

## **Ask an Expert: Tulane economist LaPorchia Collins on how COVID-19 is impacting the food supply**

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LaPorchia Collins, a professor of practice in the Department of Economics at Tulane University School of Liberal Arts, specializes in development economics with a focus on food security and inequality.

Empty store shelves, higher prices on familiar foods and limits on how much each shopper can buy – these are all regular sights and scenes at grocery stores since the pandemic began. LaPorchia Collins, a professor of practice in the Department of Economics at Tulane University School of Liberal Arts, specializes in development economics with a focus on food security and inequality. Here are her answers to

questions about what impacts the COVID-19 pandemic is having on the U.S. food supply.

### **What is the current problem with the food supply as the pandemic continues?**

The two biggest problems are facilitating distribution throughout the supply chain while protecting worker health, and revamping food demand in a way that avoids further disruptions.

The issue that has garnered the most media attention is the closure of meat processing plants. Since processing plants are in the middle of the supply chain, plant disruptions affect not only retailers and consumers but also producers. To avoid further closures, companies need to consider adapting any aspect of their operations that may be vulnerable to outbreaks and develop contingency plans that may be put in place if workers fall ill. For example, in Louisiana we've experienced closures in some crawfish processing plants not necessarily because of the production process but rather because workers tend to live in close quarters.

The other major issue is that closures of restaurants and schools have resulted in a significant reduction in food demand, which has prompted processing plants to reduce the size of orders demanded from producers. This demand shock has created a surplus in many upstream markets such that livestock producers and others are having trouble finding buyers for their products and are being pushed to sell at lower prices. Moving down the supply chain, fewer orders processed ultimately means less processed meat being available in retail markets at any given time.

### **What major food-related problems are facing Louisiana specifically?**

Poultry makes up about 20% of agricultural sales in Louisiana, but poultry farmers, who tend to be contract workers, have largely been left out of the national food assistance programs. The Louisiana shrimp and crawfish markets have also taken hits due to the pandemic, though the seafood industry, which ranks top five in the U.S. in both volume and value, is expected to receive payments of roughly \$14.8 million as part of the CARES Act.

Food insecurity is another big issue for the state, as Louisiana has the third-highest rate of household food insecurity in the nation. The onset of the pandemic only exacerbates food security issues. Federal unemployment assistance and SNAP help

to limit the effects on the most vulnerable; however, there are still populations that may need to be targeted for further assistance, namely black and Hispanic households, single-parent households, the elderly, and those in poor neighborhoods with limited grocery store and vehicle access. In recent years, Louisiana has made slow but measurable progress in reducing food insecurity, so it is important that this trend is not reversed.

**How long could these issues continue as more meat packing plants and even crawfish distributors close because of COVID-19 cases?**

The health crisis must be resolved before food supply chain issues can be resolved. Processing plants, even if open, are going to operate at lower capacities to follow physical distancing guidelines. Although there will be meat to purchase, we may see reductions in the types of cuts that are available, since some cuts like boneless options require more labor-intensive processing than others.

**Will this pandemic have a long-term impact on the way food is grown, raised and sold to the consumer?**

I don't foresee the production process itself being greatly impacted. However, as more emphasis is placed on food system resilience, or the ability to provide sufficient access to healthy foods both during and after disturbances such as the pandemic, food processing and distribution systems could see long-term impacts.

That said, the longer restaurants and schools remain closed or operate at lower capacities, the greater the likelihood that we will see food shortages in the future as farmers adjust their plans based on expected demand. The caveat is that how we re-open is just as important as when we re-open. We must re-open in a way that protects workers.

Meat processing plants in particular are getting a great deal of unwanted attention due to the pandemic. The meat processing industry is highly concentrated, so if the "Big Four" are unable to adapt to this crisis in a way that protects worker health and maintains the flow of meat products, there will be greater pressure to reduce market consolidation.

**Could we expect to see prices increase on items like meat?**

Yes. Price increases are already happening. Meat processing plants are uniquely positioned to have a great deal of bargaining power. Processing plants can negotiate

to pay agricultural producers lower prices while at the same time negotiating to receive higher prices from distributors and retailers who are desperately trying to keep food on the shelves. So, retailers themselves are facing higher prices, and some of that increase gets passed on to the end consumer.

**Is there anything the consumer can do to lessen his or her impact on supply? (Find other sources, stop hoarding, etc.)**

Consumers should know that there is not a system-wide shortage of food but rather food simply takes longer to be processed and distributed through grocery stores. So, there is no need to hoard meat or other food products. Hoarding tends to exacerbate distribution problems, so consumers should shop responsibly.

Also, remember our local producers and businesses. Just like many local restaurants have adapted during the crisis, farmers are finding creative ways to sell direct to consumer, whether by participating in drive-thru farmers' markets or by taking phone and online orders for pickup and delivery. To make it easier to buy local, the state has released an [online directory and map](#) of farmers offering direct-to-consumer sales of fresh produce, seafood, and livestock products. If you want seafood specifically, the [Louisiana Direct Seafood Shop](#) allows online purchases; and, if you're looking for crawfish, there's an [app](#) for that.