COVID-19 and the agriculture sector in Northern Ontario Survey Results

October 2020

COVID-19 Agricultural Impact in Northern Ontario Survey



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Project partners



The Greater Sudbury Food Policy Council (GSFPC) envisions a vibrant, equitable, sustainable food system for all community members. The GSFPC is made up of stakeholders from across the food system who work to implement the Greater Sudbury Food Strategy, a guiding document for community growth and change. The strategy brings together citizens, businesses, organizations, and municipal government to develop ideas, projects and policies to strengthen Greater Sudbury's food system.



The Northern Ontario Farm Innovation Alliance is a nonprofit organization working to advance agriculture across Northern Ontario. This is accomplished through applied on-farm research, coordinating research projects across the North with various partners, technology transfer and projects that work to expand current and future commercial farming operations across Northern Ontario.



The Rural Agri-Innovation Network (RAIN) is a division of Sault Ste. Marie Innovation Centre (SSMIC). The SSMIC exists to drive business growth, facilitate research and commercialize innovation in science and technology through partnerships, expert advice, community development, business incubation, youth outreach and sector development activities. RAIN's mandate is to build a resilient agri-food sector in Algoma through collaborative innovative research and agriculture development projects.

Introduction

The COVID-19 Agricultural Impact in Northern Ontario Survey is part of an applied research project that aims to identify the emerging needs of agri-food businesses in Northern Ontario. The survey included the option for a post-survey interview. Interested respondents provided further information on the impact of the pandemic on the their agri-businesses.

In Northern Ontario, the COVID-19 pandemic resulted in heightened consumer demand for locally grown and produced foods. Meeting this demand proved difficult as agri-businesses faced numerous pandemicinduced challenges including labour shortages and limited retail marketplaces. Despite these challenges, many agri-businesses found innovative ways to facilitate consumer access to their products, including leveraging social media, enhancing local food initiatives, and launching online stores and e-platforms.

The survey results will allow our partner organizations to position their respective services to 1) enhance supports for production, distribution, and marketing activities during the pandemic; and 2) provide evidence-informed recommendations and business strategies for agri-businesses and policymakers in the post-pandemic period.

The results of the COVID-19 Agricultural Impact in Northern Ontario Survey are summarized below. Quotes from the post-survey interviews are included in the report. The survey collection period was between July 23rd and September 3rd, 2020. During this period, the number of active COVID-19 cases in Ontario was 1 482 on July 23rd and 1 249 on Sept. 3rd (Governement of Ontario, 2020). A total of 87 surveys and 14 postsurvey interviews were collected by the research team. Respondents represented all districts within Northern Ontario.

The reopening of businesses and public spaces opened in 3 stages in Ontario. All Northern Ontario districts were in Stage 3 at the time of the data collection. However, the survey asked questions about the impact of the COVID-19 pandemic since the start of the crisis. Therefore the data collected reflects the overall impact of the pandemic on agri-businesses in Northern Ontario.

We would like to acknowledge the support of the Natural Sciences and Engineering Research Council of Canada (NSERC) in this project.



Survey Respondents

The highest number of respondents came from Algoma (18%), followed by Timiskaming (14%), Nipissing (14%), Greater Sudbury (11%), Cochrane (11%), Rainy River (11%), Thunder Bay (7%), Sudbury (6%), Manitoulin Island (6%), and Kenora (2%). To better determine trends across the vast geography of Northern Ontario, the districts were combined into three larger regions:



The vast majority of respondents identified as white or Caucasian (92%), with one respondent identifying as a person of colour (1%), two respondents as Indigenous (2%), two respondents as Metis (2%), and two respondents as persons with a disability (2%).

The majority of respondents reported having two farm operators (68%), with 16% reporting one operator, 11% three operators, 4% four operators, and 1% five operators.

91 female farm operators



111 male farm operators

Operating Arrangement

The majority of agri-businesses reported sole proprietorship as their operating arrangement. Other arrangements included family or non-family corporation and partnership with or without agreement (Figure 1). Sole operators were slightly more likely to be female than male (85% vs. 76%, respectively).



