

## **COVID-19 IMPACTS ON THE GROUND** **by Family Farm Alliance**

### **Western Irrigated Agriculture**

Western U.S. agriculture is facing one of its biggest crises since the Great Depression, as the COVID-19 pandemic has impacted markets, disrupted the food supply chain, collapsed commodity prices, and intensified labor challenges. Rural communities on average were more vulnerable to the public health and economic crisis after a decade of slower recovery from the last recession, compared with more populated areas. They are also more reliant on industries like agriculture, mining, and manufacturing. The Western Governors' Association (WGA) last month released its [Reimagining the Rural West Initiative report](#) with a dozen recommendations to drive economic development efforts in the West, as businesses and towns try to recover from the pandemic.

Producers reported early on in the pandemic outbreak that it was difficult to get business done with the various safety and social distancing practices being employed. Lost markets and lost off-farm income related to the COVID-19 pandemic have proven doubly difficult for many California farmers and ranchers, according to a survey by the California Farm Bureau Federation (CFBF). More than half of the farmers responding to the voluntary survey said they had lost customers or sales due to COVID-19, and nearly half said they or someone in their immediate family had lost off-farm income.

CFBF and the Farm Employers Labor Service, a Farm Bureau affiliate, asked farmers and ranchers to respond to an online survey form last April, and more than 500 responded. Nearly 57% of respondents said they had lost customers or sales during the pandemic, with most citing stay-at-home orders that had closed customers' businesses. Forty-two percent of responding farmers said they or a family member had lost off-farm income, mainly because of jobs unavailable due to stay-at-home orders or to care for children due to school and child-care closures. About three-quarters of the responding farmers said they had been able to maintain operations so far, and had been able to avoid furloughing or laying off employees. Of those who reported reducing operations or staff, most cited cuts to customer orders or revenue. Only 20% reported employees unable to work, mostly because the employees were considered in a high-risk group for the novel coronavirus. About one-third reported being unable to undertake routine planting, cultivation, or crop-care activities due to lack of personal protective equipment such as respiratory protection. To review the survey results, visit [www.cfbf.com/impactsurvey](http://www.cfbf.com/impactsurvey).

In California and other parts of the West, the largest impacts appear to be associated with changing markets, the collapse in commodity prices, and farm and ranch labor. The livestock industry has been hit especially hard, as Ethan Lane will undoubtedly address in his testimony at the hearing.

## **Changing Markets**

Even though certain items are disappearing from the store shelves, it appears that most of the food deficits have been the result of panic-driven demand rather than a lack of supply. The coronavirus pandemic initially caused a “tidal shift” in consumer behavior with restaurants closing and shoppers flocking to grocery stores instead. Food service companies are hurting, and worried. They lost their market, with the closure of arenas, stadiums, restaurants, airlines, and cruise ships. Early on in the pandemic, fifty percent of our country’s food supply had nowhere to go. Harris Farms in California plowed under 240 acres of iceberg lettuce last spring. For some farmers who have sold food to restaurants and school cafeterias, it will prove difficult to recover from the lost business. But, farmers and food suppliers are maneuvering to meet the shifting demand.

## **Collapse in Commodity Prices**

On-farm problems caused by the COVID-19 outbreak are primarily tied to the collapse in commodity prices. In Arizona, dairy customers for alfalfa and silage would not answer their phone while dumping their milk. Those producing alfalfa and silage are still delivering on prior contracts, knowing they might not get paid. Some cotton farmers made the decision to not plant some fields that have traditionally been less efficient. Then, cotton prices that were below government loan levels surged, due to world- wide cancellations by retailers.

Farmers had to make immediate choices about what seed they pour in the planter. Or, should they take the risk at all? There was a bit of an incentive to leave fields unplanted in low price or high uncertainty times. Farmers are still irrigating crops, all workers are still reporting to work each day, and farmers keep paying the bills until the money runs out.

## **Farm and Ranch Labor**

The food industry relies on more than 200,000 guest workers each year. About 90 percent of [the H-2A temporary visas](#) these workers need are issued in Mexico, where American consulates shut down. The embassy indefinitely halted visa interviews needed to process applications to come to the U.S., including for seasonal farm workers under the H-2A visa program. The suspension hit growers just as they were prepared to gear up for their peak spring and summer growing seasons. USDA working with the Department of State and DHS engaged to ensure minimal disruption in H-2A and H-2B visa applications during these uncertain times.

## **Unintended Consequences from New COVID-19 Laws**

Under COVID legislation signed into law earlier this year, irrigation districts were required to provide up to 80 hours of paid sick leave and additional extended benefits to employees who are affected by COVID-19. Irrigation districts, which are generally political subdivisions of the States, will not qualify for any of the reimbursement allowances or tax credits related to this new federal

mandate. Districts generally do not rely on taxpayer dollars to fund their budgets. They rely solely on assessments to farmers. So, this new legislation imposes an unfair and likely improper unfunded mandate on districts. If not corrected by Congress, districts will resort to raising farmer rates to make up any budgetary shortfall.

### **Outlook and keys to success**

As you know, there are thousands of Western farmers, ranchers, and businesses on millions of acres of productive land who provide the food our nation relies upon. Many of these interests are concerned about future and uncertain COVID-19 impacts on domestic agriculture, the world economy and how that will affect farmers' ability to pay their bills. Hay and livestock markets are the mainstays of many rural communities in Colorado and other parts of the West. How will some of these global impacts may come back to further harm these markets? There are serious concerns about future severe disruptions and the unknown impacts they might impart.

The willingness of state and federal authorities to provide flexibility while ensuring food safety and minimizing waste will be crucial in the future. Coordination among all will be vital.

As Congress considers further measures to help our country recover economically - including boosting federal funding for infrastructure -we urge that Members consider critically needed investments that address the shortcomings of our aging Western water infrastructure.

The COVID-19 pandemic underscores the importance of safety and stability provided by domestic food production. As this crisis has pointed out, a stable domestic food supply is essential and of national security interest. For farmers and ranchers to survive, and for food to continue to be produced here in the American West, a stable water supply is a necessary part of any conversation about our national food security.

As a result, we believe it is critical that our country continually invest in the Western water infrastructure necessary to meet current and future demands. Our existing water infrastructure in the West is aging and in need of rehabilitation and improvement. Most of the federally funded water infrastructure projects that benefit the large cities, rural communities and small farms in the West were built over 50 years ago. As hydrological conditions in the West change and populations continue to expand, failure to address water security has become increasingly critical. Failing to improve water infrastructure and develop supplies will inevitably result in additional conflict as pressure grows to 'solve' urban and environmental water shortages. Moving water away from Western irrigated agriculture will surely contribute to the decline of our national food security.

While it appears that infrastructure provisions will likely not be included in the next COVID-19 stimulus package, we will continue to advocate that water conservation, water recycling, watershed management, conveyance, desalination, water transfers, groundwater storage, and surface storage are all needed for a diversified water management portfolio and such efforts MUST be included in the next major water legislative package, be it stimulus-related, or otherwise.