

Market Insights Covid-19 Impact on Trade:

April 17th, 2020



Table of Contents

| | |
|--|----|
| 1. <u>Topline Takeouts</u> | 2 |
| 2. <u>Macro Economic Context</u> | 3 |
| 3. <u>Market Insights</u> | 5 |
| - <u>Retail</u> | 5 |
| - <u>Foodservice</u> | 7 |
| - <u>Manufacture</u> | 9 |
| - <u>Logistics</u> | 11 |

Bord Bia's Understanding Covid-19

Topline Takeouts

Retail

In the latest sign of supply levels recovering from panic buying in the **UK**, Aldi and Morrisons have removed temporary buying restrictions across all products while Waitrose has relaxed them.

Grocery delivery in the **U.S.** has skyrocketed during the Covid-19 outbreak, and even Amazon appears to be struggling to keep up despite having hired more than 100,000 new associates. Sales of alcohol at **US** liquor and grocery stores jumped 22% for the week ending March 28th, compared with the same period last year. A Boston-based alcohol-delivery reported sales being up by 461%, with 41% of recent orders recorded from new users.

In **China** [WeChat payment data](#) is showing that shoppers are starting to return to 'bricks and mortar,' stores with order volumes in supermarkets and convenience stores up 68% and 37% respectively in March. Meat and offal imports into China also surged in March to their highest-ever volume of 919,000 tonnes, with containers mainly comprising frozen pork, chicken and beef.

The **Spanish** Department of Agriculture reports that with confinement, Spaniards have drastically changed their habits and currently they eat and drink 55% more between meals. Weight gain during the confinement is estimated in between 3-5 kgs per person.

Foodservice

[According to the Washington Post](#) about half of **American** expenditures for food used to be at restaurants and other such establishments. Now that almost all meals are being made in the home kitchen, the distribution system that was built to supply restaurants with bulk items is struggling to adapt to far smaller packaging for home use. The USDA and FDA have deregulated labelling and packaging for 60 days to allow food to be redistributed from food service to retail.

TripAdvisor 'micro-loans', a very popular platform in **Italy**, is helping the five million restaurants by encouraging consumers to purchase restaurant gift certificates, with the idea of giving restaurants 'micro-loans'. They are also making it easier to identify restaurants on their site that are open for takeout/delivery

Manufacture:

The **Polish** Association of Brewing Industry Employers is collecting the remaining beer kegs from thousands of restaurants in support of gastronomy. There are currently 60-70,000 beer kegs and the Association is providing support in around €4m towards this initiative.

UK pubs are struggling to dispose of millions of pints of stale beer left on premise after the lockdown measures came into place. Last week HM Revenue & Customs relaxed rules around beer disposal so breweries can claim back excise duty on the defunct brew, known as ullage, without having a representative of the brewery present while it is dumped.

Logistics

Some **French** fishing harbours and auctions have become operational again for Easter. Boats in Boulogne sur Mer are taking turns to go fishing in order to control the amount of fish on auction and limit low prices.

China Aviation Daily reports that domestic-and foreign-owned international cargo flights in China are expected to hit 4,445 this week, over three times higher than the 1,014 flights made before the pandemic. [China Daily](#) reports that First China-Europe freight train since the COVID-19 outbreak had arrived in Germany on March 28th from Wuhan.

Macro Economic Context

Political

European Response

European Commission President Ursula von der Leyen has called for an end to “entrenched positions” to allow a joint response to the economic devastation caused by the coronavirus pandemic ahead of budget talks by member states next week.

European leaders are to meet on April 23rd to discuss EC budget and the agreement by Finance Ministers for €540bn in a package of responses to the Covid-19 induced economic shocks.

An absence of cohesive response from the European institutions has been argued by some as further evidence of the failure of the union.

Von der Leyen challenged members to come up with ‘innovative solutions’ for funding and ambitious programmes for reconstruction in the upcoming talks.

