Agricultural Policy and Market Situation Newsletter

Volume III, Issue 2

Court Rules on Dicamba Use

Dicamba is an extremely effective herbicide that has a history of being used to combat difficult-to-control weeds. Until recently, dicamba has primarily been used in the late winter and early spring as a pre-emergent herbicide because it has a problem with volatility that causes it to become airborne and drift off-target during application, but Monsanto (the manufacturer of Dicamba) successfully registered a new formulation dicamba herbicide (a.k.a. XtendiMax®) that was allegedly less volatile with the Environmental Protection Agency (EPA) in 2016.

XtendiMax® was registered for over-the-top use, meaning it could be sprayed directly over crops after planting. Following registration, four environmental groups, lead by the National Family Farm Coalition, filed suit against the EPA alleging that the registration of XtendiMax® violated the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and the Endangered Species Act.

On June 3, 2020, The United States Court of Appeals for the Ninth Circuit issued its opinion in National Family Farm Coalition v. EPA vacating the registrations of XtendiMax®, FeXapan®, and Engenia®, three dicamba herbicides registered for over-the-top use. According to the court, the registrations violated FIFRA. Five days later, on June 8, the EPA issued a Cancellation Order for all three herbicides. The Order requires that sale and distribution of dicamba herbicides cease but permits use according to the label of existing herbicide stock. The plaintiffs have sought to have the EPA's Cancellation Order overturned in the courts. These actions, which come in the middle of the 2020 growing season, have raised several questions about the impacts of the court's decision and what will happen going forward.

Cont'd page 3.

What's inside this issue ?

Ninth Circuit Court's Dicamba Ruling; Acreage Report; Trade Update; Market Updates, CFAP Signup; Futures and Options Report; and much more!

USDA's June Acreage Report and Market Reaction

The USDA's Acreage and Grain Stocks Reports on June 30th have a marked history of producing strong market moves that usually sets the tone for commodity prices throughout summer. There should be some surprises given the large range of trade estimates for both corn and soybean inventories and planted acre. USDA corn acreage estimates have topped the average trade forecasts in 14 of the past 20 years and in 13 of those years its estimate fell outside of the range of forecasts. The government's June 1 corn stocks estimates have topped average trade guesses 10 times since 2004 and were below trade estimates in six of those years.

Ag Web.

Since 2007, when prices moved more than a dime after these reports, corn prices fell eight years by an average of 4.1% and rose five years by an average of 4.3%. That suggests that if there is a big surprise, prices move about 13¢ in either direction on Tuesday. Analysts tend to overestimate the USDA's soybean acreage number and underestimate its corn estimate. Since 2000, the USDA's soybean acreage estimate fell below the average trade guess 75% of the time. The June 1 USDA soybean stocks estimate has been above the average trade forecast in 9 out of the past 16 years.

Grain markets enjoyed a significant rally on the heels of the USDA's highly anticipated quarterly acreage and grain stocks reports, which revealed much lower-than-expected corn and soybean acres. Corn emerged as the day's big winner, moving more than 3.5% higher. Soybeans carved out gains of nearly 2%. Corn prices saw a major bounce higher today after the USDA reported much lower-than-expected acres, which triggered a round of technical buying and short-covering. July futures climbed 11.75 cents to $3.38, with September futures up 12 cents to $3.4075. The USDA reports corn stocks at 5.22 billion bushels, which is 1% above the same time last year. Analysts were expecting a slight decline, coming in around 4.951 billion bushels. Corn disappearance was significant, dropping 2.73 billion bushels between March and May but couldn't match pace with last spring, when disappearance reached 3.41 billion bushels.

Soybean prices jumped nearly 2% higher on supportive USDA acreage and stocks data this morning, holding on for double-digit gains by the close. July futures climbed 16.5 cents to $8.83, with August futures up 17 cents to $8.7850.Soybean stocks tumbled 22% year-over-year to 1.39 billion bushels. That was very close to analyst expectations, with an average trade guess of 1.392 billion bushels. On-farm storage dropped 13% to 633 million bushels, while off-farm storage dropped 28% to 753 million bushels. Soybean disappearance was down 8% from a year ago, losing 869 million bushels between March and May.

Cont'd next page

Acreage and the Markets (Cont'd)

The USDA estimated corn plantings would decline about 5 million acres below what farmers told the government they intended to plant in March. The USDA estimated that 92 million acres of corn were planted this year--3.2 million less than industry analysts expected, falling below the trade's lowest forecast. The decline suggests farmers took prevent plant insurance wherever they could in response to the combination of falling prices, worries about Covid-19's impact on corn use in feed and fuel sectors, and mounting uncertainty about Chinese commitments to buy U.S. ag goods, which, when combined, encouraged growers to pare plantings. But the drop is still difficult to fully explain. Last year the USDA estimated plantings well above trade estimates and this year it was well below. The difference is equal to 800 to 850 million bushels of production and gave the market its upside lift.

It may take increase weather risks to the yield potential in July to sustain the rally. That's because the USDA also estimated June 1 corn inventories at 5.223 billion bu., up 22 million from last year and 234 million bu. more than traders expected. Every bushel above or below the USDA trendline yield forecast of 178.5 bushels per acre is equal to about 85 million bushels of production. Weather is now the main point of focus.

Corn-for-ethanol use climbs notably from April to May, but still 35% under year-ago. The U.S. consumed 354 million bu. of corn during May, an 18% rise from April but a 31% retreat from year-ago. Of that consumption total, Corn-for-ethanol use made up 299.9 million bu., a 22% gain from April but still 35% below year-ago.

The report also showed that 1.2 million tons of distillers dried grains with solubles were produced during May, a 21.7% increase from April but 36.5% below year-ago.

The USDA's Acreage Report estimated soybean plantings around 900,000 acres less than traders anticipated, while June 1 stocks were 6 million bu. less than expected. While those figures were slightly supportive, the bulk of today's price rally came on spillover from the surge in the corn market. That suggests corn likely needs to extend today's rally or the soybean market could face profit-taking on Wednesday.

One major difference between the soybean and corn markets is the fund position. Managed money accounts were net long around 43,000 soybean futures contracts as of one week ago, while they were aggressively short. Unless funds want to actively add to their net length in the soybean market, the upside could be limited.

Any near-term weather threat from hot and mostly dry forecasts in the first 10 days of July would also favor corn more than soybeans.

The cotton market saw good buying interest today in the wake of a bullish USDA cotton acreage report. The USDA estimated U.S. cotton plantings at 12.185 million acres, 1.518 million acres down from farmers' reported intentions in March and roughly 1 million acres less than traders expected.

