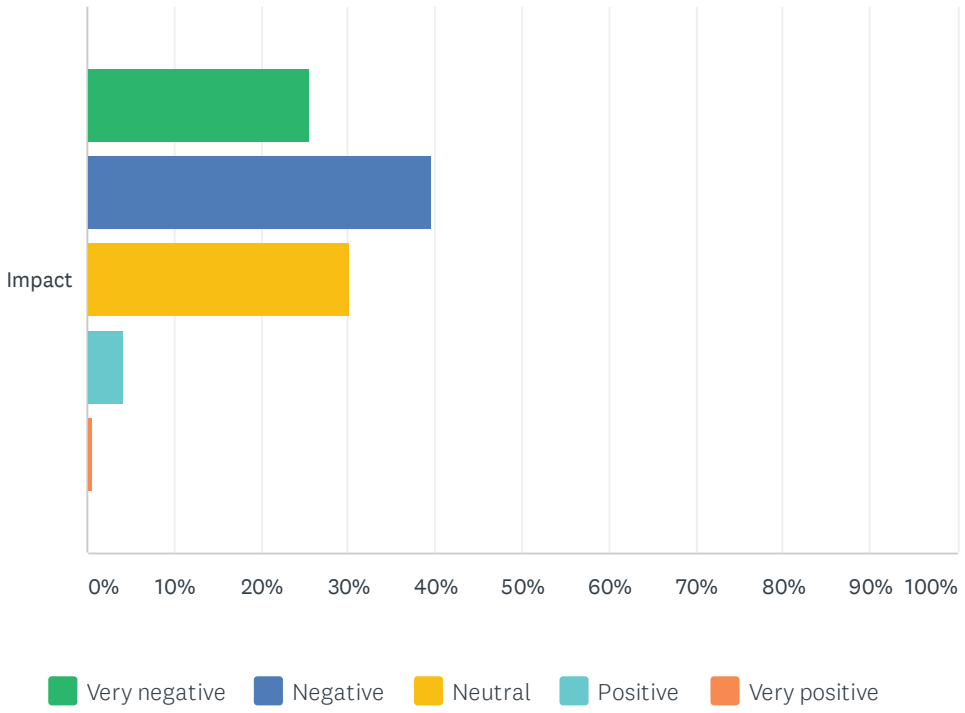
FARM, FOOD AND AGRIBUSINESS COVID-19 IMPACT SURVEY

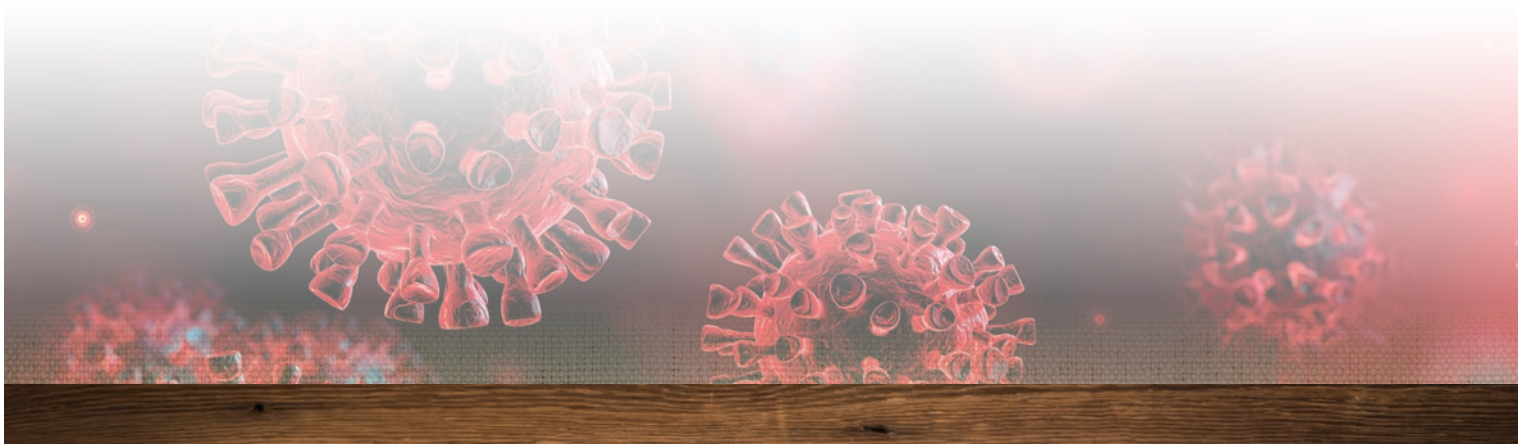
The following represents results from the Farm, Food and Agribusiness COVID-19 Impact Survey conducted by the Ohio Farm Bureau and Ohio's commodity organizations. Over 1100 responses were collected from April 10 to April 17, 2020.

