



farmdocDAILY LIVE | Coronavirus and Ag

March 20, 2020



**Scott
Irwin**



**Nick
Paulson**



**Gary
Schnitkey**



**Jonathan
Coppess**



**Todd
Hubbs**

Have you experienced stocking issues in grocery stores in your area?

- No
- Yes, but temporary/limited
- Yes, continued/ongoing
- Don't know



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Housekeeping

- Handout available via GoToWebinar control panel
- Webinar will be archived and available on farmdoc
- Submit questions during the webinar and we will answer them at the end of the webinar



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Agricultural &
Consumer Economics

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Agenda

Overview



**Scott
Irwin**

**Consumer
Response**



**Nick
Paulson**

**Supply
Chain
and Labor
Concerns**



**Gary
Schnitkey**

**Policy
Responses**



**Jonathan
Coppess**

**Grain
Outlook**



**Todd
Hubbs**

Overview



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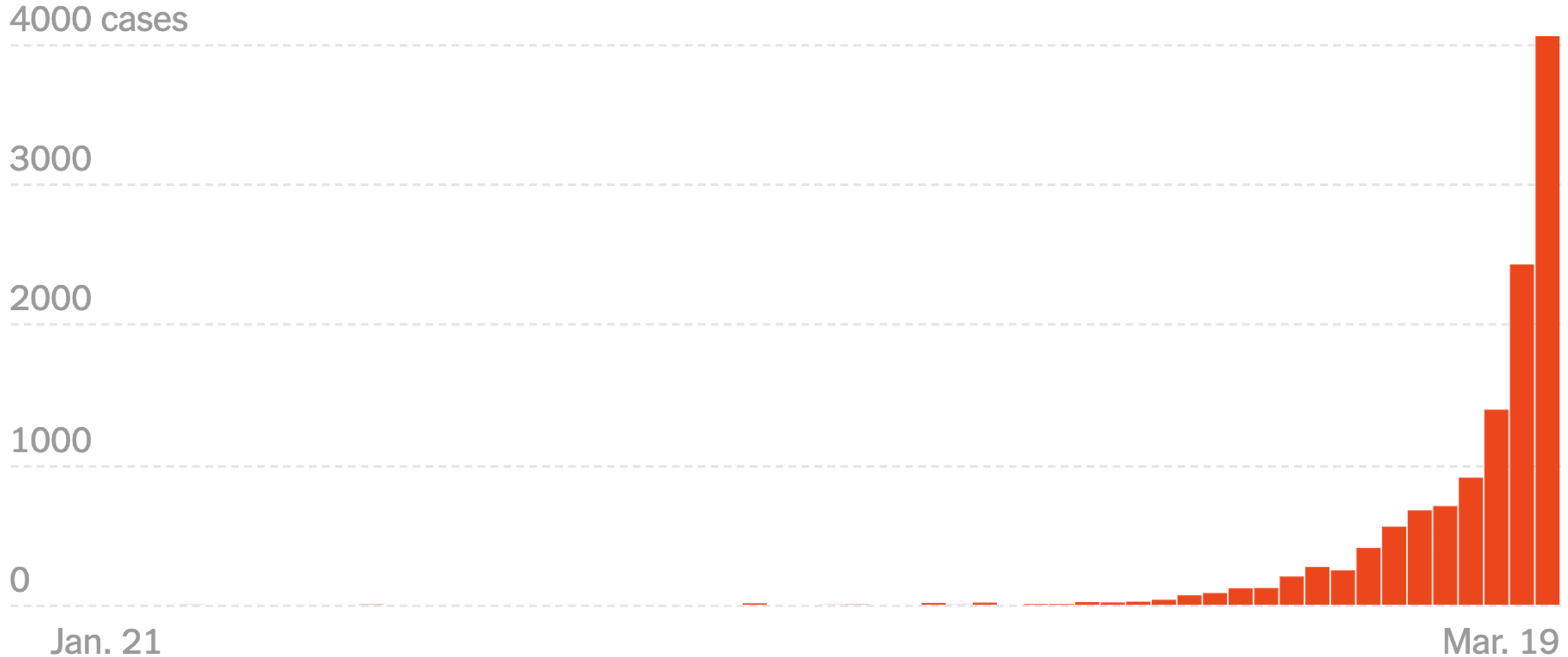
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Scott Irwin