The USDA crop progress report classifies 41% of the U.S. cotton crop as *good* to *excellent* condition compared to 40% in the previous reporting week. Twenty-four percent of the cotton crop was rated by the USDA as *poor* to *very poor* versus 25% last week. Cotton futures gained 160 to 191 points. December and March '21 futures each gained more than 3% a full day after the Acreage report was released.

Gains in cotton futures will be limited in the near term by the spike in coronavirus cases in the United States that again raises concerns about demand for the natural fiber.

Area planted to rice in 2020 is estimated at 2.92 million acres, up 15 percent from 2019. Long grain rice planted area increased 23 percent from last year, with increases in all estimating states. Arkansas, the largest long grain rice-producier, estimates a 32 percent increase in planted acreage compared with last year. Nationally, medium grain acres decreased by 6 percent from 2019. California, the largest medium grain-producer, decreased medium grain acres by 1 percent in 2020. Short grain area, estimated at 46,000 acres for the nation, is up 35 percent, or 12,000 acres, compared to the 2019 planted acres.

Arkansas all rice planted area is up 24.4 percent. Long grain has increased 295,000 acres, while medium grain is down 20,000 acres. In California, total acreage is pegged at 504,000, an increase of 8,000 aces, of which 6,000 acres are short grain. All of these numbers are on the low side of trade estimates.

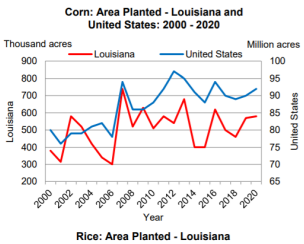
In the USDA's Rice Stocks report, which shows a decline of 27 percent from June 2019. Rough rice stocks in all positions on June 1, 2020, totaled 46.2 million cwt. Stocks held on farms totaled 5.79 million cwt, and off-farm stocks totaled 40.5 million cwt. Long grain varieties accounted for 57 percent of the total rough rice, medium grain accounted for 41 percent, and short grain varieties accounted for 2 percent.

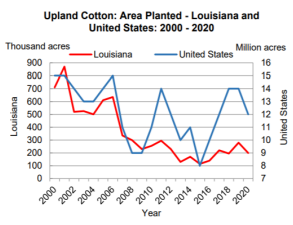
Milled rice stocks in all positions totaled 4.31 million cwt, down 9 percent from a year ago. Milled rice stocks were comprised of 3.32 million cwt of whole kernel rice and 991 thousand cwt of second heads, screenings, and brewers rice. Again, this trend has been reflected in the market for some time.

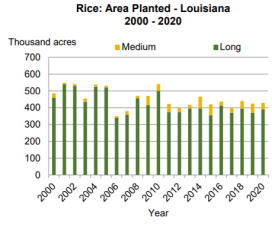
Area Planted and Harvested - Louisiana and United States: 2019 and 2020

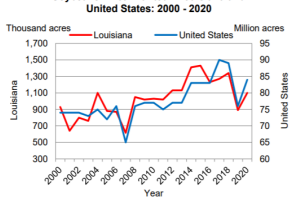
Crop	Area planted			Area harvested		
	2019	2020	Percent of previous year	2019	2020 [1]	Percent of previous year
Louisiana	(1,000 acres)	(1,000 acres)	(percent)	(1,000 acres)	(1,000 acres)	(percent)
Corn	570.0	580.0	102	545.0	565.0	104
Cotton, upland [2]	280.0	200.0	71	270.0		
Hay, all [3]				390.0	380.0	97
Rice, all	425.0	430.0	101	414.0	424.0	102
Long grain	370.0	390.0	105	361.0	385.0	107
Medium grain	55.0	40.0	73	53.0	39.0	74
Soybeans	890.0	1,100.0	124	860.0	1,070.0	124
Sugarcane (sugar and seed) [3]				469.0	480.0	102
United States	(1,000 acres)	(1,000 acres)	(percent)	(1,000 acres)	(1,000 acres)	(percent)
Corn	89,700.0	92,006.0	103	81,322.0	84,023.0	103
Cotton, upland [2]	13,507.0	11,990.0	89	11,389.0		
Hay, all [3]				52,425.0	52,381.0	100
Other [3]				35,682.0	36,029.0	101
Rice, all	2,540.0	2,921.0	115	2,472.0	2,870.0	116
Long grain	1,778.0	2,192.0	123	1,730.0	2,156.0	125
Medium grain	728.0	683.0	94	708.0	668.0	94
Short grain	34.0	46.0	135	34.0	46.0	135
Soybeans	76,100.0	83,825.0	110	74,951.0	83,020.0	111
Sugarcane (sugar and seed) [3]				913.2	920.4	101

[1] Forecasted.
[2] First estimate of area harvested to be released August 12, 2020, in the Crop Production report.
[3] Area harvested only.









Dicamba (Cont'd)

On June 8, 2020, the EPA issued a final cancellation order for the label of three dicamba products subject to a 9th Circuit Court of Appeals ruling: Engenia® (BASF), FeXapan® (Corteva) and XtendiMax® (Bayer). The cancellation is pursuant to FIFRA. The EPA guidance, however, states existing stocks of the three affected products can be used for a limited time under the requirements of the invalidated label. The EPA will be enforcing proper application procedures during the use of remaining dicamba stocks.

"At the height of the growing season, the Court's decision has threatened the livelihood of our nation's farmers and the global food supply," said EPA Administrator Andrew Wheeler. "Today's cancellation and existing stocks order is consistent with EPA's standard practice following registration invalidation, and is designed to advance compliance, ensure regulatory certainty, and to prevent the misuse of existing stocks."

Key notes from the cancellation order:

- Distribution or sale is prohibited unless it's for product disposal or returns to the registrant (BASF, Corteva or Bayer).
- Farmers and commercial applicators can use their existing stocks that were in their possession as of June 3, 2020, when the Court mandate took effect. Applications must be in line with previously-approved labels include temperature restrictions, windspeed restrictions, application date cutoffs and any other detail found in the label.

"While BASF supports the U.S. EPA's action to allow the use of existing stocks of Engenia® herbicide by growers and commercial applicators, we believe that additional clarity and flexibility is required to address the complexities of the supply chain so that farmers have the opportunity to use Engenia this season in accordance with the EPA order. Therefore, we will be working with the EPA to address this issue," BASF said in a statement provided to AgWeb. "In addition, BASF will continue to pursue re-registration of Engenia with the U.S. EPA. BASF continues to assess its options to pursue all legal remedies available to challenge the Order."

This announcement from EPA comes with concern for some who might have been operating in states that didn't require retailers to stop selling product. "ARA is concerned with these details, as it appears inconsistent with EPA's long-standing existing stocks practice following registration invalidation," said Ag Retailer's Association (ARA) Senior Vice President of Public Policy and Counsel Richard Gupton. "ARA is seeking clarification on the impact on agricultural retailers that do not provide commercial application services. This EPA announcement does not fully address the continued confusion being created by the Ninth Circuit Court decision."

