring alternative outlets**

Individual farmers are adapting by growing their online sales, expanding or transitioning to Community Supported Agriculture (CSAs), offering drive through pick up at their on-farm markets, and coordinating curbside drop off or home delivery. Non-traditional grocery stores, specifically member-owned food cooperatives, may also serve as a viable alternative outlet. Prior to COVID-19, food co-ops were differentiating themselves from conventional grocers by featuring local food. As a result, these
alternative grocers oftentimes have prior experience sourcing directly from local farms, and have vendor approval processes that reflect the business capacities of smaller suppliers. Some food co-ops are experiencing sales increases of 150% or more as a result of COVID-19. We expect this trend to continue during the pandemic.

Many farmers markets have implemented special sanitary precautions and continue to operate on shortened schedules. Farmers market sales have increased in many areas, at least in the short term (data are just starting to be collected). In this environment and despite these adjustments, many farmers markets struggle to keep operating. According to Ben Feldman, Executive Director of the Farmers Market Coalition, while sales at farmers markets are strong in places where markets are open, in many places nationally they have been forced to close. Even where markets are open, many farmers are unable to participate due to health concerns or labor shortages. In order to remain open, many farmers markets are making adaptations to ensure health and safety of vendors and customers, all at an unforeseen and added cost to operations. When markets close or farmers stay home, this impacts not only the farmers, but also the market operators and organizations who operate the markets. If these community-based organizations fold, it has the potential to undermine the sales of farmers in the region for years to come.

**Diversification strategy hampered**
Agritourism has become a more important diversification strategy recently, as commodity prices declined and consumers’ interest in how food is produced has increased. Two percent of Northeast farms operated an agritourism business in 2017, which is higher than in other regions (1.3%)². Given the current social distancing mandates, and the need for direct contact between farmers and their customers, the short-term viability of this diversification strategy is in question.

**Policy support**
Recognizing the importance of a stable food supply, the Corona Aid, Relief, and Economic Security (CARES) Act (S.3548) stimulus package allocates $23.5 billion in assistance for farmers and, notably, $9.5 billion to aid producers of specialty crops, livestock (including dairy) and suppliers to local food systems (institutions, restaurants and farmers markets). However, specific information on how this will be distributed is not available at this time.

**The uncertain way forward**
The pandemic crisis has already changed the food system—the way in which consumers shop and store food, and how safe and stable our food supply is perceived to be. For many farmers that use direct to consumer sales the pandemic has added pressure even beyond what they were experiencing prior to the crisis. A key question is whether the current alternative marketing mechanisms can be maintained and the boost in direct sales will continue when the restrictions are lifted.


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