

## **A039 AGSC**

### **Assessment of Economic Impact of Covid-19 on Agriculture and Food System in Tennessee**

#### **Abstract**

The pandemic has caused adverse effects on the supply chain of agricultural commodities by disrupting the production, processing, food manufacturing, and by delaying transportation of products. In addition, employees in various categories involved in provision of food services have temporarily become unemployed due to the disruption of business operations. The specific objective of this study was to assess the total economic impact of the pandemic in the agri-food sector in Tennessee. To capture the total economic impact, an IMPLAN input – output model was used. We considered four agri-food industrial sectors, retail food and beverage stores, full-service restaurants, limited-service restaurants, and all other food and drinking places. The direct, indirect, and induced impact on revenue and employment were estimated using industry contribution analysis for both the state and Nashville considering different scenarios developed based on the information from literature and assumptions. During the 2<sup>nd</sup> quarter of 2020, the total economic impact on the selected agri-food sectors on State economy was loss of 121,549 in direct employment, \$4.7 billion losses in labor income, \$6.7 billion value added and \$12.4 billion in output. In the 3<sup>rd</sup> quarter of 2020, the total economic impact accounted for loss of 83,463 jobs, \$3.4 billion loss in labor income, \$4.9 billion loss in value added, and \$8.9 billion in output. Locally in Nashville, the 2<sup>nd</sup> quarter of 2020, had a decrease of 31,000 in direct employment, \$1.07 billion decrease in labor income, \$1.4 billion decrease in value added, and \$2.5 billion decrease in output. In the 3<sup>rd</sup> quarter of 2020, there was a loss of 20,715 in direct employment, \$746 million decrease in Labor Income, \$1.03 billion decrease in value added, and \$1.7 billion decrease in output. The study findings showed a significant loss of revenue and employment to the agri-food sector in the state economy.

**Acknowledgement:** This material is based upon work supported by the U.S. Department of Agriculture (USDA), National Institute of Food and Agriculture (NIFA) Evans Allen Program.