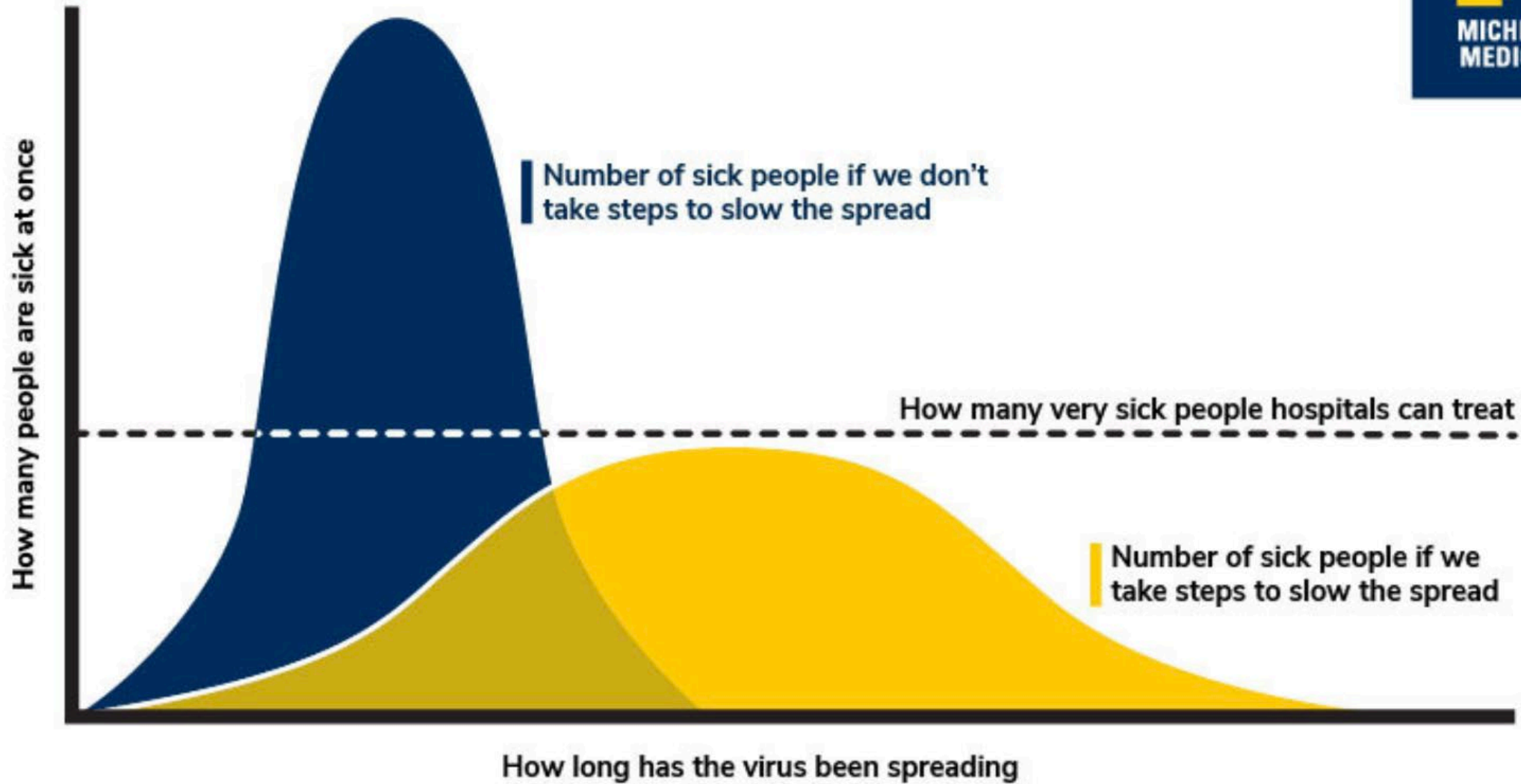
Laurence J. Norton Chair of Agricultural Marketing

New coronavirus cases announced in the U.S. each day



Source: C.D.C., state and local health agencies, hospitals.