Figure 1. Operating arrangement of agri-businesses in percentage

Most respondents identified as over the age of 55 (49%), with 39% between the ages of 35-55, and 11% under the age of 35. Within each region, the age of the majority of respondents differed slightly. In the centre the majority of respondents identified as over 55 (59%), in the east the majority were between 35-55 (55%), and in the west the majority were over 55 (41%). Interestingly, the west had the highest number of respondents under 35 (24%; 14% in the centre, 3% in the east).

The area farmed by northern agri-businesses varied, 49% farmed between 100-499 acres, 17% farmed 10-99 acres, 14% farmed 500-999 acres, 12% farmed under 10 acres, and 8% farmed over 1000 acres. There were no major differences in farmed area between the three regions.

A large variety of commodities are farmed by agri-businesses in Northern Ontario. The top 4 commodities were **beef cattle**, **hay**, **fruits and vegetables**, **and poultry** (Figure 2). Other notable commodities include maple syrup (18%), cash crops (16%), and horticulture (greenhouse, 12%). The majority of respondents farmed multiple commodities (52%).





A variety of methods are used to sell farm products in northern Ontario. Seventy-six percent of respondents use on-farm sales, 38% wholesale direct to retailers, 34% offer online/ delivery to consumers, 33% sell at farmers' markets, 18% wholesale direct to restaurants, 14% use commodity sales, 7% offer pick your own, and 7% operate Community Supported Agriculture sales (CSA). Among the regions the centre was more likely to use on-farm sales and wholesale to retailers, the East was more likely to use on-farm sales and online/delivery to consumers, and the West was most likely to use on-farm sales. Other methods reported by respondents include auctions and stock sales (4), fish market (1), personal restaurant (1), DFO (1), Pork Marketing Board (1), and private treaty (1).

COVID-19 Impact and Adaptation

COVID-19 Business Impact

51% of respondents reported that they had experienced supply chain disruptions for purchasing farm inputs

The majority of respondants that reported a supply chain disruption are owners of agribusinesses with multiple commodities (60%). Of these, most supply chain disruption came from seed (46%), feed (31%) and livestock supply (35%). Most multi-commodities respondants (65%) have at least one commodity that involves livestock (e.g., cattle, chicken, etc.), and they account for the majority of respondants that experienced seed disruption (71%) and more than half that experienced livestock supply disruption (53%).

When comparing the north regionally for respondents that experienced supply chain disruptions, in comparison to the Centre and the West, the East reported less supply chain disruptions (Figure 3).



Figure 3. Regional supply chain disruptions of agri-businesses in percent.

" Early on, our biggest challenge was getting the supplies we needed. Being from Western Ontario, we get a lot of our products from Manitoba and there was a delay in getting our orders and shipping too. Now it's better but there's an incertainty around the market this fall and prices for our products. " Thirty-six percent of respondents reported that seed supply had been disrupted, while thirtytwo percent reported livestock supply had been disrupted (Figure 4). Inputs such as feed and fertilizer also experienced some supply disruptions. Other comments suggested equipment parts and supplies experienced disruptions, and that those sourcing inputs from the US were impacted by the border closures (e.g., "US cross-border shopping such as feed and equipment" and "soil amendements coming from the US").



Figure 4. Supply chain disruptions of agri-businesses per region in percent. Respondents could select multiple supplies.

48% of respondents reported that they experienced cost increases for farm inputs as a result of COVID-19

These increased costs were seen more in the West (59%) and Centre (50%) whereas fewer cost increases were seen in the East (39%).

Livestock supply (31%), feed (31%), seed (21%), fuel (21%) and fertilizer (19%) were the main inputs reported to have increased costs. Most fuel cost increases (55%) were due to the necessity of switching to at home deliveries to reduce the number of customers visiting the farm. Personal protective equipment, sanitation and other materials to ensure employee and customer health and safety were also new costs that increased farms' overall input costs. Cost increases for farm inputs could be due to suppliers increasing costs due to increased production or manufacturing costs, including the need to implement health and safety practices and provide PPE for employees.