IMF Move Blocked

Fresh liquidity through IMF issuance of Special Drawing Rights has been prevented by US objections. As all countries, including China and Iran, who are members of the IMF would have benefitted from the condition free liquidity, the US treasury objected. The US hold an effective veto on action by the IMF, being the largest shareholder. The proposal to create new liquidity had the backing of many finance ministers, prominent economists, and non-profit groups.

Economic

US Economy

In the last four weeks, 22m Americans have filed new unemployment claims. The total was brought up with the addition of 5.2m new claims in the week between April 5th and 11th. The total number of new jobless claims in the US in the last four week now equals the total amount of jobs created in the nine and a half years since the end of the last recession.

At the same time, the Small Business Administration in the US has spent the \$349bn allocated to it for a programme designed to protect jobs and encourage employers to keep staff on payroll. No new funds can be issued by the programme until new funds are assigned by congress. Congress passed a \$2trn stimulus package including the SBA programme on March 25th, just four weeks ago.

Oil

Oil prices have remained low despite OPEC agreement to cut oil production by 10 million barrels a day. Following the agreement on Sunday, oil prices continued to slide. On Thursday Brent crude was trading at \$27.40 a barrel – close to its lowest level through the

crisis. Oil demand has fallen by over 29 million barrels per day according to the International Energy Agency.

Societal

Germany

German Chancellor Angela Merkel on Wednesday set out her plan for reopening the country. In her statement she emphasised that Germany's success at containing the virus was provisional and that there will not be a speedy return to life as it was before.

The German government will allow some shops to reopen next week, as long as they maintain strict distancing protocols. Older secondary students are expected to be allowed return to class in May. Large events like soccer matches remain banned until at least August 31st.

Merkel emphasised the conditional nature of all of the reopening elements. The government will assess every two weeks the new infection rates and if they increase markedly, any loosening of restrictions will be quickly undone.

As part of that exercise, Germany is increasing its testing capacities. The country is currently capable of testing 100,000 people a day, more than any other country in Europe.

New York

New York Governor Andrew Cuomo extended that state's shutdown and restrictions on movement until May 15th. He indicated that while hopeful that restrictions can begin to be lifted thereafter, he stated "we will see depending on what the data shows."

Technological

Testing

Widespread, quick and reliable testing for both current infection and antibodies indicating previous infection will be central to any successful re-opening of a country before the availability of vaccination.

Almost all western countries are currently testing only for current infection and at a lower rate than they would like. Increasing testing frequency has been limited by laboratory capacity, difficulty sourcing reagent which is used in analysis, and other logistical limits.

The US is currently testing 140,000 people a day. Proposals for staged reopening of that country depend on testing millions a day. In order for that to be practical, a new generation of quick, home administered tests need to come to market. Abbot labs have a 15 minute test authorised for use by the FDA. It runs on a platform available at some US hospitals. Others are beginning work on testing mechanisms which could be home administered. A timeline to availability is not yet on the horizon for these products however.

Market Insights

Week in Focus - Overview

The juggernaut of **retail** growth across the world appears to be slowing as retailers are starting to report a slow-down in panic buying as consumers deal with the 'new normal.' Elsewhere Covid-19 has proven to be the catalyst for unprecedented Sunday opening hours in parts of Germany, Belgium and Holland and there's evidence in certain markets that supermarkets have benefited, at the expense of hypermarkets, as consumers shop local and avoid large crowds or excessive travel. Otherwise retailers continue to extend their corporate social responsibility credentials through initiatives to support health-care workers and society's most vulnerable.

From a **foodservice** perspective China is gradually rebounding but while other markets continue to lean on delivery to prop up a sector that is struggling to survive. Japan is the latest country to see mass in-restaurant dining closures while elsewhere innovative pre-purchase and voucher solutions are being embraced to deliver income to restaurants and breweries during the crisis for services that can be received in future. Unfortunately, even these initiatives haven't been enough to save some chains that have gone into liquidation in Germany while in Russia the state has stepped in to subsidize delivery costs for restaurants and stale beer recovery is being tackled across key markets.

