

## COVID-19: Impact on Southern Appalachian Farmers and Vendors Selling to Direct Markets



In the wake of the emergency declarations and stay home orders due to the COVID-19 pandemic, farmers and vendors in the Southern Appalachians who sell to local markets quickly began feeling the impacts of closed restaurants, events, schools, and in some cases, farmers markets. In order to better understand these experiences and how to best support these farmers, ASAP (Appalachian Sustainable Agriculture Project) surveyed the farmers and vendors in its network. Additionally, ASAP's Local Food Research Center used survey data from November 2019 to estimate the financial impact of the COVID-19 outbreak on Western North Carolina.

In Western North Carolina, over 600 farms sell to local markets like restaurants, schools, and farmers markets, and on farms through u-pick operations and farm stores. These farms cover over 43,000 acres in the region and employ over 1,400 people. Nearly 200 of the region's farms sell directly to restaurants and over 200 sell at one or more of over 50 farmers markets in the region. These two outlets account for the majority of the sales that keep these farmers operating year to year. Additionally, farmers markets offer a low barrier entry point for many entrepreneurs and small businesses selling products like baked goods, jams, hot sauces, soaps, and more. Together, local food sales to restaurants and products sold at farmers markets total approximately \$16 million annually in Western North Carolina.

The closure of restaurants and disruption of farmers markets due to the COVID-19 outbreak is having an immediate and potentially devastating impact on our region's farmers. At this time of year, farmers have planned their production schedules, made investments in seeds and supplies, planted spring crops, purchased or bred animals, and are anticipating the first sales of the year. April usually marks the opening of most of the region's farmers markets and the beginning of the tourist season, which drives restaurants to increase their local purchasing. As the pandemic continues and the growing season ramps up, farmers and vendors will be faced with difficult decisions about how to move their businesses forward.

On Thursday, March 19, 2020, ASAP sent an online survey to the 935 farmers and farmers market vendors that operate and sell within 100 miles of Asheville. The survey asked about the immediate (2-4 weeks) and anticipated long-term (2-6 months) impact of the COVID-19 outbreak and subsequent closures of restaurants and farmers markets on their farms and businesses. The survey then asked them to identify what types of support or resources would be most beneficial in the short term and to prepare for or manage long-term restaurant and market closures. In only a few days, by Monday, March 23, 2020, 85 respondents had completed the survey. The following report summarizes those responses.

Farmers and vendors anticipate the COVID-19 pandemic will dramatically impact the structure and financial viability of their businesses. Respondents share that in the first month of this outbreak, they expect to make fewer sales and have decreased income. In the long term, the pandemic could be devastating to the region's farms.

#### **Farmers immediate impact (2-4 weeks)**

- When asked about the immediate impact of the COVID-19 outbreak on their farm or business, 80% cited decreases in customers and sales and an overall loss of income.
  - A quarter of those specifically mentioned the loss of farmers market sales and another quarter named lost restaurant sales as particularly challenging for their businesses.
- A small minority reported temporary upticks in sales, possibly due to the stockpiling of groceries immediately following the emergency declaration.

#### **Farmers long-term impact (2-6 months)**

- When asked about the impact should this pandemic continue through the summer when the majority of sales are made, two thirds cited financial hardship, including bankruptcy and/or getting out of farming as likely outcomes. Many also named challenges paying or keeping their staff or labor force employed.
- Nearly 20% explained they would need to restructure their farm business plans by either changing or reducing production, or shifting their sales to entirely new market streams like online sales and/or home delivery.
- Respondents also named concerns over accessing agricultural suppliers like feed and seed stores, or meat processors.

#### **Top Needs Identified by Farmers**

- Support finding, building, and/or transitioning to new market outlets for products, i.e. online sales
- Marketing support to find and connect with both new and existing customers
- Support keeping farmers markets open and safe
- Information and/or access to financial support like loans or grants

# SURVEY RESULTS

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What type of business do you operate? Check all that apply. (N=85)

	Count	Percentage
Farm business	68	80%
Other business (i.e. value-added, arts, crafts)	23	27%

Select the state where your farm/business is located (N=85)

	Count	Percentage
North Carolina	72	85%
Tennessee	7	8%
Georgia	3	4%
South Carolina	2	2%
Virginia	1	1%

Select the county where your farm/business is located? (if more than one county, select the county where the majority of your farm is located) (N=84)

	Count	Percentage
Buncombe	22	27%
Haywood	8	8%
Madison	6	7%
Henderson	5	6%
Macon	5	6%
Watauga	3	4%
Yancey	3	4%
All other counties had a response rate of 2% or less.		