"The current order will create confusion, especially since it is being issued at the end of today with the June 3, 2020, cut-off date and after many individual states publicly authorized the continued sale and use of these products over the weekend and through today," Gupton continues.

Tavium®, an over-the-top dicamba product created by Syngenta was not included in the Court mandate or EPA's cancellation. The California Court made the decision last Wednesday to vacate 2018 to 2020 registrations based on FIFRA violations.

Bayer provided the following statement: "We welcome the EPA's swift action. XtendiMax® and the other low-volatility dicamba products are vital tools that many growers rely on to safely, successfully, and sustainably protect their crops from weeds. Bayer stands fully behind XtendiMax®, and we will continue working with the EPA, growers, academics, and others to provide long-term access to this important tool."

This ruling stems from a lawsuit against EPA and Monsanto (Bayer after acquisition). The lawsuit alleged EPA failed to fully assess the risk of drift when the agency approved conditional use of dicamba for over-the-top use in 2018.

"Corteva Agriscience believes dicamba is an effective weed management tool for farmers that can be used effectively when used according to the label; however, we will adhere to the Ninth Circuit Court Decision and EPA order regarding the registration cancellation of DuPont™ FeXapan® herbicide Plus VaporGrip® Technology. Corteva is committed to serving our customers and will support them in assessing alternative weed control options for the 2020 season," the company said in a statement.

US EPA.

What is legal now? For now, the EPA's cancellation order and its existing stocks provision still stand, and farmers and commercial applicators who had XtendiMax®, FeXapan® and Engenia® in their possession as of June 3 can apply them according to their former labels. (Tavium's registration was not affected by the ruling). The agency will permit growers and commercial applicators to use any existing stocks of three herbicides -- XtendiMax®, Engenia® and FeXapan® -- that were in their possession as of June 3.These growers and commercial applicators will have to use these existing stocks according to their former labels, and apply no later than July 31, the agency stated.

However, end users of these products should bear in mind that a number of states have Section 24(C) special local needs labels with dicamba cutoff dates that are rapidly approaching. Farmers and applicators should take care to check for updates on dicamba use from their state departments of agriculture before using the three cancelled products.

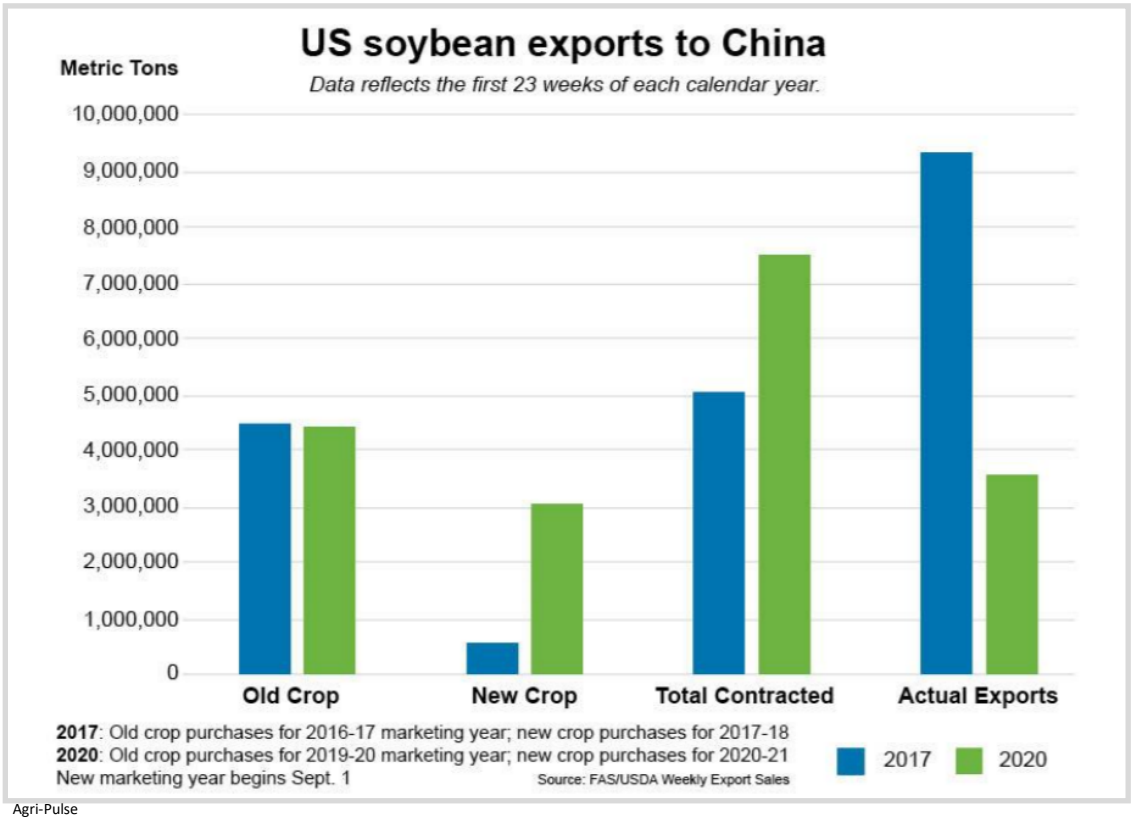
U.S./China Phase One Trade Deal Update

Agri-Pulse

Washington offices of the U.S. Trade Representative are buzzing as collaboration with China over the "phase one" deal continues and final preparations are made for the launch of the U.S.-Mexico-Canada Agreement, but Chief Agricultural Negotiator Gregg Doud said he expects both deals will lead to increased sales of U.S. farm products. Despite production and trade disruptions brought about by COVID-19, the start of USMCA is just a few days away, U.S. ag exports to China are on an upward trajectory, and Doud is optimistic the trade trends will continue.

China agreed, under the terms of "phase one", to buy a lot more soybeans this year than it did in the banner year of 2017, and Doud says that he's optimistic the country will meet that commitment despite complications from the COVID19 pandemic and rising doubt on Capitol Hill that it will be possible. Critics point to the physical shipments of U.S. soybeans in the first few months of 2020 and how far they lag behind 2017 — the baseline year set under "phase one." From January through June 11, the U.S. has shipped about 3.6 million metric tons of soybeans to China, according to USDA data. That's far below the roughly 9.5 million shipped during the same time frame three years ago.