When it comes to **logistics** and **manufacture**, access to labour, and social distancing in production, remain key concerns that are inter-linked. This is particularly evident in the UK where charter flights are being put in place to bring workers into the country to harvest crops and in the US where restrictions are curtailing production at some of the larger meat processors.

Retail

Is Panic Buying Over?

In the latest sign of supply levels recovering from panic buying in the **UK**, Aldi and Morrisons have removed temporary buying restrictions across all products while Waitrose has relaxed them. Aldi removed limits on UHT milk from Friday April 10th and all remaining product restrictions on Monday April 13th. Meanwhile, Waitrose has removed the majority of buying restrictions at the weekend, only leaving a three-item limit in place on pasta, rice, UHT milk, toilet rolls, antibacterial and cleaning products, and some frozen food.

While the surge in demand for retail products led to a jump in profits for both the big four and the discounters, Tesco warned that this positive impact could be short-lived with the full impact of the Covid-19 crisis impossible to predict. Additionally, it called out operating costs and longer-term consumer behaviour changes as challenges that could impact the industry as a result.

According to **Netherlands'** ING Bank, PIN payments in supermarkets have stabilized again in the last fortnight, with the exception of a predictable Easter peak, having reached a peak in mid-March of 30% above the norm. Significant shifts are evident as many consumers are shopping in the early mornings and late evenings in order to avoid traditional supermarket rush hours. The average transaction is also 20% higher than before with fewer 'top-up,' trips to store.

Sales in **Sweden's** Ica stores [increased by 11 percent](#) in March compared with the same month last year. In March increases included dry goods, frozen foods, dairy, and fruit & vegetables. At the end of the month, the rate of increase slowed down to more normal growth levels. Monthly sales are also characterized by very strong e-commerce growth.

According to reports from German trade newspaper Lebensmittel Praxis, panic buying is gradually subsiding in **Germany**. It reports that shopping behaviour has calmed down for the time being in the last week of March and that full-range retailers continue to benefit while discounters lose.

In the **United States**, Costco posted double-digit sales gains for March - driven by consumer stockpiling in response to the Covid-19 pandemic. Total net sales at Costco Wholesale jumped 11.7% to \$15.49 billion for the five weeks ended April 5th, compared with \$13.87 billion a year earlier. According to Costco, an operational re-structure in response to the initial stockpiling had the impact of 'slowed sales as compared to the first half of March.'

Bucking the trend perhaps in **China** where Chemlinked has reported that, based on [WeChat payment data](#), shoppers are starting to return to 'bricks and mortar,' stores with order volumes in supermarkets and convenience stores up 68% and 37% respectively in March, albeit versus a highly restricted April where online was dominant.

Indeed, according to Bloomberg, meat and offal imports into China surged in March to their highest-ever volume of 919,000 tonnes, with containers of frozen pork, chicken and beef, mostly ordered in anticipation of high seasonal demand over the Lunar New Year, finally clearing customs after being delayed by the Covid-19 outbreak. Pork purchases reached 390,000 tonnes, while beef stood at 213,000 tonnes, according to China Customs.

The **United Arab Emirates** is beginning to see a return to normality as Dubai Economy have announced the reopening of some commercial activities related to food trade that had been closed last month. These include meat and fish trading, fruit & vegetable trading, mills and chocolate and sweets trading. This will see the reopening of Waterfront Market in Dubai. Thermal cameras have been installed at the entrance of Waterfront Market to monitor staff and customer's temperatures as they enter and only one family member will be permitted to do the shopping, while children are prohibited from entering.

Online shopping

According to a recent survey, 27% of Belgians are shopping more online, 55% are reducing the number of visits to the supermarket and 40% are buying more food and hygiene products. At the same time, local supermarkets have become much more popular, partly for convenience reasons. Between the end of February and the end of March, their sales increased by 26% compared to the previous year. However, the peak in sales is now behind us as the panic buying phase is no longer relevant and Belgians are once again shopping a little more 'normally'.