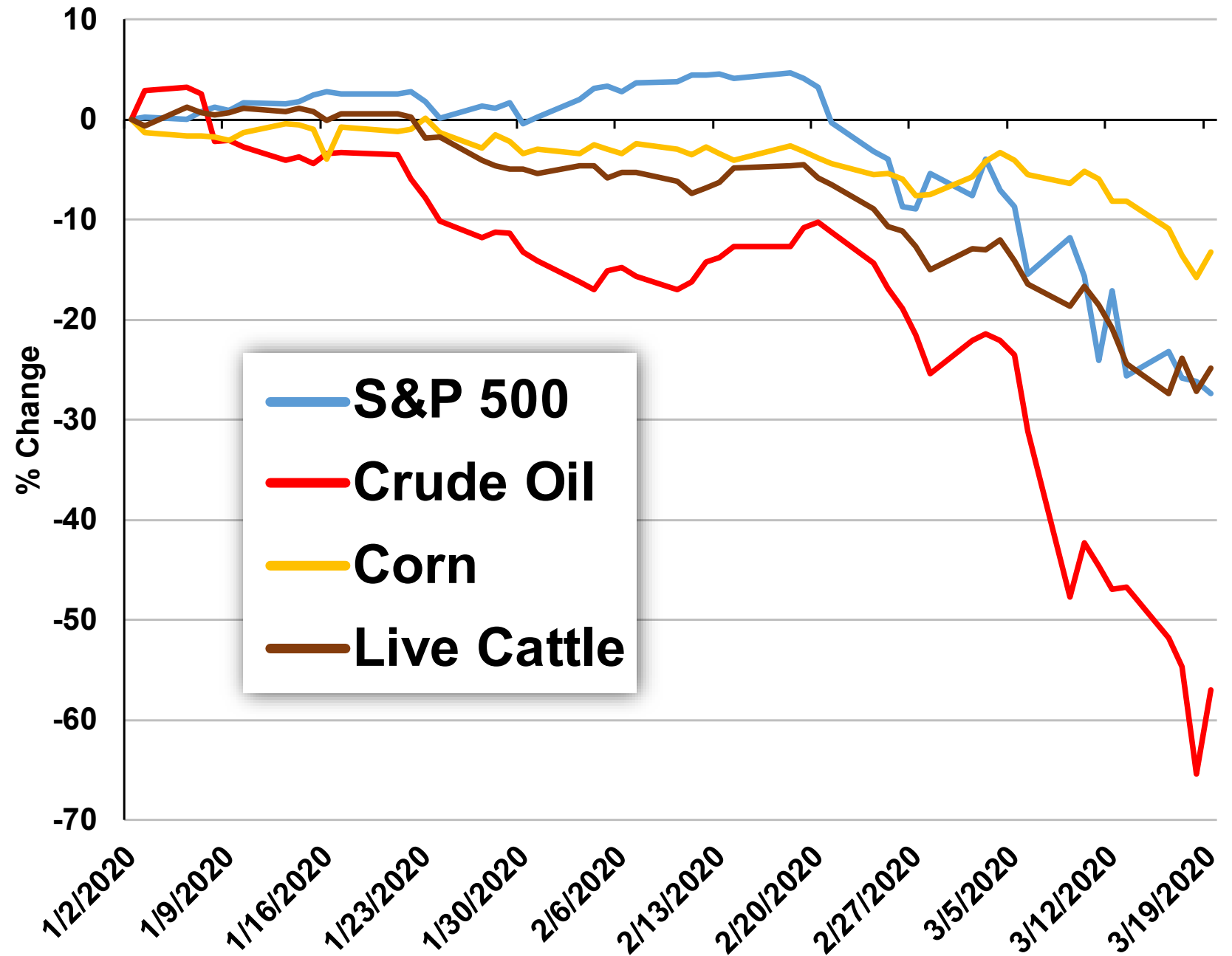
<https://www.nytimes.com/interactive/2020/us/coronavirus-us-cases.html>



Adapted from the CDC

Graphic by Stephanie King

Change in Financial and Commodity Prices Since the Beginning of 2020



How concerned are you with the risk of COVID-19 for you personally and your immediate family