Doud insists that that is the wrong way of looking at it, going on to say that China is making massive purchase commitments with new contracts that are substantially outpacing sales activity in 2017. "Look at the export sales reports," he said. "One of the ways you could look at this is to compare the pace in 2020 versus the pace in the base year of 2017. Go back and look at the export sales reports in 2017 and compare that to what we're doing now and I think that will be instructive." According to USDA sales reports, Chinese importers are significantly ramping up purchases, especially for the 2020-21 marketing year, which begins Sept. 1.



Agri-Pulse

So far this calendar year, Chinese importers have contracted to buy 7,481,600 tons of soybeans, according to a compilation of USDA weekly trade data through June 11 — the latest available report. Of that total, 4,433,600 tons are old crop purchases and 3,048,000 tons are new crop purchases. Compare that to 2017, when the total contracts for roughly the same time were 5,035,501 tons, composed of 4,488,501 tons of old crop (2016-17 marketing year) and just 547,000 tons of new crop (2017- 18 marketing year).

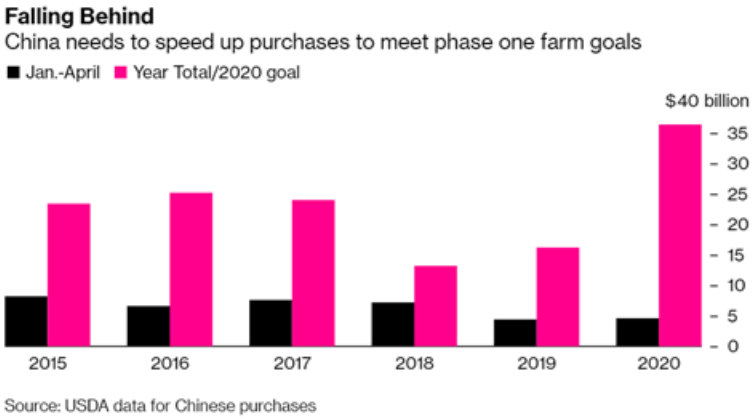
Nevertheless, it's still going to take a lot to substantially increase sales to China, which purchased 32.8 million metric tons of soybeans in calendar year 2017, especially given the fact that the "phase one" deal did not go into effect until Feb. 14 and China did not start exempting U.S. soybeans from tariffs until early March. Another complicating factor is the uncertainty of just how much more China will need to import this year after the country gorged on cheap Brazilian soybeans in the early months. There's no way to know for certain, but John Baize, an analyst for the U.S. Soybean Export Council, said he is optimistic sales to China will continue to rise as state-controlled companies like Sinograin plan to restock the country's emergency reserves. Sinograin, Baize said, has made it public that it wants to put at least 10 million tons of soybeans back into the reserves, and that could happen over the next few months.

Cont'd next page

Trade Cont'd)

The recently inked trade deal between the U.S. and China has recently just suffered a new setback. China now wants international shippers of meat and soybeans to sign a document attesting that their cargoes meet safety standards to ensure they are not contaminated with the novel coronavirus. That's a step many American exporters have so far been reluctant to take for fear of liability, with Tyson Foods Inc. being the first to confirm it's signed the certificate.

These new Chinese demands could end up being an impediment to shipments, further delaying $36.5 billion in farm purchases they pledged to make under phase one. The move comes even as the world's major public health authorities say the virus isn't foodborne, prompting questions over why China is taking the action. It could also act as a non-tariff trade barrier, a tactic China has applied in the past with everything from American corn cargoes to Canadian canola.



China recently suspended poultry imports from a Tyson Foods plant where hundreds of employees tested positive for Covid-19, stoking concerns over the broader implications for U.S. and global meat exports. If shippers don't sign the new affidavits, they could be subject to more bans. This comes just after China signaled last week that it was getting ready to accelerate purchases of American farm goods to comply with the trade deal following recent talks with U.S. officials in Hawaii. Donald Trump has touted the deal as being a big boost to farmers, a key part of his base as he seeks re-election in November.

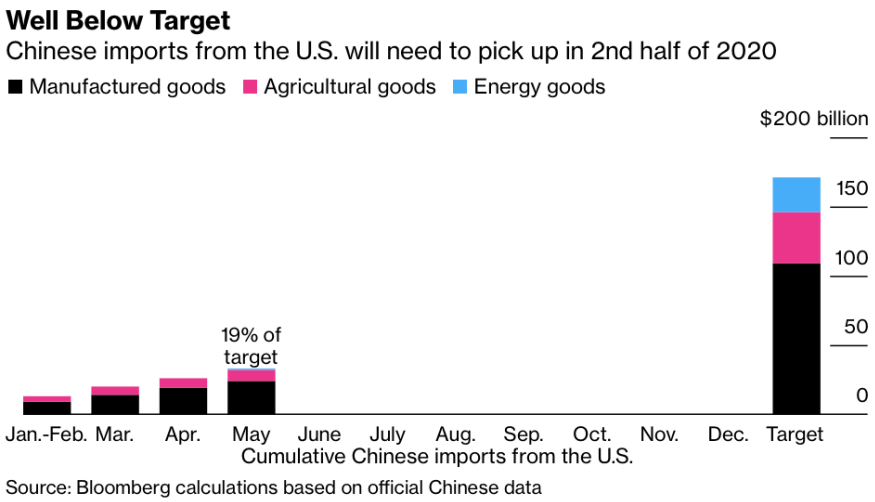
China's latest actions could just be their attempt at "stirring the pot" ahead of the U.S. presidential elections in November, Traders are already on edge after a Trump official on Monday raised questions about the deal before the president himself said the agreement was "fully intact."

Chinese buyers are asking soybean and meat shippers to comply with safety regulations in order "to ensure that food imported into China is not contaminated with the Covid-19 virus," according to the declaration seen by Bloomberg. The request encapsulated "a wide variety of meats, seafood and other foodstuffs," the U.S. Meat Export Federation said in a message to members. Much remains unknown for shippers, including whether and how cargoes will be subjected to Covid-19 testing and what sanctions could be imposed if China says the shipments carried the virus. U.S. exporters seem to be taking a conservative approach, signaling concerns over signing the document.

China, which so far has only purchased a fraction of the farm goods stipulated under the trade deal, has a history of using non-tariff barriers to stifle shipments. That was the case with its tariff-rate quotas for crops including corn, wheat and rice, which led the U.S. to complain to the World Trade Organization. Genetically-modified crops have also been a big issue. In 2013, China rejected several cargoes of corn and distillers dried grain from the U.S. due to the presence of a GMO variety.

There were signs China was starting to back off from its previous stance linking food to virus cases. A customs official said the country was taking the advice of international organizations that there was little risk of virus transmission from imported food and that no food restrictions would be imposed. However, this week's moves have been a quick about face to that. It's still unclear why China is asking for the requirements and whether the move is aimed at restricting trade, since Brazilian shippers were also asked to sign the declaration.