Q1 To date, the impact of COVID-19 on my farm or business revenue has been* (Select all that apply)

Answered: 1,119 Skipped: 0



	VERY NEGATIVE	NEGATIVE	NEUTRAL	POSITIVE	VERY POSITIVE	TOTAL	WEIGHTED AVERAGE
Impact	25.56% 286	39.50% 442	30.03% 336	4.20% 47	0.71% 8	1,119	2.15



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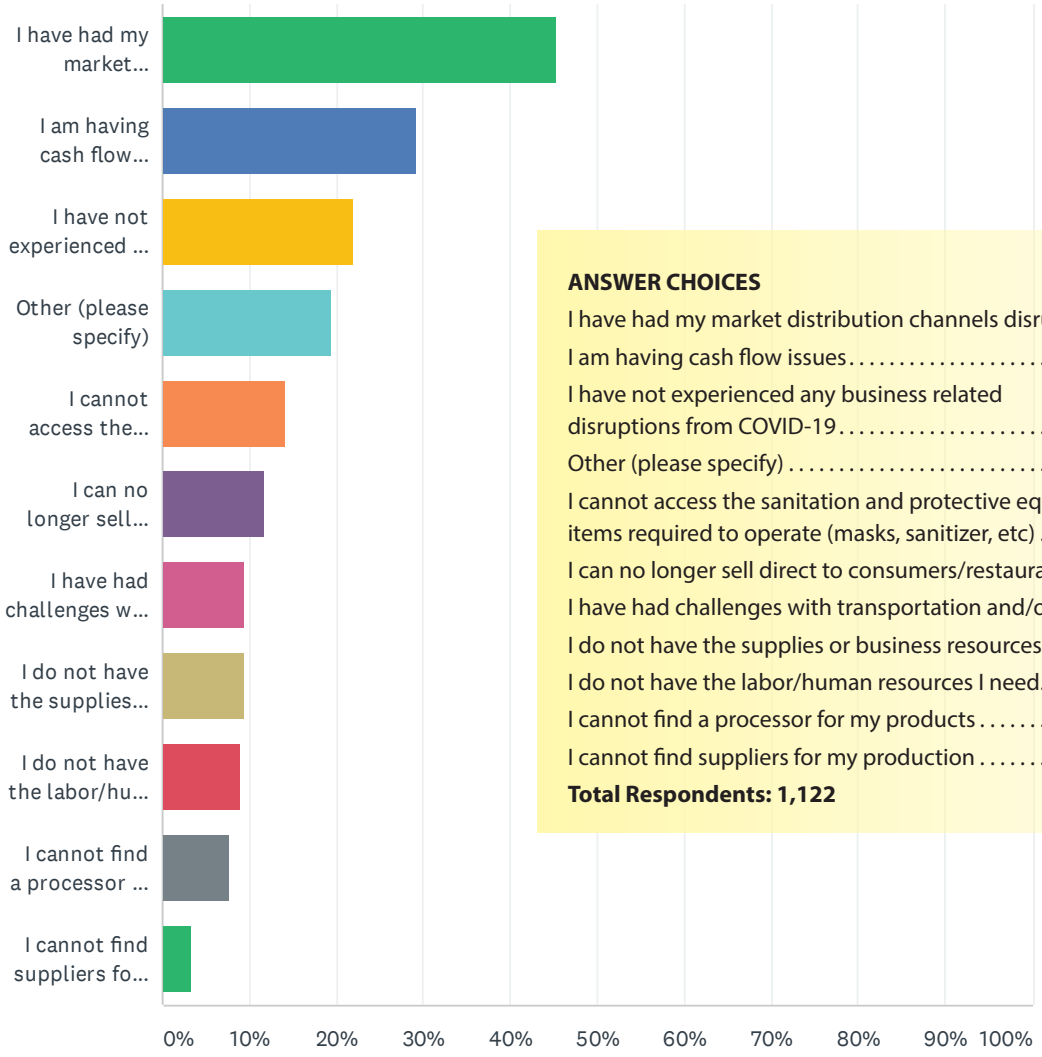
Q4 Which best describes your existing farm/business situation due to disruption from the COVID-19 crisis? (Select all that apply)