When asked about other constraints experienced as a result of COVID-19, delays in sales and deliveries were the greatest (Figure 5). Other major constraints included reduced cash flow, interruptions in meat processing and labour shortages. Closure of places offering services, delayed responses or reduced hours at places such as banks and dealerships were also expressed as challenges.



Figure 5. Percentage of constraints experienced as a result of COVID-19 by agri-businesses

It is important to note that 87% of respondants that experienced interruptions in meat processing were beef cattle, hog, poultry and sheep producers with 83% owning a multi-commodity business. Regionally, of the respondants that experienced interruptions in meat processing, 55% were from the West and 50% from the Centre compared to 25% from the East.

" For us the biggest challenge was figuring out how we were going to get our products to our clients. We did a lot of markets, farmer's markets and little events in small towns, and of course, a lot of those got canceled so we were trying to figure out how to get our products out. "

Financial Impact

Most respondents expressed that they would experience a financial loss this year due to the COVID-19 pandemic (Figure 6).



Figure 6. Financial impact on agri-businesses since the start of the pandemic

Of respondents that will experience a financial loss, most are agri-businesses that have a an area of smaller than 500 acres (85%), where 51% of agri-businesses own 100 to 499 acres, 21% own 10 to 99 acres and 13% less than 10 acres.

Regionally, 54% of Central agri-businesses, 50% of West businesses and 39% of East businesses indicated they will experience a financial loss. Agri-businesses with multiple commodity account for 53% of the businesses that will experience a financial loss and account for 83% of those who reported a financial gain. There were no major differences or correlation between the financial impact and different type of commodities.

65% of respondents that reported they will experience a financial loss will experience a loss of \$100 000 or more

" It's been challenging to stay profitable or at least not go under."

Workforce

We asked northern agri-businesses how COVID-19 affected their workforce.

59% stated that the pandemic had no effect on their workforce



Of those that noted COVID-19 affected their workforce (41%), 13% of businesses informed us they had to delay hiring seasonal workers, 7% had to hire between 1-10 workers, and only 2% reported that they had to lay workers off. Among the regions, the Centre and East responded with a higher incidence that their workforce was not affected compared to the West (33% vs. 56%, respectively).

Some agri-businesses provided further details on the changes to their workforce. Comments included difficulties in finding workers, workers remaining home due to the pandemic, and minimal staffing at one business making scheduling duties difficult. One business reported the inability to hire workers due to financial stress while another reported that their business remained closed during the pandemic. Three businesses reported the inability to hire students and one reported cancelling their homestay program.



Health and Safety Measures

We were interested in the types of measures Northern agri-businesses implemented due to the pandemic, and looked at measures put in place for workers and for consumers.



Among measures implemented for workers, 40% of agri-businesses reported requiring physical distancing, 32% put in place additional cleaning and sanitation protocols, 24% required workers to physical distance for on-farm sales, and 15% restructured workplaces to include barriers between workers and consumers. Among the regions, 45% of Central agri-businesses, 38% in the East, and 46% in the West reported implementing measures for workers overall.

Among measures implemented for consumers, 29% of agri-businesses put in place additional cleaning and sanitation protocols, 31% provided deliveries to reduce the number of consumers visiting the farm, 22% created an online sales portal, and 18% sold products at farmers' markets to reduce the number of consumers visiting the farm. Among the regions, 43% of Central agri-businesses, 47% in the East, and 35% in the West reported implementing measures for consumers overall.

It is important to note that face coverings or masks became a requirement in public indoor spaces in many municipalities across Northern Ontario in the summer months. This may have encouraged businesses to implement their customers and/or staff to wear PPE for on-farm sales.