China's purchases of U.S. goods increased last month as the economy continued its recovery from the coronavirus shutdowns, but imports are still far behind the pace needed to meet the terms of the 'phase one' trade deal. By the end of May this year, China had only bought about 19% of the total purchase target of more than $170 billion for goods in 2020, according to Bloomberg calculations based on Customs Administration data. That means China needs to buy about $139 billion in the remainder of the year to meet the terms of the agreement signed in January.



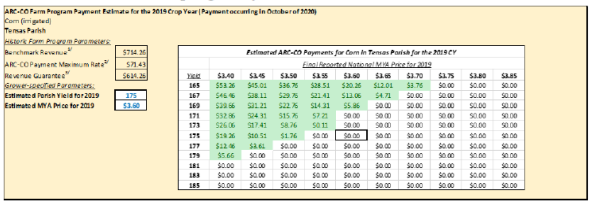
ARC-CO/PLC Program Payment Estimator Tools Available for the 2019 CY

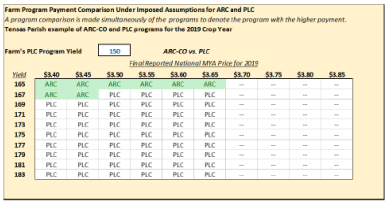
The table below projects the national marketing year average prices for purposes of the Price Loss Coverage (PLC) program. A PLC program payment is triggered when the national Marketing Year Average (MYA) price for a commodity falls below that commodity's effective reference price. The payment rate is then multiplied by the farm's program yield and made on 85% of base acres.

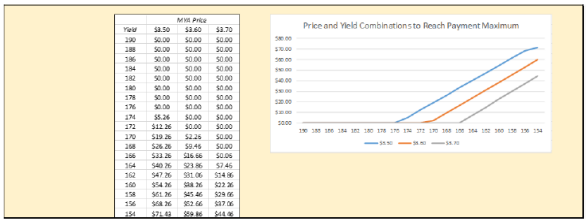
Covered Commodity	*2019/20 MYA Price*	*Effective Reference Price*	*2019 CY PLC Payment Rate*
Corn	$3.60	$3.70	$0.10
Grain Sorghum	$3.25	$3.95	$0.70
Long Grain Rice	$12.00	$14.00	$2.00
Medium Grain Rice	$11.70	$14.00	$2.30
Seed Cotton	$0.3032	$0.3670	$0.0638
Soybeans	$8.55	$8.40	—
Wheat	$4.58	$5.50	$0.92

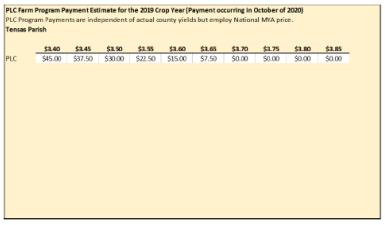
Recall that an ARC-CO program payment is triggered when the actual parish revenue for a particular commodity falls below that commodity's historical revenue guarantee. ARC-CO farm program payments are capped at 10% of the benchmark revenue. The payment rate is then made on 85% of base acres. No individual farm level production data is used for the purposes of ARC-CO program payment calculation. Please contact your LSU AgCenter County Agent or Dr. Mike Deliberto (mdeliberto@agcenter.lsu.edu) or a copy of these risk management tools.

Parish Availability of ARC-CO Payment Estimator









U.S. Seasonal Farm Price Outlook

The following table represents national seasonal average farm prices ($/unit), as per the USDA WASDE report.

Crop	2018/19 Estimate	2019/20 Estimate	*2020/21 May*	*2020/21 June*	*2020/21 July*
Corn	**$3.61**	**$3.60**	$3.20	$3.20	$3.35
Cotton	**$0.703**	**$0.590**	$0.570	$0.570	$0.590
Rice (LG)	**$10.80**	**$12.00**	$11.80	$11.80	$11.60
Rice (Southern MG)	**$12.30**	**$11.70**	$11.80	$11.80	$11.50
Sorghum	**$3.26**	**$3.25**	$3.20	$3.20	$3.35
Soybeans	**$8.48**	**$8.55**	$8.20	$8.20	$8.50

Introduction to Using Futures and Options in Commodity Marketing

The LSU AgCenter's Department of Agricultural Economics and Agribusiness has published a comprehensive document on using futures and options in commodity marketing. The following is an excerpt from that work.

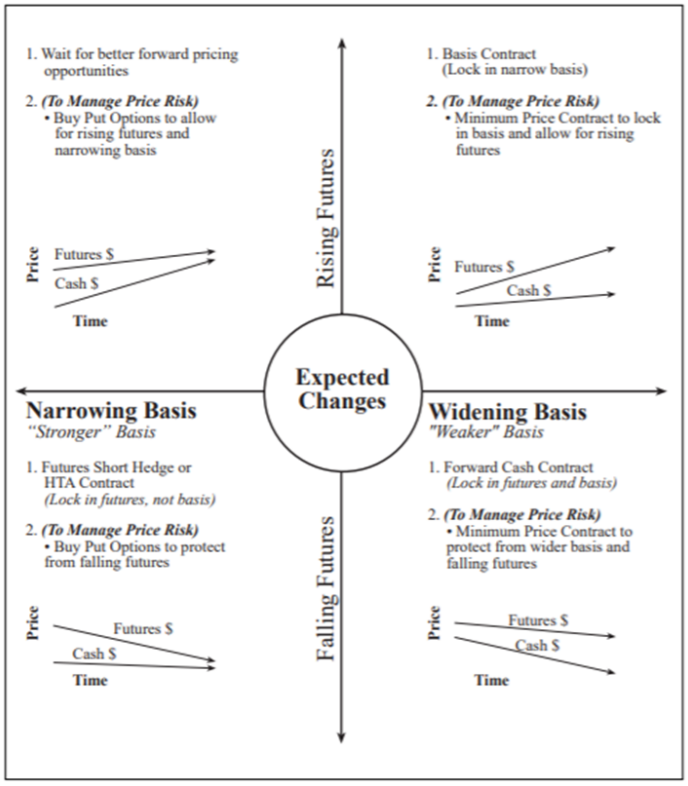
Grain producers are confronted with two types of risk when marketing their grain: *price* and *yield*. There exist grain marketing alternatives, that, when used properly, can assist in moderating these risks to a degree. Price risk is dealt with via various methods such as: forward pricing in the cash market, hedging futures, buying puts for price risk protection, buying calls to replace grain ownership, etc. Yield risk, or fear of production shortfalls, can be handled using put options. It is not necessary to deliver the bushels contracted when using options for price protection. Grain marketers should take other steps to assure that all bases have been covered. This includes full participation in government farm programs that target price and loan deficiency payment protection. Crop insurance is another important tool in a grain marketer's toolbox. Commodity prices, based upon global supply and demand, are constantly changing, thereby requiring flexibility in formulating a crop marketing plan. Due to the nature of commodity markets, any marketing plan must include the basics that can be used to assist the individual marketer in making sales and marketing decisions.

