



1400 Independence Avenue, SW
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2020 LOCAL FOOD MARKETING PRACTICES SURVEY COMMENTS

June 15, 2020

Kevin L. Barnes
Associate Administrator
National Agricultural Statistics Service
U.S. Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250-2024

Dear Associate Administrator Barnes:

The Agricultural Marketing Service's (AMS) Transportation and Marketing Program (TM) is pleased to submit formal comments to NASS on the draft Local Food Marketing Practices Survey (LFMPS). We thank NASS for the efforts they have made on behalf of this survey to-date. The LFMPS is valuable to AMS and local food stakeholders because it provides more detail about local food marketing channel activity than is available through other USDA surveys and censuses, like the Census of Agriculture and Agricultural Resource Management Survey. AMS extensively used the data from the 2015 LFMPS and has assisted NASS with developing the questions for the 2020 LFMPS to improve the survey's usefulness for understanding the local food sector.

The questions for the 2020 LFMPS were written prior to the unfolding of the COVID-19 pandemic. They will gather data on this year's sales and marketing practices, which we now see will be greatly affected by market disruptions and adaptations during the pandemic. We recommend that NASS include questions in its 2020 LFMPS that adjust the survey in light of this year's unprecedented market disruptions due to COVID-19. This information will help USDA obtain a more accurate picture of market trends, and improve the technical assistance and services that we provide to the sector.

We have provided specific suggestions in this letter. We are happy to meet with NASS or to discuss any of these issues in further depth if helpful. We thank NASS for the time and consideration.

Sincerely,

Tricia Kovacs

Tricia Kovacs
Deputy Administrator, Transportation and Marketing Program
U.S. Department of Agriculture Agricultural Marketing Service

Research Questions Due to COVID-19: Local Food Marketing Practices Survey

In order for USDA to get a more accurate picture of trends, and provide technical assistance and services to the sector, AMS is asking NASS to insert a handful of questions about changes in sales and market expenses between 2019 and 2020. This would help AMS to have some sense of the longitudinal change in direct marketing practices between 2015 and 2019, while also gaining some understanding of how the sector changed due to the COVID-19 pandemic this year.

Given these exceptional circumstances, we hope that NASS will consider modifying the survey to address the following research questions:

1. Comparing 2020 to 2019, what has been the effect of COVID-19 on farm sales in direct marketing channels?
2. Comparing 2020 to 2019, what has been the effect of COVID-19 on marketing expenses in direct marketing channels?
3. Comparing 2020 to 2019, what has been the effect of COVID-19 on the on-line sales of products that are shipped by mail or delivered door-to-door?
4. Comparing 2020 to 2019, what has been the effect of COVID-19 on the on-line sales of pre-ordered products to be picked-up at a farmers market, on-farm stand, or CSA?
5. Comparing 2020 to 2019, what has been the effect of COVID-19 on food sales?

We propose asking five multiple-choice questions to discern these impacts. If they indicate that their sales/expenses either increased or decreased, we propose having respondents answer a subsequent multiple-choice question indicating the percentage change in sales/expenses.

2020 Local Food Marketing Practices Survey – proposed additional questions

Direct Sales

Additional question proposed in SECTION 1 after question 2

How did your direct sales change in **2020 compared to 2019 due to COVID-19?**

- ☐ Increased – Direct to next question
- ☐ Decreased – Direct to second question
- ☐ Stayed the same – Skip next two questions

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☐ Did not sell products in this marketing channel in 2019 – Skip next two questions

What was the approximate percentage **increase** of your direct sales in **2020 compared to 2019 due to COVID-19**?

- ☐ up to 25% increase
- ☐ 26 – 50% increase
- ☐ 51 – 75% increase
- ☐ 76% or more increase

What was the approximate percentage **decrease** of your direct sales in **2020 compared to 2019 due to COVID-19**?

- ☐ up to 25% decrease
- ☐ 26 – 50% decrease
- ☐ 51 – 75% decrease
- ☐ 76% or more decrease

SECTION 6

In what year did this operation first use an online marketplace to make direct food sales? (Please select one)

- ☐ 2020
- ☐ 2019
- ☐ 2018
- ☐ 2017
- ☐ 2016
- ☐ 2015
- ☐ 2014 or prior

Possible sentence insertion with the other sentences in the question unchanged (see discussion below **): SECTION 1, question 22: In responding to question 22, online marketplace sales would include products that are shipped by mail or delivered door-to-door, but would not include pre-order sales for products to be picked-up at a farmers market, on-farm stand, or CSA arrangement.

22. What percent of this operation's online sales of food in 2020 were sold directly to consumers living either within the same state as this operation or a 400-mile radius

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of this operation? *Online marketplace sales would include products that are shipped by mail or delivered door-to-door but would not include pre-order sales for products to be picked-up at a farmers market, on-farm stand, or CSA arrangement.*

How did your online marketplace sales change in **2020 compared to 2019 due to COVID-19?**
In answering this question, online marketplace sales only include products that are shipped by mail or delivered door-to-door.