- Not concerned
- Somewhat concerned
- Very concerned

Consumer Response



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Nick Paulson

Associate Professor and Director of Graduate Programs

Consumer Response

- Delivery of food to consumers is changing, and quickly
- Grocers
 - Higher volumes
 - Changing/reduced hours to allow for cleaning, restocking
 - Restricted hours for at-risk groups
- Restaurants
 - Closed (to dine-in) in many places
 - Shift to call-in/online orders with curbside pickup or delivery



NOW AVAILABLE
DELIVERY

Shop online

pick up in-store or choose *delivery*

Consumer Response

- Negatives

- Anecdotal evidence of hoarding
- Temporary stocking issues with various products
- Herd behavior is self-fulfilling; resist being part of the problem

- Positives

- Community information efforts
- Restaurants offering school kids lunches
- Shifts in production to pitch in

Champaign-Urbana Area Restaurants Offer Free Kids Meals During School Closures

Schools plan for providing student meals amid closures due to coronavirus

Chicago Distillery Making Hand Sanitizer For Medical Professionals

The company plans to distribute the hand sanitizer to those "on the front lines in this war against COVID-19."

These U.K And U.S. Distilleries Are Making And Donating Hand Sanitizer

Consumer Response

- The system continues to work
- Recommendations:
 - Social distancing, self-quarantine to the extent possible
 - Hygiene, clean surfaces
 - No need for more than a few weeks worth of groceries and other household items
 - Check on family/friends/neighbors (by phone, email, etc.)
 - Support businesses as you are able
 - Be good humans!



Supply Chain and Labor Concerns



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Gary Schnitkey

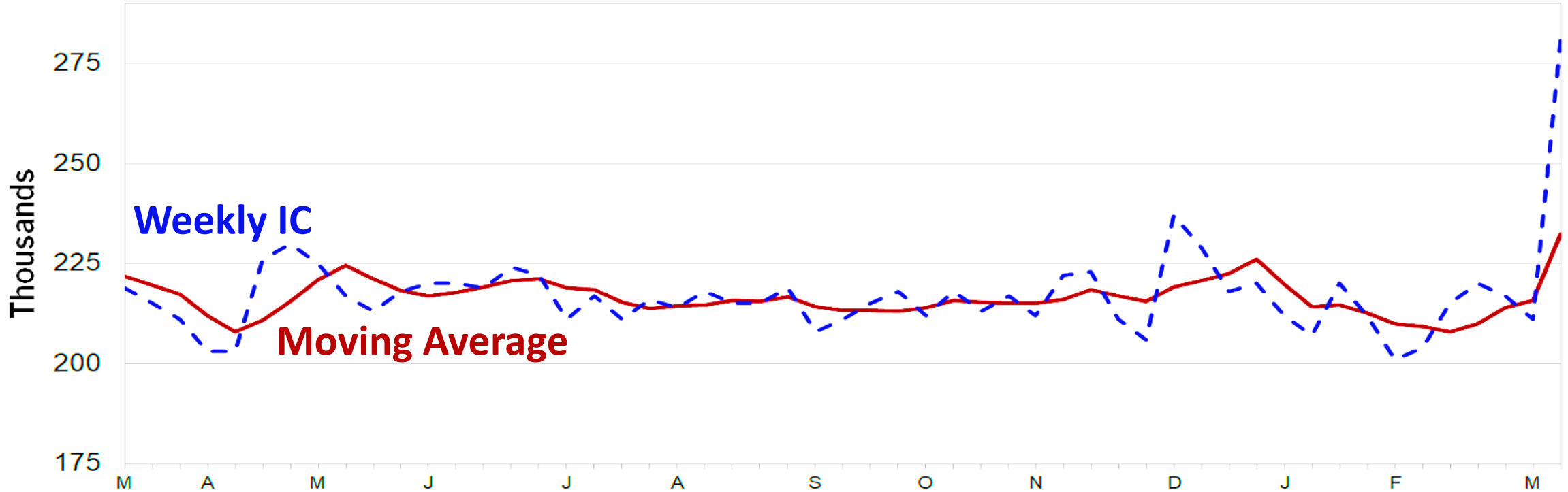
Soybean Industry Chair in Agricultural Strategy