The impact of reduced promotional activity is being seen in Belgium also as, from the 1st March, the price change reported at Colruyt is 5.5%, 3.9% at Collect&Go, 5.1% at Carrefour and less than 1% at Delhaize. Three factors are said to contribute to this increase in price: If a basic, first-price or private label product is missing, the consumer often has no choice but to resort to a branded product. The second factor is a clear price increase following the ban on promotions and the slow return to the previous situation now that they have been reinstated.

Bavarian Agri-food Trade Journals (BLW) reports, that the Covid-19 crisis is currently changing **German** people's consumption habits enormously. The sale of meat into foodservice

has almost come to a standstill, while the delivery of cheaper meat products such as minced meat and goulash has increased significantly compared to high-quality items such as steak items - usually destined for foodservice. According to BLW "The demand for meat and sausages, especially in Germany, has increased in recent weeks, but the peak has been exceeded."

According to the Federal Association for German Meat Production, the Covid-19 crisis is pushing support and purchase of regional & national goods, especially visible in the Meat sector. The Association is pushing for increased messaging and ensuring of highest safety, environmental & animal welfare standards to secure increased market share.

The **Spanish** Department of Agriculture reports a transfer of consumption in bars and restaurants to households with an increase in sales of 62.6% in the case of wine, 70.1% in that of beer and 79.3% in the spirits. In addition, Spaniards are cooking and baking more at home. With confinement, Spaniards have drastically changed their habits and currently they eat and drink 55% more between meals. Weight gain during the confinement is estimated in between 3-5 kgs per person.

In the **Netherlands**, analysts at ABN AMRO bank advise that, although one of the outcomes of the crisis will be a structurally higher number of online orders, it will be retailers (both traditional and online-only such as Picnic and Crisp) that will benefit. This is due to the margin mix per shop: they win on some products, lose on others and come out a few percent points ahead.

Foodservice

[According to the Washington Post](#) about half of **American** expenditures for food used to be at restaurants and other such establishments. Now that almost all meals are being made in the home kitchen, the distribution system that was built to supply restaurants with bulk items is struggling to adapt to far smaller packaging for home use. The fundamental problem, according to the Post is that so much of America's food supply was heading toward restaurants in massive packages before Covid-19 hit. Grocery stores are having a hard time pivoting. The USDA and FDA have deregulated labelling and packaging for 60 days to allow food to be redistributed.

Grocery delivery in the **U.S.** has skyrocketed during the Covid-19 outbreak, and even Amazon appears to be struggling to keep up. The retailer is putting new grocery delivery and pickup customers for both Amazon Fresh and Whole Foods Market on a waitlist as available time slots have become nearly non-existent in recent weeks. According to Amazon's blog, the company has expanded Whole Foods Market pick up from 80 stores to more than 150 and hired more than 100,000 new associates, including for grocery delivery, during COVID-19. Some Whole Foods' store hours will be cut in order to handle the increase in online demand, according to Progressive Grocer MP.

In **Russia**, the uplift in delivery demand has initiated speculation that the Government is preparing a sponsorship package to support restaurants by compensating for up to 50% cost of food delivery from restaurants to the main delivery companies. Food delivery has doubled since February 2019.

Covid-19 is providing further areas of consideration for Russian law-makers as the Head of the Fish Union of Russia has applied to the Government to lift the embargo of fish and seafood to Russia. Russia's deficit of fish is now estimated at approximately 1.9 million tonnes.

The Wall Street Journal reports that sales of alcohol at **US** liquor and grocery stores jumped 22% for the week ending March 28th, compared with the same period last year, according to research firm Nielsen. Online alcohol sales have also soared, while many states are temporarily allowing restaurants and bars to make home deliveries or takeout sales. Boston-based alcohol-delivery company Drizly Inc. said sales were 461% higher in the last week of March than it expected, with 41% of recent orders from new users.

Dutch consultancy Van Spronsen and Co has published a report on the projected impact on the foodservice sector, consumer reactions, responses by various foodservice businesses and their suppliers and speculates as to what PM Rutte's so-called '1.5 metre society' might look like in practice within a restaurant or on a terrace. Features may include gloved service, self-service buffets, table service via trolley and indicated walking routes. Tables will have to be bigger and sittings will have to be strictly planned in order to facilitate distancing. Leisurely dining will be challenging.

