

The Economic Devastation Due to COVID 19 County Fairs, State Fairs, and Regional Agricultural Non-Profits Allied Small Businesses: Carnival Midway Operators, Food Concessionaires, Artists & Attractions

Agricultural Fairs – county fairs, state fairs and regional ag shows – are deeply rooted in the US heritage and history, with the mission to promote and advance agriculture, horticulture, domestic industry, with a focused emphasis today on youth leadership development through competitions, education, and leadership opportunities.

Most fairs also provide exceptional educational activities to help today's consumer understand the importance of farming and the source of the food on their plate. While enjoying these high-minded pursuits, fair visitors are also able to see, hear, touch, smell and taste the richness and variety of what the world has to offer.

Fairs cannot function without a complex arrangement of the multi-faceted components of a carnival midway operation, food & beverage operations, livestock shows, exhibits and demonstrations. With nearly 300 fairs happening in July alone each year, it is impossible to reschedule a fair for a different time.

According to the International Association of Fairs and Expositions (IAFE), each year the operation of agricultural fairs results in \$4.67 billion for the US economy and provides thousands of jobs.

Fairs and fairgrounds facilities – identified by the US Department of Homeland Security as critical infrastructure because they are places of mass gathering – have been devastated by the cancellation of events thus far. Fair organizations – the majority of which are non-profit organizations operating without funding from governmental entities – generally have facilities widely used year-round by their community outside of the annual fair, which itself may run from 3 days to over 20.

IAFE estimates a loss of revenue exceeding \$1.4 billion to the fair and festival core organizations just for March through May. ¹

Should the need for social distancing or total quarantine exist into the summer, the economic devastation will inevitably put these community organizations as well as many of the small businesses in the allied sectors out of business. Thousands of jobs will be lost.

IAFE estimates a loss of revenue at \$3 billion dollars should this crisis last until August. ²

¹30% of US fairs have reported losses from cancellation of facility events and fairs

²62% of all US fairs will have been impacted

Cancelled Agriculture Fairs & Shows

As of 3/18/20

21 fairs/shows in five states

Estimated attendance from previous years – 5.9 million

Assumption of Cancelled Agriculture Fairs & Shows

3/19/20 through 5/31/20 assuming CDC guidance/governing authority continues.

16 fairs/shows in six states

Estimated attendance from previous years – 700,000

Assumption of Cancelled Agriculture Fairs & Shows

6/1/20 through 8/31/20 IF the mass gatherings bans remain in effect.

June = 33 fairs (in 15 states) 2.7 million attendance

July = 295 fairs (in 31 states) 11 million attendance

August = 270 fairs (in 40 states) 22 million attendance

Total estimated attendance loss >35 million

Cancelled Non-Fair Events at County and State Fairgrounds

Held at fairgrounds facilities in the USA as of 3/17/20: does not include annual fairs scheduled during that time.

10,578 events at just 320 fair facilities responding to the survey

\$66 million loss of revenue to the fair organizations

83% of all US fairs in IAFE membership report use of fairgrounds facilities year-round for events.

Therefore: \$119.6 million estimated loss total across the US to this sector for this period

Assumption of Cancelled Non-Fair Events at County and State Fairgrounds

We estimate a minimum loss of \$22,000,000 per month going forward for 83% of member fairs, June through August to be an additional \$119.6 million

Of the 2092 US fairs, IAFE member fairs (1,041 of the 2,092) are responsible for \$3.14 billion of that total industry revenue. Of those, about 95% had a carnival midway as part of their annual main event. Carnival operators, independent ride operators, food concessionaires and game operators as a group are the largest financial partner of those fairs responsible for at least 25 percent (over \$1.2 billion) of gross annual revenue. Each carnival functions at a given fair for slightly less than two weeks before relocating to the next venue. Again, once that underlying event is cancelled, that opportunity to earn revenue is lost till the next season 12 months away and there is no replacement activity for employees.

The Outdoor Amusement Business Association (OABA) represents some 2,500 members, 200 carnivals, 15 circuses and hundreds of traveling food/game concessionaires in the United States. The vast majority of their members are small, family businesses, many in their second and third generation of ownership. They rely on about 15,000 seasonal US workers who make most of their annual income from jobs at events during a 6 to 10 month period. Two months, much less an entire season, of cancelled events is a devastating blow to these families.

Currently, 152 OABA operators who would have been in seasonal operations are sidelined plus there are about 50 other non-member midway operations whose venues have been closed. OABA estimates 350 carnival events have currently been closed through May 1. Based on historical attendance data and this estimated performance cancellations, **the lost revenue to carnival operators is near \$150 million**. The lost revenue to independent ride operators, plus game and food concessionaires is likely another \$100 million for March through May.

Example of Lost Revenue for One Carnival Operator re: COVID-19

Event	Month	Revenue Lost	Attendance
Mall Carnival	March	275,000	80,000.0
County Fair	March	111,000	22,000.0
Festival	March	283,000	15,000.0
Festival	April	280,000	200,000.0
Mall Carnival	April	70,000	8,000.0
Festival	April	1,150,000	100,000.0
Local Festival	April	555,000	50,000.0
Mall Event	May	372,000	50,000.0
Circus	May	200,000	50,000.0
Fair Carnival	May	229,000	15,000.0
Festival Carnival	May	85,000	10,000.0
Mall Carnival	May	200,000	15,000.0
12 Events		<u>3,810,000</u>	<u>615,000</u>

150 Employees per week were scheduled to work at each event.