Meat, Dairy, Egg, Produce Supply Chains

- COVID-19 slowing measures:
 - Not likely to change overall food demand in US
 - Have resulted in short-term shifts in product demands
 - Could change ethanol and export demand
- First major concerns relate to keeping supply chains functioning
- Food and agricultural sector realize this concern
- USDA has been responding
- Concerns mainly revolve around workers and transportation
 - Concern about implemented COVID-19 measures closing plant
 - How will processing plants respond when workers have COVID-19?
- Likely to be spiky, erratic prices at some supply points

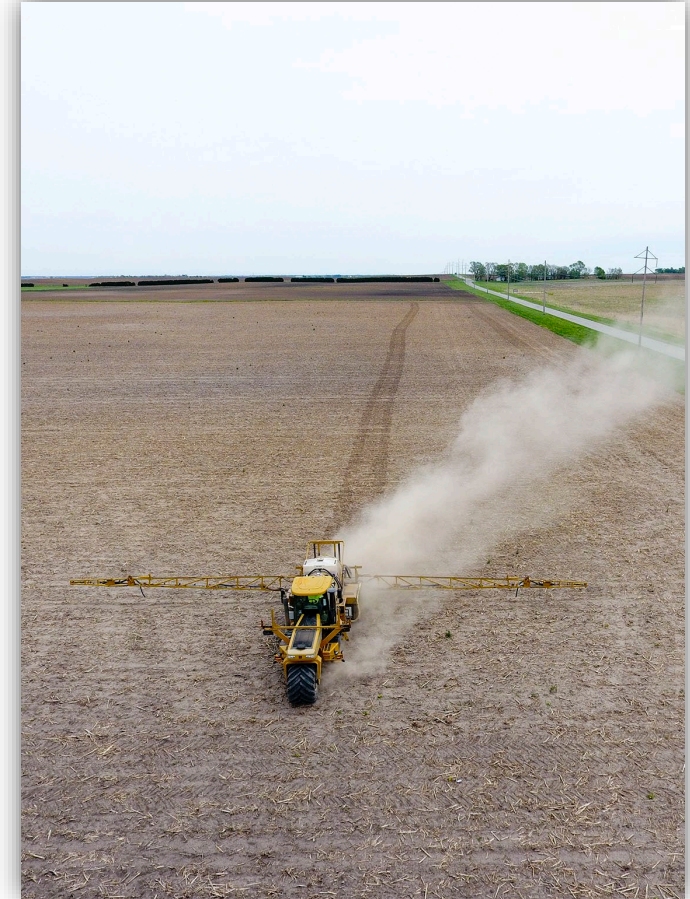
Seasonally Adjusted Initial Claims Unemployment