## Immediate Impact (2-4 weeks)

What will be the *immediate* impact of the COVID-19 outbreak on your farm/business? (N=85)

Emergent Theme	Illustrative Quotes
Lost Sales: General N=23	<ul style="list-style-type: none"> <li>- Loss of opportunities to sell. Complete loss of income.</li> <li>- Projected sales down 70%.</li> <li>- Without income I will not be able to pay my mortgage or other basic bills. Nor can I pay my employees wages.</li> <li>- We layed off all employees and lost 100% of sales.</li> </ul>
Lost Sales: Farmers Markets N=19	<ul style="list-style-type: none"> <li>- Farmers markets must open and remain open or we will not be able to sell. We are very rural.</li> <li>- Not able to attend farmers markets, which is the only outlet where I sell my bread.</li> <li>- From April through October 95% of my sales are from the markets. I am waiting to find out if I will be able to vend.</li> <li>- No farmers markets are open, so no sales. No sales, no money coming in. I am having to change my marketing approach to try to fit into a new market that may not last?</li> <li>- I only have a few retail environments with my [product]. While I do take online orders the VAST majority of my sales are through the markets. I don't know how this will translate without them. I see very little chance I can sell my usual volume via mail order.</li> </ul>
Lost Sales: Restaurants/Wholesale N=17	<ul style="list-style-type: none"> <li>- Zero restaurant sales. 60% of our annual income is from restaurants. We are shifting our entire production out of restaurant needs and towards direct retail marketing whether it's online, a farm stand, or farmers markets.</li> <li>- Restaurants are 75% of our sales and all that has dried up. We are working with some CSA and food hubs but that is really slow.</li> <li>- No new accounts as stores tighten their belts, decreased sales with current vendors/stores as their customer flow decreases</li> <li>- My restaurant customers have vanished. We are looking for other ways to distribute the food we are raising (leafy greens, lettuce, radishes, etc.).</li> </ul>
Lost Sales: Other N=10	<ul style="list-style-type: none"> <li>- Loss of sales due to fewer events/weddings. We don't currently have an alternative way to sell our flowers.</li> <li>- Ability to sell CSA Shares due to financial uncertainty of customers.</li> </ul>

Increased Sales N=8	<ul style="list-style-type: none"> <li>- Our business has experienced a spike. Folks seem to be happier shopping for fresh veggies in an open air market, than not-so-fresh veggies in an enclosed big box store.</li> <li>- We have had many calls and messages wondering if we have any meat.</li> <li>- Sales are up but they require additional time and effort to organize or deliver.</li> </ul>
Closed Ag Support Businesses N= 6	<ul style="list-style-type: none"> <li>- We can't purchase seed for spring planting. We will likely not have a spring and early summer harvest because of this.</li> <li>- We need to start hatching chicks and selling hatching eggs, but we are concerned that we won't be able to feed them if feed stores close.</li> <li>- Issues in processing. Cannot get animals already there cut, cannot take more until further notice.</li> <li>- My suppliers are closed or delayed.</li> </ul>
Other N=3	<ul style="list-style-type: none"> <li>- Additional packaging expenses. Lack of childcare.</li> <li>- We are closed until further notice.</li> </ul>
N/A, not yet N=12	<ul style="list-style-type: none"> <li>- Not sure. Just beginning to plant. We will see what issues arise.</li> <li>- No immediate impact as I was not doing winter or early spring production.</li> </ul>

**What services or resources could ASAP provide to help you at this time? (N=75)**

Emergent Theme	Illustrative Quotes
Marketing support/communicate to the public for us N=19	<ul style="list-style-type: none"> <li>- Continued marketing and education support.</li> <li>- Help get the word out for farms offering on-farm pickup or home delivery.</li> <li>- I would like to somehow let my customers know that they can still buy from me (pick up or delivery), but I don't have their contact info.</li> <li>- Marketing for farmers to help us reach more customers.</li> </ul>
Support/facilitate alternative/new market outlets N=19	<ul style="list-style-type: none"> <li>- Alternative ways to sell our plants and produce.</li> <li>- We need a way to take orders online. I've looked into several but I'm having trouble justifying the cost. We would lose money on most platforms and some others like Weebly which is free to me won't let me do local deliveries without paying for yet another app. I just want something straightforward and easy. My products are perishing while I try to find a system that works.</li> </ul>

