



## Louisiana Conservation and Commodity Updates

### April 2020; Issue-4

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#### NRCS Reviewing Conservation Practice Standards

The 2018 Farm Bill required that NRCS review all 169 conservation practices with a goal to effective and efficient implementation. In October 2019, NRCS reviewed 13 practice standards. Currently, NRCS is seeking comments by April 23, 2020, on 49 additional conservation practice standards. The practices are related to the following resource concerns -

- 12 practices related to water quality and erosion control
- 8 – related to water conservation practices
- 7 - livestock-related practices
- 6 - affecting waterways
- 5 - drainage-related practices
- 3 - forestry practices
- 3 - farm traffic-related practices
- 3 - energy and air quality practices
- 2 - aquaculture practices

#### Ag-Related Bills

*Cover crop flexibility act of 2020*– introduced to seek permanent removal of November 1 timeline for harvesting or grazing cover crops planted on prevented plant acres. The USDA allowed a similar one-time provision in 2019.

*Americas Small Farmers Act* – introduced to provide a one-time debt forgiveness for farm loans through FSA for up to \$250,000. Farmers with an average of less than \$300,000 AGI for the past five years and actively engaged in farming are eligible to apply.

#### Conservation Reserve Program Enrollment

USDA opened CRP signup on March 16. About 8,000 CRP acres are accepted in Louisiana during this signup period. 3.4 million CRP acres were accepted across the nation. Mississippi and Arkansas have about 61,000 and 6,500 acres accepted into the program.

#### Changes to FSA Loan Programs

In the light of the coronavirus pandemic, the Farm Service Agency relaxed several of its loan services. Some of the services include extending the deadline for loan applications, suspending loan foreclosures temporarily, providing loan deferrals for some borrowers, and advances on lines of credit. [A full list of services is here \(https://bit.ly/34zcp1i\).](https://bit.ly/34zcp1i)

#### USDA Farm Labor Survey

The farm labor report, released twice a year, once in May and once in November, provides estimates on the number of hired workers, hourly wage rates for field and livestock workers, and average hours worked per worker. In 2018 and 2019, for the Delta states, total hired labor averaged 30,000 workers, and the average wage rate is around \$11.86/hour, estimated using information collected through a survey. [The survey is now online, gathering information for this period \(https://bit.ly/2VnUtWM\).](https://bit.ly/2VnUtWM)

#### Coastal Restoration Projects await State Legislature Approval

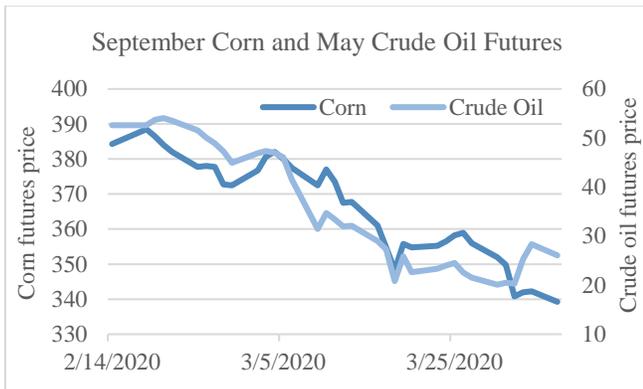
Construction of coastal restoration and levees at an estimated \$1.08 billion, recently approved by the CPRA, awaits state legislature approval. The money is set to fund 68 projects improving more than 95 sq. miles of shoreline. Another 52 projects selected for planning and design will benefit more than 130 sq. miles.

On the other hand, the proposed \$1.4 billion Mid-Barataria sediment diversion project, expected to protect about 47 sq. miles of land and wetlands over the next 50 years in the Barataria Bay is delayed until 2022.

#### Crop Progress Report

For the week ending April 12, Louisiana had 5.8 days suitable for fieldwork. Most of the corn is in the ground, matching previous year planting progress. Soil moisture conditions mostly indicate adequate to surplus conditions suggesting suitable growing days.

## Impacts of COVID-19 on Ag Economy



COVID-19 has affected the global economy. Cancellations of flights and stay at home orders have significantly reduced the demand for gasoline. The reduction in oil prices has also affected the price of corn since gas at the pump is typically blended with corn ethanol in the US market. Some US ethanol plants have decided to close their doors amid the low price environment. Shown in the graph above are the corn and crude futures.

## CARES Act and Appropriations

Coronavirus Aid, Relief, and Economic Security (CARES) Act authorizes spending of \$2 trillion for the sectors affected by the pandemic. Approximately \$49 billion in the CARES Act is earmarked for direct food and agriculture-related industries, including replenishing the Commodity Credit Corp (CCC), clearing the way for additional Market Facilitation Payments (MFP) payments. Critical provisions include:

- \$14 billion to replenish the CCC account
- \$9.5 billion for livestock and specialty crops
- \$100 million for the ReConnect pilot, which provides financing for broadband access
- \$3 million to Farm Service Agency to cover temporary staff time and expenses
- Extension of maturity of Market Assistance Loans to 12 months from 9 months

Questions and comments:

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## Changes to Crop Insurance

The RMA is introducing a suite of flexibilities to support producers during the coronavirus pandemic. The flexibilities offered help maintain farmers' ability to adhere to guidelines provided by Federal and some state authorities aimed at reducing the spread of the COVID-19 virus. Current changes include:

- Electronic notification for required reports such as crop acreage and production reports and policy elections.
- Production reporting date extended to the earlier of the Acreage Reporting Date (ARD), July 15, or 30 days after the production reporting date for crops insured under the Common Crop Insurance Basic Provisions with a March 30 or later deadline
- Interest and payment deferral for premiums 60 days after the scheduled payment due date

## Prospective Planting for 2020/2021

Crop	2020 Acres (M)	5-Yr Average (M)
<b>Corn</b>	97.0	90.3
<b>Cotton</b>	13.7	11.3
<b>Rice</b>	1.4	2.8
<b>Soybeans</b>	83.5	85.8

On March 31, the USDA released its prospective planting report. The report showed that the national planting intention for corn is 97.0 million acres. Before 2019, the five-year average number of acres of corn planted was 90.3 million acres. Conditions surrounding corn has changed since the beginning of 2020. As a result, some anticipation lies in whether the 97 million acres will be realized or if some acres shift to other crops. A realization of 97 million corn acres may put downward pressure on 2020 corn prices. September futures for corn currently sits at \$3.40, \$0.40 below the March WASDE 2019/2020 market year price of \$3.80.