Twenty-three percent of agri-businesses reported that none of the above options applied to their farms. Other measures reported by agri-businesses included closing operations (4 respondents), cancelling tours (1), cancelling a homestay program (1), limiting access to visitors (2), scheduling visitors for pick-your-own operations (1), and offering curbside pick-up (1).

Agri-businesses told us about constraints they experienced in implementing health and safety measures. While the majority (64%) reported that they did not experience any constraints, 32% of agri-businesses reported an increase in costs in time or resources to implement cleaning and sanitation protocols, 13% reported difficulty with workers following health and safety guidelines, and 17% reported difficulty in procuring PPE. Of the 14 respondents that experienced difficulty in procuring PPE, 57% were from the region, 21% from the East, and 21% from the West.

Product Sales

We asked Northern agri-businesses about the tools and resources they utilized to contact consumers and retailers and sell their farm goods during the pandemic.

75% of respondents use social media platforms to connect with consumers

Of respondents, 38% percent used online sales, 38% sold at farmers' markets, 23% used joint marketing initiatives with nearby agri-businesses, and 10% used newsletters to advertise farm goods. There were a variety of other resources shared by agri-businesses. These included auctions (2 respondents), word of mouth (2), Dairy Farmers of Ontario marketing board (2), direct contact with consumers (phone 2, email 1, text 1), Google advertisements (1), highway billboard (1), and posters (1).

Business Concerns

We asked respondents what their chief business concerns were related to the pandemic. The biggest concern was market volatility and/or economic recession, followed by concerns for increased production costs, concerns for supply chain disruptions, concerns for decreased consumer spending and concerns for personal health and safety respectively (Figure 7). Two agri-businesses provided other concerns, including the risk of spreading the virus while asymptomatic, and disruptions in meat processing capacity requiring the holding of livestock. One agri-business reported that they did not have any business concerns.

Figure 7. Business concerns of agri-businesses since the start of the pandemic in percentage



Funders and Funding Programs for COVID-19 Relief

The impact of the COVID-19 pandemic has influenced governments, banks, and organizations to develop support programs. These programs have been put into place to assist businesses with cash flow relief, workforce support and technology support.

Cash Flow Relief

The survey identified five different cash flow relief programs including the Regional Relief Fund (RRF), Canada Emergency Business Account (CEBA), Business Development Bank of Canada (BDC) Relief, Community Futures Development Corporation (CFDC) Relief Funding and the Farm Credit Canada (FCC) COVID Support.

The survey indicated that the CEBA was the **most well-known** support program for cash flow relief as **72%** of respondants had some awareness of it.

The CEBA provides interest-free loans of up to \$40,000 to eligible small businesses and not-for-profits (with loan forgiveness of 25% if balance is paid by Dec 31, 2022). On May 19, 2020, this program was changed to enable farmers to apply to the CEBA. Of the producers surveyed, 32% applied to the CEBA, the majority of which either received funds or are waiting for a funding decision. Awareness and participation of CEBA could have been higher than other programs as it was delivered through larger banks and credit unions.

Of those producers surveyed, the less well-known programs included Regional Relief Fund (25% with awareness), BDC Relief (34% with awareness) and FCC COVID Support (27% with awareness). There was more awareness of the CFDC Relief Funding (45% with awareness), but like these other programs, had a low participation rate (2%) in applying to the program. Awareness and participation in the cash flow relief programs could be influenced by numerous factors, which include:

- the pandemics impact on farm finances was not as severe for some farms (52% surveyed projected no financial impact or a financial gain this year; 52% did not experience farm input cost increases)
- the lack of in-person meetings and consultations due to COVID-19 restrictions
- awareness and participation in these banks and organizations could have been low prior to COVID-19
- after receiving CEBA, producers may not have had much interest in other available programs

Since the time of the survey, the CEBA application deadline was extended to October 31, 2020.

Workforce Support Programs

The federal government came out with different programs to support employees and employers that were impacted by COVID-19.