	<ul style="list-style-type: none"> <li>- Encourage folks to access the online directory to find a local farmer to buy meat from.</li> <li>- Maybe a secure drop-off point for online sales? A web page for customers to find vendors and order produce or products for later pickup.</li> <li>- I think you guys did an amazing job at relocating and assuring continuity of the market with all the hurdles that it entailed. Perhaps starting to work on an e-commerce site for farmers and makers to post their offering before the market. This way customers' orders would be ready when they come in. This would save time and minimize exposure.</li> </ul>
<p>Keep farmers markets open/safe N=9</p>	<ul style="list-style-type: none"> <li>- Just keep the Farmer's Market open. Everything else is up to me.</li> <li>- Creating safe spaces for markets to occur on a regular basis (like the one at AB Tech!).</li> <li>- Be sure the farmers markets stay open.</li> <li>- Asking farmers markets to stay open because they are essential, providing them with health tips/resources to do so safely.</li> </ul>
<p>Financial support N=8</p>	<ul style="list-style-type: none"> <li>- Information about how to continue to pay employee salaries, either loans or grants.</li> <li>- Aid to pay farm labor or a match.</li> <li>- Grant opportunities or federal/local aid for farmers lost income.</li> <li>- There's talk of small-business "loans" in coming legislation that wouldn't need to be repaid for those keeping staff. We will actually be hiring since baby goats and milk are coming regardless. If there is such legislative opportunities, help navigating them to take advantage would be great</li> <li>- Support for getting loans that support our agritourism business.</li> </ul>
<p>N/A, not sure yet N=17</p>	<ul style="list-style-type: none"> <li>- None at this time.</li> </ul>

## Long Term Impact (2-6 months)

How would the COVID-19 outbreak affect your farm/business in the months/year to come? (N=81)

Emergent Theme	Illustrative Quotes
<p>Decreased Sales/Financial Hardship/Bankruptcy N= 54</p>	<ul style="list-style-type: none"> <li>- Drastically. We might lose our labor force, so many of our crops would be lost. They've already been planted and paid for.</li> <li>- There is a 75% - 90% chance I will lose my home and business.</li> <li>- We would go out of business with no sales this season.</li> <li>- If restaurants are closed for an extended period, our farm will not be able to stay open.</li> <li>- It could potentially bankrupt me.</li> <li>- It could be detrimental if markets are cancelled and restaurants are closed. I have a CSA program but there will be no money coming in during the months that I need it most.</li> <li>- Lack of funds to pay labor affects the quality of the crop and could result in no farm income. We rely on agritourism and right now that is halted.</li> <li>- Our spring crop has been grown and waiting for sales, our investment is due.</li> <li>- Farmers Markets were my only source of revenue for my baking business and since restaurants and coffee shops are also closed I really don't have another viable outlet at this time.</li> <li>- The farm is based on agritourism, therefore lack of visitors will affect the sustainability of the farm.</li> </ul>
<p>Restructure business model N=11</p>	<ul style="list-style-type: none"> <li>- More online ordering and innovative delivery options will need to become the norm.</li> <li>- We'd have to ramp up our online efforts and begin a delivery route.</li> <li>- Change in model. Switching to a CSA rather than market.</li> <li>- Trying to get creative to find new outlets for our mushroom sales.</li> <li>- Cause complete restructuring.</li> </ul>
<p>Potential Sales Increase N=5</p>	<ul style="list-style-type: none"> <li>- Hopefully it turns people toward our locally grown food.</li> <li>- Hard to know. If the supply chain of food breaks down, we may have more local business for cheese and may move into fluid milk sales so would have income from farm products.</li> <li>- Potential 3 fold increase in sales.</li> <li>- Our restaurant sales will drop but on the other hand I anticipate the retail sales to friends and neighbors to increase.</li> </ul>

Acquiring supplies N=4	<ul style="list-style-type: none"> <li>- If the supply chain for materials I use is disrupted, I may run out.</li> <li>- Maybe getting normal supplies and materials for the farm may become an issue.</li> <li>- I am unable to obtain new livestock from the west coast.</li> </ul>
Change/Reduce Production N=4	<ul style="list-style-type: none"> <li>- Probably drying off the goats early, and subsequent layoffs.</li> <li>- We will have to switch to rely on other aspects of our business like landscaping and give our flowers away?</li> <li>- I do mushrooms indoors year round and can easily adjust production on a 6-8 week cycle. We will be ready to ramp up again when markets open, etc.</li> </ul>
Don't know yet N=4	<ul style="list-style-type: none"> <li>- I'm uncertain at this time, a lot would depend on the status of the farmers markets in our area.</li> </ul>

**What services or resources could ASAP provide to help your farm/business prepare for and/or manage long-term market and restaurant closures? (N=75)**