Agricultural producers can price their commodities in one or a combination of the following: cash sales, forward contracts, futures contracts, and options on futures contracts. Another method of marketing grain or oilseeds are futures contracts. While at first glance forward contracts and futures contracts may appear similar, futures contracts differ from forward contracts in two critical ways: a futures contract is an agreement (legally binding) to buy or sell a commodity on a specific date or during a specific month. Secondly, the futures exchange is the means by which this transaction is facilitated.

Futures contracts are standardized, that is, the futures contract specifies the quality, quantity, physical delivery time and location for the given commodity. Contract specifications are identical for all parties involved. This allows either buyers or sellers the ability to easily transfer contract ownership. The only contract variable is price. Price discovery is primarily accomplished via bidding and offering (a.k.a. quoting) until a match or trade occurs.

As the exchange is the responsible party for standardizing contract specifications, the exchange also guarantees the honoring of the contract thereby eliminating counterparty risk. This places the exchange at the heart of the transaction as all exchanged-traded futures contracts are centrally cleared. This means that when a futures contract is bought or sold, the exchange becomes the buyer to each seller and the seller to each buyer, thus, eliminating any credit risk associated the default or either a single buyer or seller. It also provides anonymity to participants, helping ensure an ease by which buyers and sellers can enter/exit the market, which, in turn, promotes market liquidity and an efficient mechanism for price discovery.

Hedging is selling or buying a futures contract as a temporary substitute for selling or buying a commodity at a later date. For example, if an individual has a commodity to sell at a later date, that individual can sell a futures contract at the present. If prices fall, the individual sells their actual commodity at a lower cash price but realizes a gain in the futures market by buying a futures contract at a lower price than at which they initially sold. If prices rise, the higher price in the cash market covers the loss when that individual buys a futures contract at a higher price than at which they sold. This may be considered a pure hedge, or a replacement hedge. It minimizes risk and often earns a higher rate of return than the forward contract.



Hedging is a risk-management tool for both producers and users of commodity products. Hedging is buying or selling futures contracts as protection against the risk of loss due to changing prices in the cash markets. Hedging is a risk-management tool for the producer. If a person has a crop of livestock to market, they want to protect themselves against falling prices in the cash markets. If they need to buy feed or feeder cattle, they want to protect themselves against rising prices in the cash markets. Either way, hedging provides an individual with that protection.

There are two basic types of hedges: (1) The short hedge, or selling hedge, used when planning to sell a commodity. The short hedge protects the seller of a commodity against falling prices, and (2) The long hedge, or buying hedge, used when planning to purchase a commodity. The long hedge protects the buyer of a commodity against rising prices.

The figure (at left) graphically illustrates pre-harvest grain sales strategies for selected market conditions. These strategies will have greater appeal to sellers with a less strict view of futures market efficiency since those with a stronger opinion on the issue will tend to avoid pre-harvest pricing.

Please contact Dr. Mike Deliberto at mdeliberto@agcenter.lsu.edu for a free copy of this report.

Crop Market Situation for the 2020 Marketing Year

The information that is presented in this market update reflects current information as of July 6, 2020.

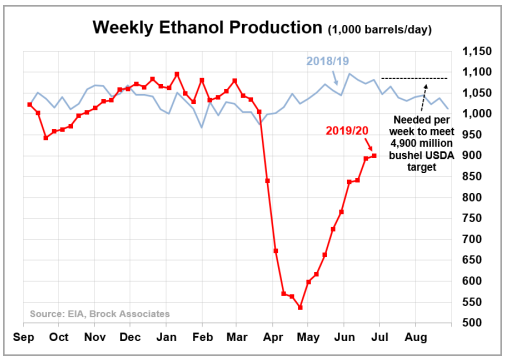
Corn

The USDA's planted and harvested corn acreage figures of 92.006 mil. acres and 84.023 mil. acres, respectively, combined with the USDA's weather-adjusted trend-line yield of 178.5 bu. per acre imply a 2020 U.S. crop of 14.998 billion bushels, 997 million below the USDA's current crop projection. However, even with a sizable cut to production, we still have a hard time getting the 2020-21 corn carryout below 2.5 billion bushels and the corn stocks/usage ratio will likely remain above 17%, a comfortable level and its highest 1991-92.

Corn acreage changes from March Prospective Plantings

	Change	Mil. Ac.
Illinois	-400,000	10.9
Indiana	-400,000	5.4
Iowa	-100,000	14.0
Kansas	-200,000	6.1
Michigan	-200,000	2.3
Minnesota	-300,000	8.1
Missouri	-100,000	3.5
Nebraska	-700,000	9.8
N. Dakota	-800,000	2.4
Ohio	-100,000	3.6
S. Dakota	-600,000	5.4
Wisconsin	+100,000	4.0

The USDA's smaller-than-expected acreage estimate indicates producers got the market's spring message of anticipated low prices. To us, the major impact of the smaller-than-expected acreage is that the corn market now has a much smaller cushion against crop deficiencies than previously thought, increasing potential for a weather rally. The lower acreage figure also will likely raise the price floor for corn. But without significant crop shortfalls, it's still difficult to see a big upside for corn prices, as corn supplies are still expected to be sizeable at the end of 2020-21. The current market strength will likely wind up being short-lived if crop problems don't show up soon. Forecasts for above-normal temperatures ahead are reason for some concern, but key areas of the Corn Belt, including much of central Illinois, recently saw beneficial rainfall. The 8- to 14-day forecast for July 8-14 does favor above-normal temperatures and below-normal rainfall across the heart of the Corn Belt.



Weekly ethanol production improved modestly by 7,000 barrels to 900,000, still 16.7% below a year earlier. However, weekly ethanol stocks fell to 20.16 million barrels, their lowest level since January 2017, from 21.03 million previously. The most recent USDA Grain Crushings report pegged May corn-for-ethanol use at 299.9 million bushels, up from only 245.0 million in April but down 159.6 million bushels or 34.7% versus a year earlier.

Corn prices already reflect lower acreage and weaker demand. Subsequent rallies in corn prices rely on the weather. The prospect of the market building a weather premium seems high over the next week given the current weather forecast.

