

The Impact of COVID-19 on the Supply of Ready Mixed Concrete

Many sectors of our economy continue to suffer the unprecedented impacts of the global COVID-19 pandemic. Businesses and entire industries have had to adapt to this new and challenging reality, while the various levels of our government continue to take extraordinary measures to safeguard the public and stabilize the economy.

Public health authorities and economists forecast the continuation of these impacts, for the foreseeable future, as some areas of the province experience the start of a second wave of the COVID-19 outbreak.

Although the cement and ready mixed concrete industries continued to operate throughout the pandemic, our businesses have not been immune from the effects. The disruptions caused by the economic shutdown and the government restrictions in place, caused additional pressures on manufacturing, and our ability to supply the market. Our well-established business processes, systems, and facilities are under increased strain due to the following considerations:

- The economic shutdown in the spring and early summer, as well as the restrictions of the emergency orders, placed unusual pressure on our supply chains and cement inventories.
- Due to the seasonal nature of our business, the fall traditionally sees an increased demand for cement and concrete as projects are nearing completion prior to the winter season.
- Pent-up demand as a result of jobsites that were deemed non-essential having to postpone their projects, leading to an unexpected increase and resurgence in construction activity, causing record high demand for concrete; and
- Favorable fall weather conditions, such as mild temperatures and long periods without rain, creating ideal concreting conditions which impede the cement industry's ability to replenish their inventory.

These pressures will likely continue to impact the supply of concrete for the foreseeable future. To mitigate the potential effects of shortages and service interruptions, everyone in the supply chain should significantly advance their planning and preparation to ensure a stable supply of concrete and their ability to meet the increased demand.

We recommend the following steps be taken to maintain your well-established customer relationships:

- Immediately inform your customers of the system-wide situation and how COVID-19 is impacting the supply of cement, slag, and concrete.
- Inform your customers of the steps they need to take to minimize the impact on their projects. This will likely mean advance planning and placing concrete orders 7-10 days in advance of scheduled pour dates.
- Establish and communicate realistic timelines to manage customer expectations so that you can continue to supply your customer projects with minimum delays.

The Association will continue to provide updated information as developments unfold.

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