- ☐ Increased – Direct to next question
 - ☐ Decreased – Direct to second question
 - ☐ Stayed the same – Skip next two questions
 - ☐ Did not sell products in this marketing channel in 2019 – Skip next two questions
-
- ☐ up to 25% increase
 - ☐ 26 – 50% increase
 - ☐ 51 – 75% increase
 - ☐ 76% or more increase

What was the approximate percentage **decrease** of your online marketplace sales in **2020 compared to 2019 due to COVID-19?**

- ☐ up to 25% decrease
- ☐ 26 – 50% decrease
- ☐ 51 – 75% decrease
- ☐ 76% or more decrease

What percent of this operation's sales at farmers markets, on-farm stands, or CSAs in 2020 were pre-ordered sales using an online marketplace, due to COVID-19?

_____ percentage

How did your online sales of pre-order products to be picked-up at a farmers market, on-farm stand, or CSA change in **2020 compared to 2019 due to COVID-19?**

- ☐ Increased – Direct to next question
 - ☐ Decreased – Direct to second question
 - ☐ Stayed the same – Skip next two questions
 - ☐ Did not sell products in this marketing channel in 2019 – Skip next two questions
-
- ☐ up to 25% increase
 - ☐ 26 – 50% increase
 - ☐ 51 – 75% increase
 - ☐ 76% or more increase

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What was the approximate percentage **decrease** of your pre-order sales for products to be picked-up at a farmers market, on-farm stand, or CSA change in **2020 compared to 2019 due to COVID-19?**

- ☐ up to 25% decrease
- ☐ 26 – 50% decrease
- ☐ 51 – 75% decrease
- ☐ 76% or more decrease

Additional question proposed in SECTION 5 after question 1

How did your operation's total gross value of food **sales** change for the food it produced and sold directly to consumers, a retail market, an institution, or an intermediate market in **2020 compared to 2019 due to COVID-19?** (Mark one)

- ☐ Increased – Direct to next question
- ☐ Decreased – Direct to second question
- ☐ Stayed the same – Skip next two questions

What was the percentage change of your total gross value of food **sales** in **2020 compared to 2019 due to COVID-19?**

What was the approximate percentage **increase** of your total gross value of food sales in **2020 compared to 2019 due to COVID-19?**

- ☐ up to 25% increase
- ☐ 26 – 50% increase
- ☐ 51 – 75% increase
- ☐ 76% or more increase

What was the approximate percentage **decrease** of your total gross value of food sales in **2020 compared to 2019 due to COVID-19?**

- ☐ up to 25% decrease
- ☐ 26 – 50% decrease
- ☐ 51 – 75% decrease
- ☐ 76% or more decrease

Additional question proposed in SECTION 5 after question 13

How did your **marketing expenses** change for your total sales of food produced and sold directly to consumers, a retail market, an institution, or an intermediate market in **2020 compared to 2019 due to COVID-19?**

- ☐ Increased – Direct to next question
- ☐ Decreased – Direct to second question
- ☐ Stayed the same – Skip next two questions

What was the approximate percentage **increase** of your **marketing expenses** for the total food produced and sold directly to consumers, a retail market, an institution, or an intermediate market in **2020 compared to 2019 due to COVID-19?**

- ☐ up to 25% increase
- ☐ 26 – 50% increase
- ☐ 51 – 75% increase
- ☐ 76% or more increase

What was the approximate percentage **decrease** of your **marketing expenses** for the total food produced and sold directly to consumers, a retail market, an institution, or an intermediate market in **2020 compared to 2019 due to COVID-19?**

- ☐ up to 25% decrease
- ☐ 26 – 50% decrease
- ☐ 51 – 75% decrease
- ☐ 76% or more decrease

2020 Local Food Marketing Practices Survey – proposed revisions to existing questions

USDA Producer Assistance

Additions proposed to the list in SECTION 6, question 6:

New USDA programs have been administered since the COVID-19 pandemic unfolded to help local food producers. We recommend adding the following programs to the above-referenced question:

What government assistance programs did your operation participate in **due to COVID-19** (check all that apply)

- ☐ Paycheck Protection Program (PPP)
- ☐ Economic Injury Disaster Loans (EIDL)
- ☐ USDA Farmers to Families Food Box Distribution Program
- ☐ USDA CFAP Direct Payment Program

****Further Specificity on Defining Online Marketplace Sales**

SECTION 1, question 28:

Our pre-COVID-19 assumption is that the online sales platform question captured sales in which a consumer orders food online and then the product is shipped to them. Since the COVID-19 pandemic began unfolding, online platforms are now integrated with direct market channels that used to exclusively execute transactions in person via cash or credit card. One specific example is that many farmers markets are now requiring that customers pre-order food for on-site pickup at the market via an online platform. So, without further specificity in the LFMPs, such a sale would be both a farmers market and online marketplace sale. More generally, farmers may have an online marketplace that allow consumers to place orders, but the product could be delivered by mail/shipping, at a farmers market, or through a CSA arrangement. These are all direct-to-consumer channels, but could create duplication in counts and dollar amounts in Section 1, question 28 without more specificity. Similarly, some farms are using an online ordering system/marketplace for restaurant and institutional sales.

To avoid this confusion, our recommendation is to define online marketplace sales so that they only include online sales ordered for mail/shipping or door-to-door delivery. Adding more specificity about online sales as a part of the question explicitly states pre-COVID-19 assumptions, and provides a crucial distinction to inform how a respondent answers the questions.

Recommended sentence insertion, in italics, with the other sentences in the question unchanged:
In responding to question 22, online marketplace sales would include products that are shipped by mail or delivered door-to-door, but would not include pre-order sales for products to be picked-up at a farmers market, on-farm stand, or CSA arrangement.