Cotton

Futures rallied this week after the USDA estimated U.S. farmers planted 12.2 million acres this year, 1.5 million acres down from both last year and the March Intentions report. It was also about 1 million acres below pre-report trade estimates. The USDA will incorporate the smaller acreage in its monthly supply and demand update on July 10. Traders will be looking for the government to reduce new-crop production and carryover forecasts from the 19.5-million-bale crop and 8-million-bale ending stocks last month.

With acre intentions now known, traders will focus on weather and field conditions. Weather forecasts are calling for above normal temperatures and below normal rainfall for much of the West and the Texas Panhandle. The USDA will monitor weather conditions in the oncoming weeks looking for declines in Texas while weighing those losses against any potential gains across the South and Southeast.

The market is still facing potential demand setbacks from Covid-19. As infections seem to be on the rise, some states are slowing the pace of re-opening while others are contemplating complete shutdowns. Such reactions can hurt retail apparel demand. Real-time economic indicators — on job listings, credit-card spending, retail foot traffic and more — suggest that the economy has begun to weaken again.

Despite a 12 per cent decrease from the previous season attributed to trade tensions with the US and a slowdown in manufacturing during the COVID-19 containment, China is expected to remain the world's largest importer of cotton lint and import 1.8 million tonnes of cotton in 2019-20, according to the International Cotton Advisory Committee (ICAC).

As tariffs on cotton lint increased in 2018-19, making US cotton 25 per cent more expensive for Chinese importers compared to other suppliers, China had also increased the total volume of imports of cotton lint. As China increased its total imports of cotton lint from 1.3 million tonnes in 2017-18 to 2.1 million tonnes in 2018-19, US cotton exports to China decreased from 528,000 tonnes in 2018 to 360,000 tonnes in 2019.

Cont'd next page.

	August, 2017 - April, 2018	August, 2018 - April, 2019	August, 2019 - April, 2020	2018/19 - 2019/20
	Thousand metric tonnes			Change
World	875	1597	1245	-22%
Brazil	81	404	527	30%
United States	406	215	277	29%
Australia	165	462	185	-60%
India	64	255	106	-59%
West Africa	25	101	53	-48%
Sudan	16	28	23	-19%
Mexico	20	14	13	-7%
Uzbekistan	65	40	11	-73%
Greece	7	27	8	-69%
Kazakhstan	5	15	8	-46%

Shift in cotton imports to China during Phase-I agreement & COVID-19 containment

In-depth Crop Market Update (Cont'd)

The information that is presented in this market update reflects current information as of *July 6, 2020.*

Cotton Cont'd

"Market share in China shifted over this period with imports from Brazil increasing by over 170 per cent in 2018-19," ICAC said in its June estimate of world cotton supply and demand.

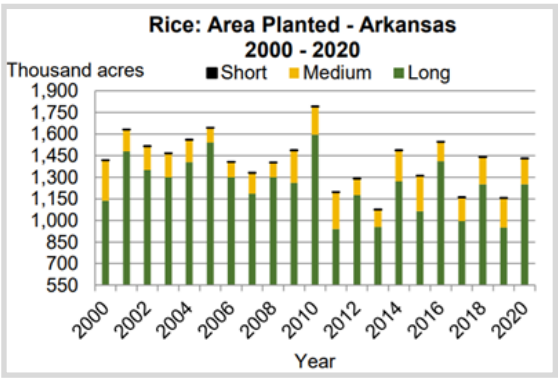
As phase one of the trade agreement entered into force, stringent COVID-19 containment measures in countries have slowed manufacturing and trade across the globe. With global cotton consumption reduced to 22.5 million tonnes for 2019-20, a 13 per cent decrease from the previous season, trade is expected to decrease to 8.25 million tonnes, a decrease of 11 percent . Imports to China have shifted again during this period of reduced demand from both COVID-19 containment and trade agreements.

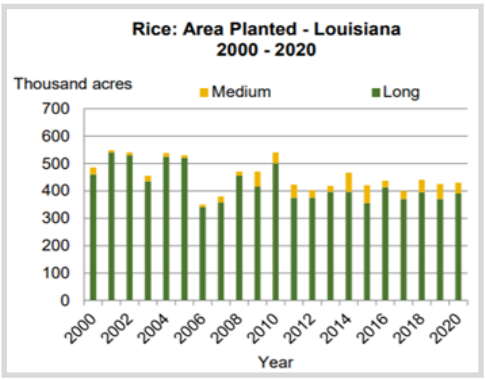
Comparing the period of August through April for both the 2018-19 and 2019-20 seasons, global imports for the nine-month period are estimated at 1.245 million tonnes, a 22 per cent decrease from the previous period, the ICAC period said. During the 2018-19 season, as US exports to China decreased, Brazil gained market share to China. Australia, India and West Africa also increased cotton lint exports to China during the 2018-19 season.

For the 2019-20 season, Brazil is expected to export over 1.8 million tonnes globally and through April 2020 (where the latest data is available), has exported an estimated 527,000 tonnes to China, a 30 per cent increase from the previous period. The United States is expected to export 3 million tonnes globally and through April has exported an estimated 277,000 tonnes to China, a 29 per cent increase from the previous period. Other countries and regions exporting to China that had seen increases during the 2018-19 season are showing declines in exports to China in the August through April period.

Rice

In NASS's Acreage report, September rice (the most-active contract) was reported to have settled down 11 ½ cents to $12.22 ½, after trading between $12.01 to $12.34. Other contracts were down as well. The exception was July, which settled at up 80 ½ cents to $14.50 ½. If that sounds wild, consider that the contract traded between $19.97 to $20.30. However the move is mostly trivial, as the estimated volume was for only 4 contracts, while open interest is below 500. The current USDA acreage report pegs all-rice plantings at 2.921 million acres, up modestly from a March planting intentions estimate of 2.847 million. The total was nearly 100,000 acres more than analysts in a Reuters poll were expecting. Long-grain rice acreage was seen at 2.192 million, up from 2.156 million in March and 1.778 million a year ago. The increase is a reminder that while other markets were swooning this spring, rice futures were strong.





Incorporating these acreage adjustments into the July WASDE will increase 2020 long-grain harvested acreage by 86,000. Applying the same U.S. average yield used in the prior two monthly S/D reports, one could anticipate USDA's July production estimate to increase by 6.3 million to 161.8 million cwt. Without any adjustments to demand, this increase in production would push projected ending stocks up to 27.5 million cwt. Given that, expectations for 2020 average farm prices will likely begin to soften in the July WASDE from the USDA's June estimate of $11.80/cwt.