Research by Just Eat in the **UK** has shown that consumers are adjusting their eating habits during lockdown, eating earlier and ordering takeaway throughout the week. It also showed there has been a 36% rise in dessert orders. Without the daily commute, orders are beginning 2.5 hours earlier, at 5pm. Lunch is also following suit with a peak in orders just before mid-day. One of the biggest trends was the rise of food delivery earlier in the week with more meals being delivered on Monday, Tuesday and Wednesday.

According to TuttoFood Observatory, 40% of **Italian** restaurants have reported a growth in demand for food delivery. While 5.4% previously offered the service, a further 10.4% of restaurants have responded to this demand and now offer delivery. Pizza, typical Italian dishes, and hamburgers are the most popular cuisines for delivery, while 69% of Italians prefer to only have ingredients delivered and make the dish themselves. (Alimentando.info)

Growing numbers of consumers are [ordering their groceries online](#) as **UAE** retailers continue to develop their online platforms. Pre-covid19 standard delivery times were same day or next day delivery however the increased volume of orders have pushed delivery times to a one-two week delivery time for the majority of e-grocer portals.

In **Poland** prices of products and services rose by 4.6 % in March 2020, comparing to the same period of last year and 0.2 % increase comparing to February 2020. This is the second highest increase since November 2011. The main food industry driver for an increase in prices is meat.

McKinsey has released a study which shows that more than half of **South African** consumers have already experienced a drop in income, and more than two-thirds say they're cutting back spending. At the same time, their behaviours are changing, with much shopping moving online rapidly.

The **Belgian** population is turning to local products. Boeren & Buren report that they are selling more than three times more this week than in early March. The network registered ten times more customers than normal and a record breaking 7,000 orders were places last week. The online ordering platform enables more than 600 farmers and artisanal producers to serve customers.

Manufacture

Manufacture in Focus: Meat Production and Pricing Under Pressure

According to **German** agri-news publication, Agrar Heute, the beef market is experiencing severe turbulences due to the Covid-19 crisis. The prices for cows have plummeted by 40 cents and for bulls by 20 cents.

Main reasons cited include continued foodservice closures as well as stalling of exports to Italy, France and the Benelux states where cattle hides are also popular for leather / automotive uses. Butchers are freezing prime cuts for later usage resulting in vast surplus of national / regional prime cut post COVID19. A challenge for importing prime cut suppliers, as usual German self-sufficiency levels will be skewed.

Further reports show, the surplus of South American [beef](#) on the market which is cheaper and only needs to be unloaded and distributed - putting strain on local beef farmers. [Bayrisches Landchaftliches Wochendlatt](#) (Bavarian Agri News)

The situation in **Spain** is less clear where compared to the previous week, week 13, the sale of meat grew as a whole by 7.1%, but beef sales fell by -9.2% compared with the previous year, maybe due to the fact that households already had beef in stock. Source: Spanish Dept of Agriculture

Bloomberg report elsewhere that as [American meat producers are forced to shutter](#) and slow output at plants amid coronavirus outbreaks, the **U.S.** government is giving companies a green light to run some facilities at higher speeds. In April, the U.S. Department of Agriculture's Food Safety and Inspection Service allowed five poultry plants – two owned by Tyson Foods Inc., and three by Wayne Farms LLC – to run their slaughter lines at higher speeds. Plants have to seek permission for the line-speed changes under a USDA program, called the New Poultry Inspection Service (NPIS), started in 2018.

One of these producers, Smithfield, has taken the decision to close its South Dakota plant indefinitely due to coronavirus - After announcing on April 9 that its Sioux Falls, SD, pork plant would be closed for three days due to employees testing positive for the coronavirus, Smithfield Foods Inc. said on April 12 that the plant would be closed indefinitely, and its president and chief executive officer warned of a possible meat shortage in the weeks ahead. The company said this plant serves as much as 5% of the US pork market ([MICA MP](#)).