The Youth Employment & Skills Program (YESP) provides a wage subsidy to employers who hire youth for agricultural jobs. The YESP had strong awareness (59% of producers were aware) and some participation (9% had received funding). There were 46% of producers who either didn't apply or it wasn't applicable to their business.

The Temporary Foreign Worker Program Subsidy (TFWPS) was a subsidy towards related housing costs during a quarantine period for the Temporary Foreign Worker Program. The TFWPS had strong awareness (67% of producers aware) but there was no participation in the program. Typically, the Temporary Foreign Worker Program is sought after by large fruit and vegetable producers, which are few across northern Ontario.

The Canada Emergency Response Benefit (CERB) gave financial support to employed and self-employed Canadians who are directly affected by COVID-19. The CERB had strong awareness (80% of producers aware) and some participation (16% had applied to receive the CERB).

The Canada Emergency Wage Subsidy (CEWS) was available to employers who seen a drop in revenue due to COVID, be eligible for a subsidy to cover part of employee wages, retroactive to March 15th 2020. The CEWS had strong awareness (73% of producers aware) but had little participation (6% had applied).

Awareness and participation in these programs could be influenced by the following factors:

- 51% of the producers surveyed had no employees and no need for most of these programs
- 59% of the producers surveyed said that COVID-19 had no impact on their workforce

" It's been nice to see there have been funding programs but I think more assistance would be nice for farmers to be able to apply for grants. I think that there could be more education on what is available for us and how it can apply to us. Getting more support would help make applications not seem like such an overwhelming task. "

Technology Support Programs

The Ontario Ministry of Agriculture, Food & Rural Affairs (OMAFRA) released an Agri-Food Open for E-Business program to assist agri-food businesses with the cost of transitioning to online platforms. For producers that were surveyed this program had some awareness (41% of producers aware) and 7% had applied. This targeted intake was paused on May 25, 2020 as the fund was in high demand. The FedNor Business Technology Improvement Fund (BTIF) is another technology adoption fund delivered through Regional Innovation Centres. While it was not a COVID-19 specific fund, it was a fund that could assist businesses with technology adaptation. The BTIF had little awareness (29% of producers aware) and only 3% had applied.

Other COVID-19 Adaptation Funding

The Sustainable New Agri-Food Products & Productivity (SNAPP) Program COVID-19 Response Fund was a fund for northern Ontario food producers, processors and agri-food businesses to provide funding for projects that address challenges or respond to opportunities created by COVID-19. While there was some awareness (35% of producers aware) only 2% had applied. This funding was open for a short period of time (July-Aug 2020) due to high demand. The OMAFRA Enhance Agri-Food Workplace Protection Program was set up to support occupational health and safety measures related to COVID-19 for agricultural operations with intensive use of labour. The program had some awareness with surveyed producers (39% of producers aware), but no producers made an application. The Beef/Hog Farmer Support program is a beef cattle/hog set-aside program to help pay for additional maintenance costs to keep animals on farms for extended periods of time. The program had good awareness with surveyed producers (40% of producers aware), but only 2% had applied. It is likely there will be more interest in this program as the year progresses.

Other funding support programs for agri-food businesses were announced since the time this survey was done including:

- Northern Ontario Recovery Program (Northern Ontario Heritage Fund Corp.)
- COVID-19 Technology Adoption Fund (delivered through Regional Innovation Centres)

" I was not aware most of these programs existed. Maybe it's me that should be looking for them but it seems to me that it shouldn't be that hard to find programs meant to support us. I will be looking into the ones that are still open and that apply to my business. "

Requested Producer Support

Producers were asked what supports they would like from government, organizations, and associations to help their businesses.

52% of agri-businesses would prefer tax relief support, especially in the Centre (27%), compared to the East (13%) and West (12%)

One comment was that the process for accessing farm tax rates for new farmers was burdensome, slow, and overly complex. Direct payments from government was the second-highest request (35% of respondents), followed by employee wage support (28%) and business loans (28%). Other types of support included start-up grants (building & infrastructure) with less restrictions for applying (i.e., information required).



