

California agricultural businesses are expected to take a multi-billion dollar financial hit from the direct effects of the Covid-19 pandemic, according to a new report.

According to an [economic study](#), the state's agricultural sector already has lost US\$2bn and could suffer losses ranging from US\$5.9bn to US\$8.6bn this year from disrupted markets and rising production costs.

The study was conducted by Davis-based ERA Economics and commissioned by the California Farm Bureau Federation and included UnitedAg, Ag Association Management Services, California Fresh Fruit Association, California Strawberry Commission, California Tomato Growers Association and Western Plant Health Association.

Financial impacts of the pandemic vary widely among different parts of the agricultural economy, the study said, depending in part on how much a particular crop or commodity relies on sales to foodservice and how much it has been affected by shifts in retail demand and changes in costs of production and processing.

The most significant impacts of this pandemic were caused by changes in agricultural product demand as a result of: disruptions in the export markets, distribution, packing, and supply chain logistics; shut-down of the entire foodservice industry, and shifts in consumer purchases to more shelf-stable items from retail establishments.

In San Joaquin County, the top four products annually are dairy, wine grapes, almonds and walnuts. The study showed the greatest dollar-loss impact from Covid-19 are to dairy, \$1.4bn to \$2.3bn ; grapes, \$1.5bn to \$1.7bn; and flowers and nurseries, \$660m to \$740m.

"It's what we've been hearing," said Bruce Blodgett, executive director of the San Joaquin Farm Bureau Federation.

"Only time will tell. We've been a little more fortunate than some areas. We didn't get hit as hard as Monterey and some areas in Southern California at the time when they harvested and had nowhere to take it."

Including secondary impacts, and under a mid-point scenario of direct impacts, the total impact on California agriculture from Covid-19 is approximately US\$13bn in output value.

The analysis uses a combination of industry production, export, and price data available through early May 2020, extensive industry interviews, and surveys sent to key businesses.