Answered: 1,119 Skipped: 0



ANSWER CHOICES	RESPONSES	
I have had my market distribution channels disrupted	45.37%	509
I am having cash flow issues	29.14%	327
I have not experienced any business related disruptions from COVID-19	21.84%	245
Other (please specify)	19.52%	219
I cannot access the sanitation and protective equipment items required to operate (masks, sanitizer, etc)	14.35%	161
I can no longer sell direct to consumers/restaurants	11.76%	132
I have had challenges with transportation and/or shipping	9.45%	106
I do not have the supplies or business resources I need	9.36%	105
I do not have the labor/human resources I need	9.00%	101
I cannot find a processor for my products	7.75%	87
I cannot find suppliers for my production	3.30%	37

Total Respondents: 1,122

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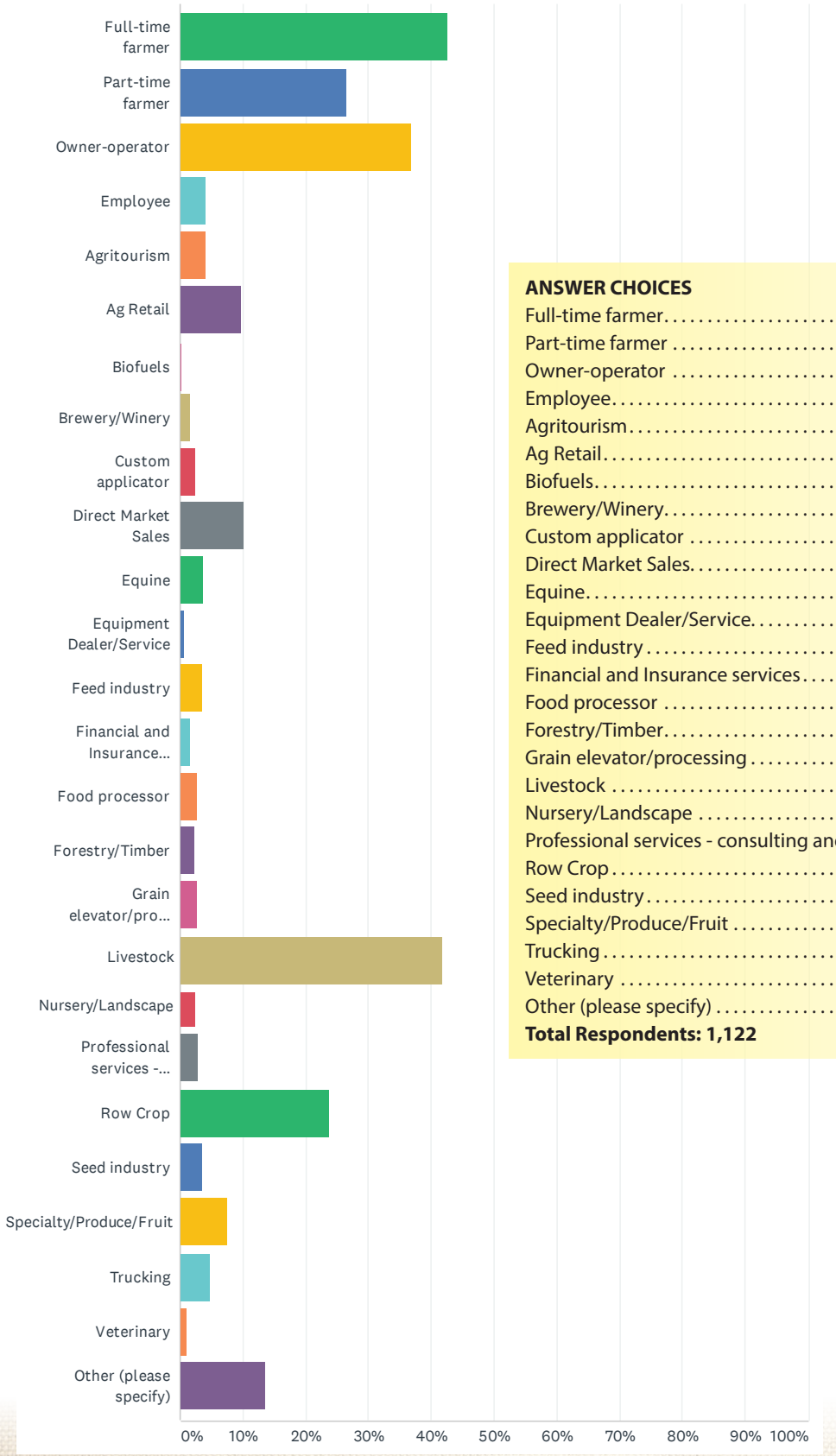
Q3 What is your business/ag function? (Select all that apply)

Answered: 1,119 Skipped: 0



ANSWER CHOICES	RESPONSES	
Full-time farmer	42.60%	478