Future Agri-Food System Support

Producers were asked what future agri-food system supports, infrastructure or programs would be most helpful through economic recovery. From those surveyed, support with on-farm infrastructure was the highest need (Figure 8), especially for producers in the East (28%). This included support to build winter greenhouses for food production in summer and winter for self-sufficiency.

Of the respondents that required support with on-farm infrastructure, 64% are multiple commodities agri-businesses, which represents 76% of multiple commodities respondents. 46% of single commodity agri-businesses also reported needing support with on-farm infrastructure. There was no major difference between the different types of commodities.

Support with food processing infrastructure was the second-highest request. This included refrigeration, freezing capacity, screening plant, industrial kitchen for processing, and meat processing. It was noted that meat processors have long waiting lists for finished beef orders. A need to increase demand for whole food ingredients was also mentioned through educating consumers on cooking, preserving and seasonality.

Other types of support (11%; Figure 8) included help with transportation and logistics and food hub access. Some regulatory needs included:

- Adaption of relevant regulations for Recirculating Aquaculture Systems
- Increased egg quota availability / increase in amount of laying hens allowed
- Increased quota for fishing

Figure 8. Food system support infrastructure or program most helpful to respondents in percent



Mental Health and Well-being

Survey respondents were asked about the impact of COVID-19 on their health and wellbeing.

399% of respondents indicated their mental health has gotten worse since the start of the pandemic of the pandemic

of respondents indicated their mental health stayed the same since the start of the pandemic

Over half of respondents shared that they worry about COVID-19's effect on their family and friend's health and safety and almost half are worried about their health and safety (Figure 9).

Figure 9. Feelings felt by repondents since the start of the pandemic. Respondents could select more than one option.



Respondents shared information on how they are looking after their mental health. The most common strategies were staying in touch with family and friends (37%), keeping active (34%), and doing something they are good at (13%). 12% of respondents provided no information on how they are looking after their mental health.

Post-Secondary Institution Involvement

In this section, respondents were asked how post-secondary institution could best support them and their business through services and different type of training opportunities.

89% of respondent are interested in getting post-secondary institution support

Respondants were mainly interested in post-secondary support for mentorship regarding start-up or scaling of commercial agriculture (38%), on-demand training (35%) and the creation and development of new products (32%). Help solving a sector-specific challenge or problem (27%) and testing and validating new products or services (23%) were also of interest to respondants. Other services desired included local agriculture training (2) and assisting with business model transition (1). Eleven percent of respondents did not need or think post-secondary institution could offer valuable support.

The majority of respondants were interested in sustainable farming and environmental challenges training opportunity (Figure 10), with 53% interested in learning more on farming in climate and challenging environments, 56% interested in learning more on sustainable farming practices and 22% on animal viruses and transmission to humans. Respondents also had interest for on-farm and new technologies training.

Figure 10. Ongoing learning, micro-credential and training opportunity interest in percent



When asked about their preferred learning format, most of respondants preferred a hydrid format (a mix of both in-person and online training; 44%), 31% prefer online training and 26% prefer in person training.

Conclusion

As a first step in a larger project, the results of this survey will help us direct the next steps of the research while helping partner organization support agri-businesses.

Overall, key results show that supply chain disruptions impact regions differently across northern Ontario. This may be due to location (proximity to border or suppliers), the scale of producer operations and the capacity of regional suppliers. Partner organizations will target emerging supply chain problems through training, marketing tools and programming.

A next step for the research will be to develop a survey for agricultural suppliers to learn more about regional variations in supply disruption.

Furthermore, survey respondents supported infrastructure (on-farm and processing) recovery efforts as well as training focused on sustainable farming, environmental challenges and new technologies. A next step for the research will be to further focus on mapping these planning efforts for post-pandemic recovery.

The findings from the *COVID-19 Agricultural Impact in Northern Ontario Survey* will help guide evidence-informed recommendations and business strategies for agri-businesses and policy-makers to ensure economic stability and food security in the post-pandemic period.