



May 6, 2020 – A Snapshot in Time

Results from CPMA Member Survey: Industry

Approximately one month ago, we surveyed members to help us in our understanding of industry impacts from COVID-19, and subsequently shared the results with members and have used it to guide our efforts with regulators and other stakeholders. Last week, we checked in with industry again to gauge how operational impacts were evolving and what, if any, shifts in priorities had occurred.

The following provides the results of this latest industry check-in. Government continues to look to CPMA to provide market information relative to the impact of the pandemic and what is necessary to support the integrity of the food supply and CPMA appreciates member input to inform our efforts on your behalf.

Market Overview

All industries are experiencing similar challenges and the following provides an overview of some of the challenges which directly or indirectly impact produce:

- The number one issue currently for the produce supply chain is access to Personal Protective Equipment (PPE).
- Companies have adjusted operations to accommodate social/physical distancing at a cost to both operations and production.
- Many offices will continue work-from-home policies for the foreseeable future, if possible.
- Reintroducing staff to the workplace will involve addressing issues including fear for one's health and that of their loved ones, and childcare availability – potentially resulting in absenteeism.
- Overall costs have increased related to production and operations.

Member Survey Results

For our second survey, our members responded to determine COVID-19's impact on work, as well as the strategies and changes being implemented to ensure business continuity while prioritizing the health and safety of citizens during the pandemic. We will periodically repeat the survey as this rapidly evolving crisis unfolds. It is understood that the range of impact to business varies depending on their place in the supply chain, their geographical location and, in some instances, the commodity they grow and ship.

Respondent Profile:

- 50% Growers (including grower/packer/shippers)
- 25% Wholesalers, Importers and/or Exporters
- 9% Retail (including independent retailers)
- 16% from other parts of the supply chain
- 0% Other (associations and allied businesses)

Are you experiencing shipping issues or supply chain delays?

Issues impacting shipping were varied, as many respondents indicated that their main issue was accessing PPE, while others mentioned that issues in transportation persisted and a significant portion also reported they are facing other unexpected issues.

- 51% noted that their biggest issue was accessing PPE, followed by 31% for whom transportation was the biggest issue. Additionally, 36% of respondents are facing unexpected supply chain issues.
- Additional areas of impact included inputs, a lack of containers, etc. Clearly, for some there are multiple areas where impact is being felt.
- Although issues on trucking seem to have subsided, many still report issues around transportation as well as some border delays.
- Cancellation of orders to meet domestic U.S. demand and shortages due to increased demand were noted.

Have you purchased personal protective equipment (PPE) and health screening tools?

Issues pertaining to the access to PPE and health screening tools were noted by many members.

- 87% reported they are purchasing personal protective equipment (PPE) and health screening tools while 13% did not.
- Although most members were able to purchase equipment, many issues were noted such as a shortage of supplies and long lead times to order. Hand sanitizers, gloves and N95 masks have also been difficult to acquire.
- The need for PPE has also led to an increase in operating costs but it is recognized as necessary to ensure staff morale and to keep absenteeism low.

Are you experiencing staffing shortages?

As expected, staffing shortages are being experienced across the industry and include temporary foreign workers (38%), domestic low skill workers (28%), admin staff (11%) and warehouse staff (35%). In addition, a 36% staff shortage existed in various roles such as transportation/drivers, heavy equipment operators, mechanics, and store staff.

- Many employees have chosen not to work because they are extremely uncomfortable working in an environment where they think they possibly could be exposed to COVID-19. Employees with at-risk family members are staying home.
- Some employees are choosing to stay home and collect the government grants instead of working in production facilities.
- In some cases, there are significant staff shortages triggered by internal protocols to keep staff at home for 14 days if they show signs of symptoms.

Are you paying hourly wage premiums to retain or attract staff?

Many employers feel they need to pay wage premiums to retain employees or attract staff. Of the survey respondents, 39% report paying hourly wage premiums while 61% have not paid any wage premiums.

- As noted above, some members report that their employees are choosing to stay home and collect the government grants rather than coming to work.

Have you changed your business plan to incorporate new procedures to address the spread of COVID-19? Do you have processes in place to mitigate impact to your business?

As expected, many have incorporated new procedures to ensure business continuity across the supply chain and to mitigate the impact of COVID-19 on their business. Comments included:

Transportation:

- Worker transportation PPE, sanitation and less workers per truck
- Double amount of buses to move TFWs
- Transportation to the work site - multiple trips

Housing (Temporary Foreign Workers):

- Growers have expanded housing.
- One employee per table TFW and only 5 per house.
- Renovations and new layouts for housing.

Staffing:

- Reduction of speed line, active controls in place such as taking temperature, controlling access, increased number of lunch periods.
- Spread foreign workers over different buildings.
- All office staff is working from their homes.
- Production staff are on staggered shifts to avoid contact during shift changes. As well, lunch breaks are also staggered to avoid congregating in the break areas. All staff are checked daily for temperature and health.
- All employees working from home that may need to come into the office shall wear face masks.
- All employees at the office may wear masks with supervisor approval.
- 1/2 office staff work from home on rotating basis, and remaining staff are physically distanced.

Operations:

- Plexi-glass is used at harvest stations, retail check-outs and warehouse check-out/sales desks.

Facilities:

- Expanded the repack area in the warehouses to allow social distancing.
- Moved unnecessary packaging and product from working areas.
- Modifications to market flow and checkout lines including adding packing tables.
- Warehouse closed to everyone except employees.
- Truckers & wholesale customers confined to a specific area.

Facilities (continued):

- Scheduling for use of common areas that now accommodate fewer people.
- Staff now always need to stay 6 feet apart.
- Vehicles now carry fewer passengers, increasing the cost of transportation of TFW.
- Use of hand sanitizer, gloves, and masks to protect staff.
- Frequent disinfecting of workspaces with cleaning supplies.
- Changes to production lines will reduce productive capacity during harvest and packing season.
- Restricted access by visitors and restricted movement of staff and workers.
- The entire facility is disinfected multiple times per week, additional PPE is available to all staff and new lunch/break rotations are in place for warehouse staff.
- The facility is also now locked down to drivers arriving from our farms and customer pick-up/loads are no longer exchanging hardcopy paperwork - everything is electronic now.

What new procedures have you incorporated to address the spread of COVID-19 and prepare for an eventual return to work?

Many members will need to address employee concerns by implementing physical/social distancing measures and ensuring access to PPE – comments included:

Employee Concerns:

- Staff fear to work in facilities.
- Greatest issue is the absence of a vaccine to combat COVID-19. Employees have the same issues as the public and most people are afraid of getting sick.
- Team members trying to find someone to look after family members so they can return to the workplace.
- The biggest challenge would be the childcare aspect. With schools closed, a lot of parents cannot return.

Physical/social distancing and accessing PPE:

- Address personal concerns for safety, prepare for gradual transition and implement physical/social distancing.
- PPE and testing equipment are available and cost effective.
- Ensuring PPE available as needed and general cleaning supplies availability.
- Making sure that this staff has all necessary PPE prior to returning. Communication goes out three times weekly updating all staff of new policies, conditions, etc.
- Some staff, depending on family health, childcare and public transport, are being evaluated.

Working from Home:

- For some businesses, restructuring to minimize nonessential office workers in the future - working from home will continue.
- For other businesses, the hope is to transition from having no one working from home to an eventual return to office.
- With staff working from home, there is an increase in costs linked to computer support and ensuring that there is security and efficiency.