Part-time farmer	26.83%	301
Owner-operator	36.72%	412
Employee	4.10%	46
Agritourism	4.10%	46
Ag Retail	9.80%	110
Biofuels	0.27%	3
Brewery/Winery	1.60%	18
Custom applicator	2.58%	29
Direct Market Sales	10.25%	115
Equine	3.65%	41
Equipment Dealer/Service	0.71%	8
Feed industry	3.48%	39
Financial and Insurance services	1.69%	19
Food processor	2.76%	31
Forestry/Timber	2.32%	26
Grain elevator/processing	2.76%	31
Livestock	41.80%	469
Nursery/Landscape	2.50%	28
Professional services - consulting and legal	2.85%	32
Row Crop	23.89%	268
Seed industry	3.48%	39
Specialty/Produce/Fruit	7.58%	85
Trucking	4.72%	53
Veterinary	1.07%	12
Other (please specify)	13.64%	153
Total Respondents: 1,122		

FARM, FOOD AND AGRIBUSINESS COVID-19 IMPACT SURVEY

The following provides a summary of the more than 300 unique responses provided to the Farm, Food and Agribusiness COVID-19 Survey conducted by the Ohio Farm Bureau and Ohio's commodity organizations.. The responses here were collected from April 10 to April 17 from over 1,100 respondents.