March 16, 2019 to March 14, 2020

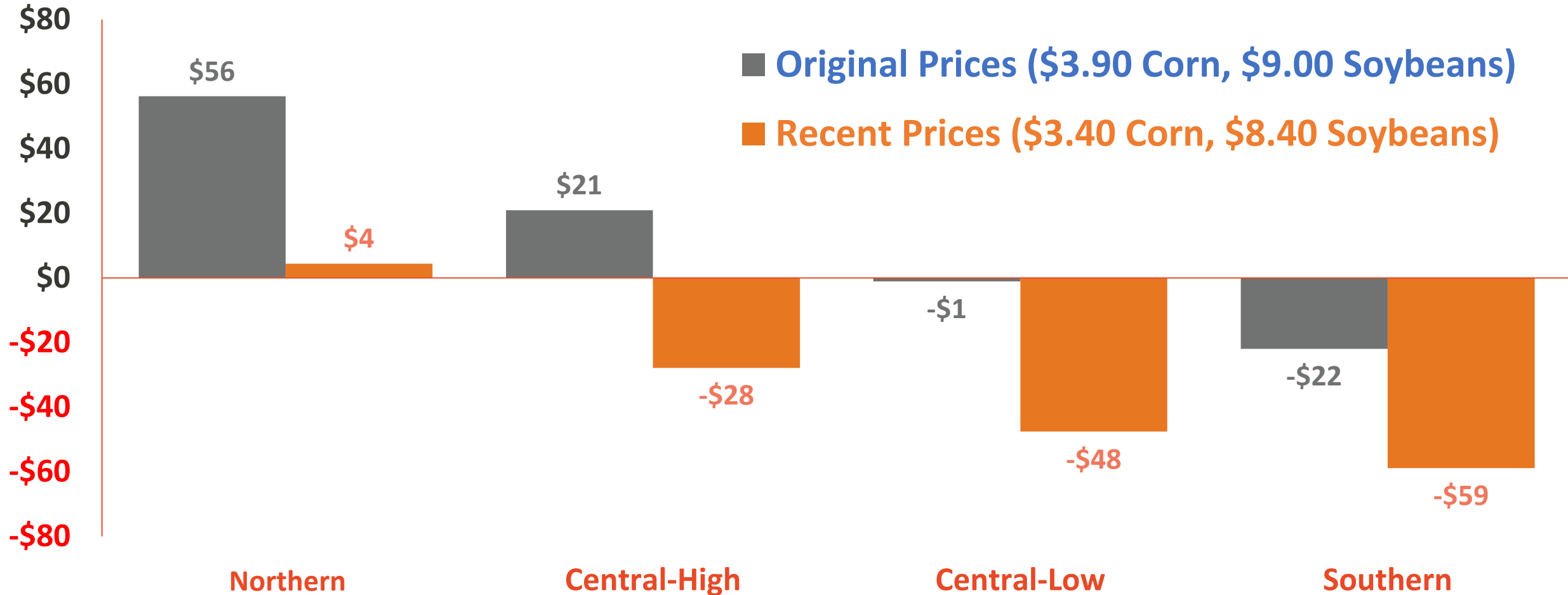


Crop Sector — Planting season approaches!

- Fertilizer, seed, chemicals appear to be in place
- Transportation needs to be maintained
- **Maintaining a COVID-19 workforce is important**
Washing hands, social distancing, restricted travel
- **Don't work with COVID-19**
- Acreage shifts don't appear warranted yet
- Tuesday's farmdocDaily article will look at existing safety net on farm



Projected Corn Minus Soybean Returns in Regions of Illinois, Before and After Recent Price Changes.



Should the Federal Government initiate another round of MFP-like payments or low-interest loans to farmers

- Strongly disagree
- Disagree
- No opinion yet
- Agree
- Strongly agree

Policy Responses



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Jonathan Coppess

Director, Gardner Agriculture Policy Program

Director, Bock Ag Law/Policy Program

Clinical Assistant Professor

Policy Perspectives.

Stimulus

- \$1 trillion potential; but lots of unknowns...
- Including direct payments to all Americans.

Food Supply Chain

- Top priority; indications are it remains health; don't hoard...
- USDA and Defense Production Act; coordinate food resource priorities, allocations, etc.

Farm Support

- Too early for payments or direct assistance; uncertainties (planting, demand, etc.) counsel waiting...
- Priorities are food (dairy, livestock, eggs) and maybe ethanol; discussions around acres.

Do you feel our current demand destruction is short-lived or will have longer repercussions

- Don't know
- Very short (1 to 2 months)
- Intermediate (2 months to a year)
- Long (longer than a year)

Grain Outlook



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Todd Hubbs

Clinical Assistant Professor, Agricultural Commodity Markets

Crop Outlook

- Crop Sector Issues:
 - Duration and Severity of the Economic Contraction
 - Supply Chain
 - China and Phase 1 Obligations
 - Acres in 2020
- Corn:
 - Ethanol: Gas Consumption; Saudi/Russia Price War
 - Exports: Pace Needs to Expand; Watch Brazil Second Crop Progress
 - Feed: March 1 Grain Stocks; Quality Issues
- Soybeans:
 - Exports: Brazil Crop; Will China Show Up?

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**Gardner
Agriculture
Policy
Program**

Upcoming Webinar

11:00am, Tuesday March 24th:

- Updates of current situation
- Todd Hubbs, farmdoc grain marketing expert, provide insights on grain marketing
- Jim Lowe, University of Illinois Veterinary Medicine College, an expert on infectious diseases, discuss the virology of the coronavirus pandemic



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Thank You for joining us!

Please submit your questions



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Coronavirus and Ag

The *farmdoc* team discusses the impact and influence of the Coronavirus on farmers and agriculture. As we learn more we'll update this page with articles and videos to help inform our audience.

We invite you to use the button on the right to submit questions. We will do our best to address them during the upcoming articles and videos.

[Submit Questions](#)

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Five Minute farmdoc [View YouTube Channel](#)

2020 Planting Decisions in the Face of COVID-19

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for the latest information

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