



The Science Source for Food,  
Agricultural, and Environmental Issues

## ***Economic Impacts of COVID-19 on Food and Agricultural Markets***

(Commentary) Chairs: Jayson Lusk, Purdue University; John D. Anderson, University of Arkansas

---

### **Overview:**

This paper examines the many economic factors and impacts of the COVID-19 pandemic, with a focus on the agriculture sector. In efforts to slow down the spread of COVID-19, many states and countries shut down several economic areas such as tourism and entertainment venues, restaurants, personal services, and some manufacturing facilities. This has led many areas into a recession. The authors of this paper examine the effects this recession has on these topics: macroeconomics; trade; supply chain; consumer behavior; food service/grocery; meat processing; forestry and wood products; local food systems; food waste; food insecurity; major commodity crops; agricultural finance; agricultural labor; rural health care; and research and outreach priorities.

### **Learning Outcomes**

- *Explain how the COVID-19 pandemic has impacted the different sectors of agriculture.*
- *Compare the economies of countries before and after the COVID-19 pandemic.*
- *Predict the long-term effects of the COVID-19 pandemic to the economy, food security, and agricultural market.*

---

### **Resources**

Access the Issue Paper, Ag quickCAST, and webinar here: <https://www.cast-science.org/publication/economic-impacts-of-covid-19-on-food-and-agricultural-markets/> - <https://www.cast-science.org/publication/economic-impacts-of-covid-19-on-food-and-agricultural-markets/>

“The Impact of Coronavirus on Food Insecurity”:

<https://www.feedingamerica.org/research/coronavirus-hunger-research;>

<https://www.feedingamericaaction.org/the-impact-of-coronavirus-on-food-insecurity/>

“Early Estimates of the Impacts of COVID-19 on U.S. Agricultural Commodity Markets, Farm Income and Government Outlays”: <https://www.fapri.missouri.edu/wp-content/uploads/2020/04/FAPRI-Report-02-20.pdf>

“A disastrous situation': mountains of food wasted as coronavirus scrambles supply chain”:

<https://www.theguardian.com/world/2020/apr/09/us-coronavirus-outbreak-agriculture-food-supply-waste>



The Science Source for Food,  
Agricultural, and Environmental Issues

---

### Assessment Questions

1. How likely is it that total planted acreage of major crops (corn, soybeans, wheat, and cotton) will be impacted by the COVID-19 economic crisis in future years?
2. Explain how COVID-19 impacts on the meat-livestock industry differed in March and May.
3. Explain why livestock prices decreased and meat prices increased following harvesting challenges presented by COVID-19.
4. Will the effects from COVID-19 impact food loss (at the farm level) and food waste (at the household level) in the same way? Please discuss.
5. Please search for data that describe food prices (e.g., see <https://www.bls.gov/news.release/cpi.nr0.htm>) and discuss how food prices have changed during the COVID-19 pandemic and how these price changes are expected to impact food waste.
6. What are two reasons that grocery stores had shortages in the early days of the pandemic?
7. What was the food insecurity rate in your county of residence in 2018? (This is available from Feeding America.) Is this higher or lower than the national average?

### Student Reflection

1. What is an informational cascade? How did informational cascades affect consumer food shopping behavior in the early days of the pandemic? What are strategies that stores can implement in the future to prevent hoarding behavior?
2. What are some of the most important research topics in the economics of food, agriculture, and the environment that researchers should consider to better analyze the impacts of shocks like COVID-19 and to fill some of the critical knowledge gaps identified by the pandemic?