Dairy and Livestock Concerns

- The vast majority of the comments were associated with the multi-faceted influence that COVID-19 is having on the livestock and dairy markets (150 comments). This includes loss of markets, market disruptions and food distribution concerns. Social distancing and mass gathering restrictions are impacting livestock auctions, shows and farmers markets. Packing plant closure leads to loss of markets and increased costs due to keeping animals on the farm and not shipping to the packing plant.
- The increase in consumer purchasing has led to high prices and short supplies in the markets. At the same time, the price received for meat on the hoof remains low, at the point where livestock producers are lucky to be realizing a profit.
- Specific to the dairy industry, the primary concerns include two items: milk dumping (20 comments) and limiting milk purchases (11 comments) in the stores. Both of these issues continue to be of concern from the income/expense standpoint of the dairy farmer.
- The cancellation of livestock shows, festivals, school tours and the potential cancellation of fairs (24 comments) has created a domino effect through the livestock industry. Cancellation of shows has led to drastically reduced sales of show animals, leading to reduction in specialty feed sales for 4-H and FFA projects.
- Trucking and shipping impacts have created a two-prong impact for Ohio's livestock producers (12 comments). They are concerned about both the availability of livestock feed and other farm inputs as well as the increasing cost as supplies run low. Increased input costs at a time when market prices are low directly impacts an already depressed profit margin.
- Respondents associated with the equine industry expressed concerns specific to their situation (9 comments). The primary source of income for the standardbred horse industry is racing at the pari-mutuel race tracks which have been closed due to COVID-19. Horses still need to be raised, trained and fed leading to increased costs with no income stream. The uncertainty of fairs taking place this year adds to the situation.

Cash Flow and Expense Concerns

In any small business, cash is king, and the COVID-19 disruptions have created serious cash flow challenges (80 mentions) throughout the agricultural industry.

Without cash, it is very difficult to reinvest and plan for the future. Farmers are lamenting the need to feed livestock and plant fields with no income. Respondents indicated they were still trying to recover from 2019 and unable to show a profit between last year and this year when COVID-19 hit. This is a crucial time where farmers are trying to sell their products so they can pay for spring expenses, which is proving quite challenging.

"No income coming in makes it hard to pay for the seeds, fertilizer, plastic & drip to put in for this year's crops..."

"Prices for crops have tanked and to put crops out knowing that you are not going to break even or make a profit is disheartening!"

"We are looking at a decline in milk prices of $8-9 cwt. in the next few months assuming processors will still be taking milk. Cash flow will run out in the next 2-4 weeks…"

- Even with a lack of cash flow, that does not mean that the expenses stop:

  "It's very expensive to grow wine grapes and make wine. You just can't let the vineyard 'go' for the year and not spray etc...you still have to maintain it, prune it to prevent diseases."

  "Income generation has come to a halt, expenses for animals and family continue."

  "Can't pay our monthly bills. Can't manage our dairy properly because of the current pandemic."

- Timing is everything:

  "...90% of yearly income happens in May in our greenhouse."

- Businesses that serve the agricultural sector are concerned with agricultural production disruptions having a ripple effect, especially the lack of cash. Many have general cash flow concerns and anxiety regarding customers' future buying power.

  "Cash flow fears of other farmers is slowing my hay sales"

- Farmers often rely on additional income sources to help with the expenses of the farm, which have been disrupted because of the virus. For many, a second job pays the farm's bills and those businesses are needing to lay off their employees. Producers have had trouble getting access to federal and state aid because much of it does not apply to agriculture. There is a lot of fear of the future: looming loan paybacks they are unable to meet; potentially having to shut down their operations because inputs have surpassed outputs; conservation investments they will lose; and negative returns.

  "Lost our side work that we need to help our farm with very little luck getting any of the financial help that is supposed to be available."