Charity Starts at Store?

Lebensmittel Praxis in **Germany** reports that a special pop-up store in Frankfurt University Hospital providing hospital employees with products for everyday needs. The range on around 500 square meters of retail space includes around 900 products, including chilled snacks, for example wraps for breakfast or salads for lunch.

The Rewe delivery service in Germany is also focusing on healthcare workers and has granted hospital staff three months' right of way when making an appointment. To do this, employees must first register with the dealer.

In **Spain**, Gadis and El Corte Inglés have announced the introduction of temperature checks for their employees.

Jumbo Supermarket, **Netherlands**, has made a substantial donation to the Food bank and offers its customers the opportunity to help the cause by donating their bottle deposit refunds to the charity. The €1.1m usually spent by Jumbo on sponsoring the annual Royal breakfast at schools across the nation will be redirected into breakfast packages for distribution through

the Food bank. This action is also supported by the relevant food producers. Furthermore, Jumbo will support the Food Bank's Stay Safe en Geef (stay safe and give) programme, which aims to raise the €10m estimated to cover the charity's costs across the duration of the Covid-19 crisis measurements.

[The Progressive Grocer](#) reports that Walmart is making it easier for people who use the Supplemental Nutrition Assistance Program (SNAP) to buy food via the US retailer's grocery pickup service during the COVID-19 pandemic. The move comes as SNAP goes further into the realm of online payments, a years-long effort that could gain traction during a time of social distancing and increased consumer need.

In **Germany**, leading German trade newspaper Lebensmittel Zeitung reports pressure around loosening of the "Sunday shopping ban" on all retail outlets for the rest of 2020, easing financial impact particularly on non-grocery retail outlets that remain shut. Indeed, in the fight against the economic consequences of the Covid-19 crisis, German retailers are demanding that the Sunday opening be completely released for the rest of the year. (Lebensmittel Praxis)

On the same theme, supermarkets in religious parts of the **Netherlands** where councils prohibit Sunday trading, were permitted to open their doors on Easter Sunday in an exceptional move to facilitate a wider spread of shopper traffic.

As One Door Closes... Another Opens

[Medium.com](#) reports that almost 85% of **Chinese** catering merchants are back open, but consumption recovery rates at less than 40% by the end of March according to Meituan Research Institute. Signs of dining-in instead of delivery are emerging - according to data provided by Tencent, in Wuhan alone, the number of offline transactions on WeChat Pay increased by 162% from March 25th to April 3rd compared with the same period last month. Multiple media reports claim that prices have increased since restaurant chains have reopened.

In Japan major restaurant chains McDonalds and Sukiya have announced a scaling back of their night-time operations from now until May. McDonalds will close or otherwise restrict seating between 20:00 to 05:00, and Sukiya will offer takeout only between 20:00 and 05:00.

The Negishi restaurant chain, whose menus offer Irish beef tongue, has closed from April 7th to April 19th. However, several of the chain's outlets are now offering a delivery service.

Major **German** Foodservice operators; Steakhouse chain "Maredo" & Pasta restaurant Chain "Vapiano" have filed for bankruptcy due to COVID19. Maredo operates 35 Restaurants in Germany & Austria – employing +1000 people.

Vapiano, which operates 55 restaurants in Germany has said 14 million euros of state aid are needed in the next two weeks to avert bankruptcy.

Buy Now, Eat Later

TripAdvisor 'micro-loans': the very popular platform in **Italy** is helping the five million restaurants on its platform by encouraging consumers to purchase restaurant gift certificates, with the idea of giving restaurants 'micro-loans'. They are also making it easier to identify restaurants on their site that are open for takeout/delivery (Source: [Alimentando.info](#)).