Emergent Theme	Illustrative Quotes
Support to change business model or create new alternative markets N=28	<ul style="list-style-type: none"> <li>- A way for customers to contact farmers directly to buy produce. Many of us do not have the technological resources to allow customers to make individual purchases and with these challenges it would not make any sense in spending the money right now to invest in these upgrades. If there was a central resource that would connect farmers/produce with customers that would be ideal.</li> <li>- Have a website where we could post our offerings before the market so that customers could pre-order and pre-pay to make things go smoother at the market and alleviate ASAP's load with payments.</li> <li>- Drive thru market? With all packaging sealed and online pay or Apple Pay with no touch scanners. Everything can be preloaded and one gloved person has interaction with a customer out a window?</li> <li>- More transition to online retail help.</li> <li>- Coop our products to sell to retail grocers.</li> <li>- We may be able to offer a meat CSA but we have never done that before so would need support for that.</li> <li>- Another place or avenue to sell products.</li> <li>- Help set up delivery systems for farmers, encourage on-farm pickups.</li> <li>- If there are long-term closures of restaurants and other major local markets, I am not sure what would be a viable plan B. I don't think that direct markets could handle the volume of berries that we produce in</li> </ul>



	the summer months. Unfortunately, I don't have a great answer for this question, but I am sure that we will need help to navigate this situation if it lasts into the summer months.
Marketing support N=12	<ul style="list-style-type: none"> <li>- Compiling and disseminating information about farm offerings and connecting buyers with farms.</li> <li>- Marketing for farmers to help us reach more customers.</li> <li>- Education about what is happening - assistance in reaching out to the community with product availability. Protocol on how to offer products for sale in the most sanitary way.</li> <li>- Encourage folks to check out online directory and find a farm store.</li> <li>- Additional advertising promoting what is available and how to access it during these changes.</li> </ul>
Financial support N=6	<ul style="list-style-type: none"> <li>- Grants for appropriate agricultural systems.</li> <li>- Help fund labor or a match.</li> <li>- Access to grant money would be the only thing.</li> <li>- Helping secure funds.</li> </ul>
Keep markets open/safe N=3	<ul style="list-style-type: none"> <li>- Being the forerunner in safe procedures. Coming up with options that are doable for the smaller markets.</li> <li>- Creating a viable farmers market.</li> </ul>
Other N=7	<ul style="list-style-type: none"> <li>- We need sanitizing supplies.</li> <li>- Keep the processors open to butcher and package our meat</li> </ul>
Not sure N=17	<ul style="list-style-type: none"> <li>- Not sure what the solutions are.</li> </ul>

**Please share any additional questions or comments you have for ASAP here: (N=42)**

Emergent Theme	Illustrative Quotes
Needs/Asks N=10	<ul style="list-style-type: none"> <li>- Please help keep the farmers markets open not just for our sales but for the public. Buying food directly from the farmer reduces risk.</li> <li>- Please keep us informed on grants or other government options to help the farm.</li> <li>- If possible, it's important to encourage people to buy directly from farms in lieu of a middle person.</li> </ul>

<p>Offers N=4</p>	<ul style="list-style-type: none"> <li>- I would love to help if I can. Happy to volunteer to pick up/deliver for farm vendors and customers if any online ordering is possible. Thank you for all that you do!</li> <li>- We have space to offer up in our walk in or outside for a CSA drop-off location. We might also be able to buy produce to sell.</li> <li>- We have the capacity to produce a lot of food, twelve months of the year. If supply shortages develop, we could help fill them.</li> </ul>
<p>Other Comments N=3</p>	<ul style="list-style-type: none"> <li>- As long as we can sell at the Market, we see a great year. We're being proactive and innovative. We're starting a CSA. We're getting contact information on all of our customers so we can transition to a delivery business if the Market closes. We're planting every square inch of our 1/3 acre farm that we can, preparing for our best year ever.</li> <li>- If the economy has a hardship, tourism will suffer. We are directly tied to the Atlanta and Florida market. 2010-2017 were difficult years (depression) in Clay County NC. A recession in 2020 will be a big setback. Thank you for reaching out.</li> </ul>
<p>Thank you N=23</p>	<ul style="list-style-type: none"> <li>- Thank you for all your hard work! The rapid response with the ABTech tailgate market is unbelievably impressive and deeply appreciated.</li> <li>- Keep thinking out of the box! This unprecedented situation offers countless opportunities for much needed change which will protect the planet!</li> <li>- Thank you for reacting so quickly to this situation. ASAP is a great resource for local farms! Thanks for the support and asking these important questions. As this situation unfolds, hopefully we will have better answers as to what resources will be most helpful.</li> </ul>