Farmers Markets, On-Farm Sales and Direct to Consumer Concerns

- Opening dates for farmers markets are being delayed, and for some, the opening status remains uncertain. There is growing uncertainty regarding the impact on sales later in the year, such as fall agritourism, U-pick activities, retail markets and choose-and-cut Christmas trees. Over a dozen survey respondents shared this uncertainty for future seasonal activities. With the current or anticipated reduction in the number of customers coming onto the farm to make direct purchases or engage in on-farm tours or experiences, some producers are now experiencing the increased costs associated with online direct marketing. Some have found it challenging to find a low-cost online system to accommodate the farm market model. There are increased overhead costs for online marketing and payments, including increased credit card sales and their associated fees. The lack of access to high speed broadband is also limiting capabilities.
- **Addressing Seasonality Risk:** Many products (club caves/animals, popcorn, bedding plants, pumpkins, apples, Christmas trees, etc.) are sold within a very specific time frame, season and/or in conjunction with a special public event that could be eliminated by quarantine and/or a stay at home order. The need for special insurance products that address economic loss are required.
- **Public Access:** Respondents want to make sure that farm markets, U-pick, garden centers/greenhouses and agritourism locations that maintain health, safety and social distance guidelines are allowed to operate. Similarly, farmers markets that employ these guidelines as well customer product pickup are allowed to remain open.
- **Inspections and Supply Line Infrastructure:** Responses indicate producers want to have access to necessary state and federal inspectors, as well as allowing vital trucking from farm to processor to ultimate consumer maintained.
- **Broadband Infrastructure:** Broadband infrastructure needs to be improved so more ag-related business locations in rural areas can use these resources to better engage in credit card transactions, product ordering, communications and marketing.

Commodity and Agribusiness Concerns

Ohio agriculture is a commodity intensive business. Prices for raw materials (grains, livestock and lumber) and first generation consumer products (wool, hides, dairy, meats, honey, fruits, vegetables, pumpkins, Christmas trees, nursery stock, greenhouse products and ethanol) are determined by supply and demand over time. Agribusinesses (grain elevators, feed/fertilizer suppliers, auction services, custom field applicators, food processors, brewers and winemakers, marketing/specialty contracting, machinery dealers and shippers) provide supply chain links, logistics, support services and market outlets to ensure that the flow of deliveries and payments for materials and services run smoothly.

- Ethanol plants are shutting down or running at low capacity.

  "Ethanol represents 40% of US corn production. Export markets have diminished."

  "The destruction of the ethanol market has and will cause the price of corn to suffer for many years."

- **Employee Numbers:** Respondents are concerned about maintaining social distance protocols and employee health policies to have staff on hand to keep their business fully operational.
- Agribusinesses and row crop farmers alike are concerned about having vital inventories of machinery spare parts, fertilizer, fuel and seed on hand to ensure farmers can remain operational during the busy planting season.
- **Auction Houses and Processors:** Respondents want to see a steady supply of local farm production to keep the business open.
- **Grain Storage Fees and Pricing:** Farmers are concerned that the cost of elevator grain storage could become more than what the grain could be worth. The state should monitor the Grain Elevator Indemnity Fund to ensure financial resources are available if needed to address elevator cash flow and/or solvency issues.

Employer Concerns

- Farm employers are worried about the health of their families and workers as well as being able to find PPE for their workers.

  "Main issue is caring and making sure that the employees are safe."

  "Hope family, neighbors and farm workers do not contract the COVID-19 virus."

  Farm employers are worried about access to labor, including migrant and H2A labor.

  "Worried about getting H2A workers here for the vegetables."

- Farm employers have concerns about needing to lay off workers and the impact that has on the workers and their families. Farmers themselves are concerned about being laid off from off-farm jobs, which can place a strain on farm operating budgets.
- Farmers are not confident that government programs adequately address the farming community.

  "I want to be sure that any crisis response packages include self-employed farmers, farm workers, socially-disadvantaged farmers and other often marginalized groups."