In a similar vein, TheFork app, usually used to book restaurants and leave reviews, has teamed up with Banco Alimentare, the Italian Food Bank to create a solidarity initiative 'Postponed Dinner'. The 'virtual dinner' service enables app users to 'book' a meal, by making a free donation to the Banco Alimentare, and offer it to a person or family in need, with the possibility of leaving a solidary message in the form of a review. ([Ansa.it](#))

The **Polish** Economic Institute also reports that restaurants and hotels, to maintain cash flow, are promoting the sale of vouchers that could be bought now but used later in the year.

In the **Netherlands** the restaurant information and reservations app "EITenedor" has launched the "Let's Save Our Restaurants" initiative, which allows restaurants to offer prepaid vouchers in order to stay afloat and earn income while they are closed. The project has the support of the main agents in the sector such as Michelin, Facyre, Revolución en Sala, Hostelería Madrid, Eurotoques, Gremi de Restauració, Cluster Foodservice and other industry organizations such as Madrid Fusión, San Sebastián Gastronomika or Comer de La Vanguardia , in addition to other companies that have wanted to join the project such as Mindshare or Brandelicious.

Across **Sweden**, [creative solutions](#) are emerging in the hospitality industry where for example, visitors are invited to virtual experiences. Växjö Beer Festival launched a similar concept, though with virtual beer tasting. The big beer festival due to take place April 17th-18th has been cancelled due to Covid-19. New dates are set for September 4th-5th. They will now have a live broadcast on April 18th, six different breweries will be present and present their beers for a virtual tasting where consumers buy beer at Systembolaget and consume at home.

Stale Ale

The **Polish** Association of Brewing Industry Employers is collecting the remaining beer kegs from thousands of restaurants in support of gastronomy. There are currently 60-70,000 beer kegs and the Association is providing support in around €4m towards this initiative. The support is also introduced in a form of extended payment methods for restaurant partners. Beer partners are also giving support to the restaurants in servicing beer installations and getting them prepared for providing fresh beer when the pandemic ends.

UK pubs are also struggling to dispose of millions of pints of stale beer left on premise after the lockdown measures came into place – with pubs claiming that this problem could delay reopening after the pandemic. Last week HM Revenue & Customs relaxed rules around beer disposal so breweries can claim back excise duty on the defunct brew, known as ullage, without having a representative of the brewery present while it is dumped — one obstacle to emptying out the beer during lock-down. However, when social distancing measures lift, it will also take time for pubs to resume operations if cellars are left full of old kegs. The British Beer & Pub Association (BBPA) said it is seeking guidance from the government on timing, as it expects restocking to take three to four weeks.

Logistics

Flying Farmers to the Rescue and Fisherman Float Again

[According to the Independent](#), UK farmers have taken to chartering flights, bringing in hired labour from Romania, to solve an agricultural labour shortage. The Country Land and

Business Association (CLA) claims travel restrictions and illness could leave a shortage of up to 80,000 agricultural workers. While some of those posts will be filled by British workers, the CLA said it is “almost impossible for farmers to access the labour they need.’

According to [RaboBank, in Italy](#) may have to find a similar solution to their harvest challenges due to Covid-19: In sectors where hired labour is a necessity for the harvesting of crops or animals, social distancing requirements are reducing outputs, as fewer workers can harvest together. Higher numbers of employees are calling in sick, which is impacting labour-intensive processing and packaging activities. While global trade in agri-commodities is continuing, grains could become less available as more countries further limit exports.

Building on the theme of flying, **China** Aviation Daily reports that domestic-and foreign-owned international cargo flights in China are expected to hit 4,445 this week, over three times higher than the 1,014 flights made before the pandemic.

Back on dry land [China Daily](#) reports that First China-Europe freight train since the COVID-19 outbreak had arrived in Germany on March 28th following a long journey from Wuhan.

In other encouraging news, some **French** fishing harbours and auctions have become operational again for Easter. Boats in Boulogne sur Mer are taking turns to go fishing in order to control the amount of fish on auction and limit low prices. Only some of the small boats in Royan have gone fishing and sales are mainly on line with only two to three buyers allowed into the physical auction. The Dunkerque auction also decided to open three days per week. Like others they had been closed from mid-march to Easter week.