Health/Mental Health Concerns

- Farmers face uncertainty over the health of their families, employees, rural communities and markets for agricultural products. Farmers who sell directly to consumers fear potential exposure to infected individuals, thereby exposing their own families. They also worry who will run the farm if they fall ill and are unable to work.
- Many farm employers consider employees an extension of their family. They are anxious, not only about access to labor during the pandemic, but what they will do if their employees become ill. There are added challenges to protecting farm workers during planting and harvest, and it is difficult to obtain protective equipment for chemical applications and grain bin cleanouts.
- Farmers are stressed about their milk being dumped, produce rotting in the field, or livestock potentially being euthanized because there is no space for them at the processor.
- COVID-19 has closed down rural communities where farmers purchase feed and supplies, service their farm equipment, sell and process livestock and show animals at the county fair. Survey respondents mourn the loss of their community and worry about the economic impact on local businesses. Farmers depend on these businesses to support their operations. They fret that farm support businesses' failure to thrive during COVID-19 will cause them to close doors permanently and cause a ripple effect that negatively impacts their agribusinesses.
- The stress of social isolation and lack of connection to others in their rural communities is cause for additional unease.

  "I have to believe that this will exacerbate the mental health issues not only in the ag community, but across the country."

- Although many survey respondents put systems in place to deal with the pandemic in the short-term, they fear the long-term effects of COVID-19 on agricultural markets. An example is getting their products to market in a timely manner in light of recent packing closures and fluid milk distribution disruptions. They are anxious that consumers' new buying habits, such as consuming less fuel and energy, will dry up demand for farmers' products and market instability and unsustainability will ensue.

  "The cattle markets are going to bankrupt us, the grain markets will bankrupt us. Definitely not a good time to be in agriculture."

County and State Fair Concerns

- The market for show cattle and show pigs is declining, as buyers are reluctant to purchase show cattle due to uncertainty about fairs and shows this year. This lack of certainty has also caused the cancellation of animal sales and impacted seed stock producers who have lost sales due to fear over fairs and shows being canceled. In addition, the cancellation of harness racing and other equine activities limits income as the cost of care and cost of training horses remains stable.

Supply Chain/Market Disruptions

- Farmers are very concerned with the supply chain disruptions and purchasing limits that are causing crop destruction and milk dumping across the state.
- There are serious concerns with the impact that processing plant closures are having on livestock market prices and the ability to have livestock processed. Many are seeing that livestock prices are falling while meat sales remain high at groceries and input costs are staying the same.
- Some are concerned with supply chain disruptions and being able to get feed and inputs in a timely manner.
- Production is being delayed on new farm equipment and parts.
- Reductions in the food service industry (restaurants, bars and schools) are having a major effect on the food supply chain. These food distribution challenges are present as segments are not open to utilize available food resources.
- Feed and other store service hours being limited during a busy spring farming season could inhibit farmers from receiving some materials.
- Veterinarians are seeing lower interest of customers to bring animals in to be treated/checked.
- Some expressed getting available trucking for getting produce to market.

Government

- Respondents expressed concern about the duration of the stay at home order, unknowns stemming from it such as how it will affect the economy, and concerns about the ag industry and markets being affected.

  " Small businesses can't afford to continue to stay in business even with government low interest loans for weeks and months when you can't conduct commerce. The even greater risk involved is if this shutdown continues much longer the economy will suffer worse than anyone has ever experienced in a lifetime. The government loans for small businesses won't do much good when your customers lose their jobs and have no disposable income."

- There is concern about the ability of operations to social distance when the stay home order is lifted.

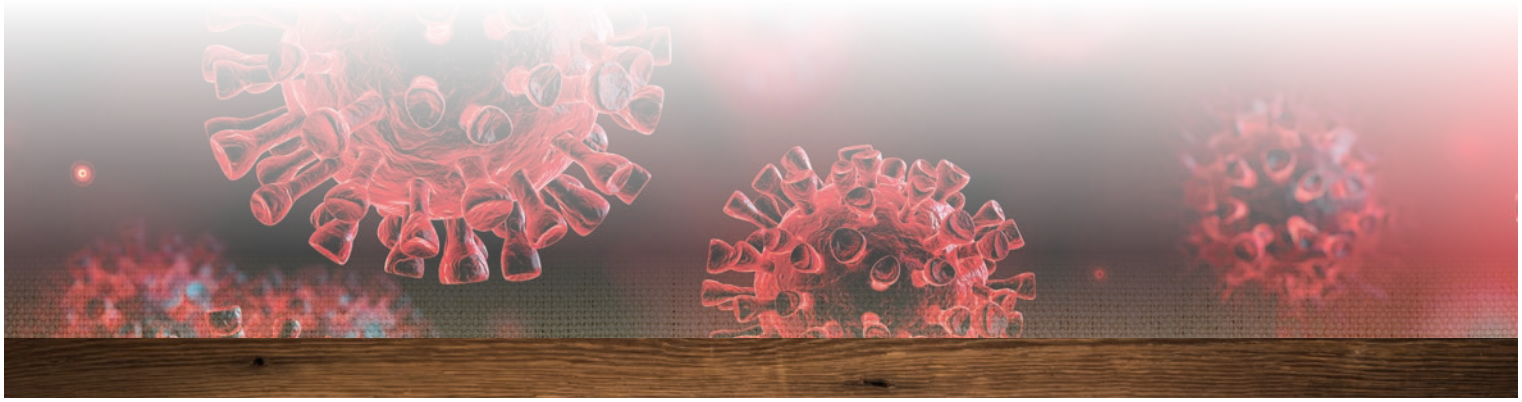
  "The actual practices of social distancing make some crucial team functions near impossible (using a water-wheel transplanter, for example)."

- The survey shows statements about lack of information about the stay home requirements and the need for high-speed internet access.
- Concerning trade, respondents touched on supply limits from regulations and trade, the losses from the previous tariffs (in addition to COVID 19) and the need to reinstate Country of Origin Labeling.
- Respondents said the agriculture sector is not receiving financial help from the federal government, and the ag sector also needs to do business with the Farm Service Agency.
- Survey respondents noted challenges with migrant labor/visa programs for the upcoming planting season. Some have experienced delays in inspections for opening new businesses. Struggles with pesticide licensing and education were noted, as well as the timeliness of USDA payments.
- Farmers noted disappointment and mistrust due to H2Ohio funds being stopped and the fact they shared information for a program that was no longer being funded.

  "Due to state funds being retracted from government funded projects or programs after all the farmers info has been taken despite their fears of sharing info for nothing. They will never be back in those offices again for anything."

Price Concerns

- Farmers and producers of all types are concerned about falling prices for their products. Numerous respondents relayed their concerns about the falling prices of beef, pork, lamb, corn, wheat and soybeans.

  "Our main concern is the falling livestock market prices due to processors closing. We sold lambs April 1st for about half the price they would normally bring 2 weeks before Easter."

- Concerns also were raised about the tonnage price for grapes from vineyards and wineries and the falling prices of honey and syrup, which in some cases has fallen below the break even point. There also are loss of contracts for popcorn. Many of these farmers also worry that prices will not recover for a prolonged period after the state begins to open back up.
- Farmers who sell products through direct marketing also expressed concern about the need to increase the prices of their products to remain profitable, especially in the face of new costs to address safety and health concerns and to operate in new ways.. These concerns were presented along with the possibility of canceled farmers markets and consequently reduced traffic.
- On the other side of the equation, farmers also related concerns about increasing costs for their inputs, including feed for livestock and fertilizer for crops. The prices and availability of sanitation supplies also continue to be raised, including bleach for sprayer cleaning.
- Respondents expressed their suspicions and worry that some price gouging may be occurring in the market, as food prices seem to increase while farm gate returns are falling sharply. There are concerns that shortages are being implied due to the increased costs to consumers at retail; meanwhile milk, livestock and produce to put into the food supply chain are plentiful but other pain points are limiting the ability to get those products to market and retail customers.