Iraqi grain production may not rebound in a similar pattern in MY 2020/21 as it did in MY 2019/20 due to a shortage of rainfall coupled with impact of the COVID-19 outbreak on Iraq's oil-dependent economy and movement restrictions that limit the ability for farmers to cultivate their grain. Rice production is forecast to decline due to scant supplies of available water. The USDA Post estimates Iraq's MY 2020/21 imports to reach 1.37 million metric tons, a 14 percent increase from MY 2019/20. Though there is no longer a prohibition on planting rice, the lower planted area mandated by MOA will cut production in the forecast year, leading to the need for more imports to meet consumption demands. Both the Iraqi public and private sectors import rice. The Grain Board of Iraq holds tenders to buy medium grain rice from approved origins, which include the United States, Vietnam, Argentina, Brazil and Uruguay. These imports supply the needs of the PDS program.

Cont'd next page.

USDA WASDE Report Release Dates for 2020

World Agricultural Supply and Demand Estimates (WASDE) Report: Jan. 10, Feb. 11, Mar. 10, Apr. 9, May 12, Jun. 11, Jul. 10, Aug. 12, Sep. 11, Oct. 9, Nov. 10, and Dec. 10.

In-depth Crop Market Update (Cont'd)

The information that is presented in this market update reflects current information as of *July 6, 2020.*

Soybeans

The picture for soybean futures is now looking somewhat promising. November futures posted their highest close today since March 11 at $8.82 1/4 after trading as high as $8.87. Today's trading high matched the market's March swing high, but we would not expect that resistance to hold for long. The market should now head for the gap on its daily chart at $9.00-$9.03 1/2. A close above $9.00 would suggest further upside to at least the $9.20-$9.30 range. Nearby support for November futures should be between $8.72 1/2- $8.74 1/2 from its 18- and 100-day moving averages.

Soybean acreage changes from March Prospective Plantings

	Change	Mil. Ac.
Arkansas	-50,000	2.95
Illinois	-100,000	10.4
Indiana	+300,000	5.7
Iowa	+100,000	9.4
Kansas	+300,000	5.3
Michigan	+100,000	2.3
Minnesota	0	7.4
Missouri	-200,000	5.6
Nebraska	-100,000	5.0
N. Dakota	-600,000	6.0
Ohio	0	4.8
S. Dakota	-200,000	5.2
Wisconsin	+100,000	2.05

U.S. soybeans face limited competition from Brazilian beans from September-December as Brazil's exportable surplus is running out following record large Brazilian exports from February-June. Longer-term, however, Brazilian beans will provide stiff competition, with another record large Brazilian crop expected in 2020-21 as the weak real favors a further increase in soybean plantings. Brazilian farmers have already forward sold nearly 40% of their expected 2020-21 soybean production, according to Brazilian consultant Safras & Mercados.

Special Note

To assist users with interpreting the planted acreage estimates for corn and soybeans, the following table provides estimates of the portion of the total planted acreage that was left to be planted when the survey was conducted. These estimates are based on data provided by respondents who were contacted between May 30 and June 16.

Corn and Soybean Area Planted, Left to be Planted, and Harvested – United States 2019 and 2020

Crop	Planted		Left to be Planted	Harvested	
	2019	2020[1]	2020	2019	2020[2]
	(1,000 acres)	(1,000 acres)	(1,000 acres)	(1,000 acres)	(1,000 acres)
Corn[3]	89,700	92,006	2,239	81,322	84,023
Soybeans	76,100	83,825	12,101	74,951	83,020

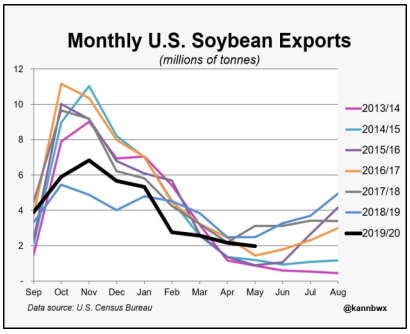
[1] Includes acres left to be planted.
[2] Forecasted.
[3] Planted for all purposes; harvested for grain.

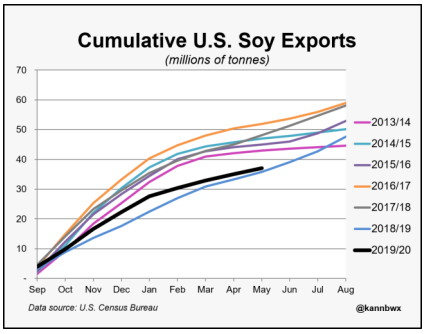
The Chinese yuan led commodity currencies higher against the dollar on Monday, July 6, 2020, as investors purchased riskier assets on growing expectations of a strong Chinese economic rebound even as the United States continued to report a surge in coronavirus infections. Chinese crush margins improved last week and that may help boost import demand. U.S. soybeans are on the menu, but it's a question as to the extent of how much of the Brazilian soybean crop has been sold. Tensions are on the rise again as China introduces a new national security law in Hong Kong.

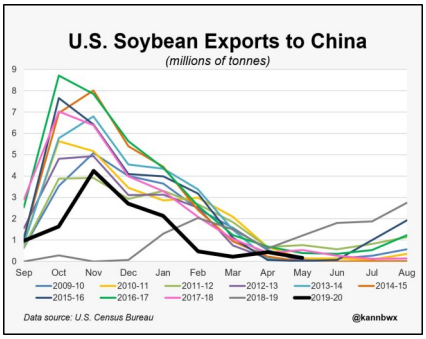
Chinese demand should remain supportive for soybean futures, with U.S. soybeans facing limited competition from Brazil for September -December delivery periods. The USDA has not announced any fresh sales as of this report.

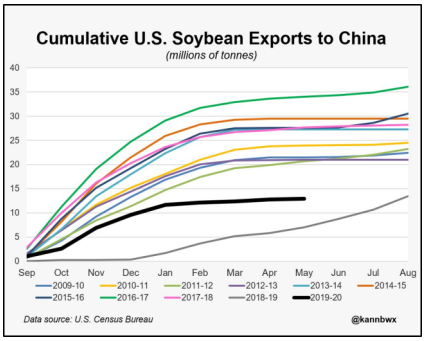
Brazilian farmers have sold about 40% of their expected 2020-21 crop, or around 49.6 million metric tons. Producers have also sold nearly 93% of their 2019-20 crop versus the historical average of 75% for this point in the season. A depressed currency and strong export demand gave farmers incentive to be aggressive sellers.

At 1.97 million metric tons (72 M bushels), the smallest volume since June 2017. Sep-May exports of 37 million metric tons (1.36 billion bushels) are +4% year-over-year, but down 23% from two years ago. The USDA 2019/20 estimate seems feasible (at 1.65 billion bushels) to reach. Those figures are driven by exports to China. U.S. exports to China were 164,218 tons, a four-year low for May. The January to May 3.4 million metric tons are the lowest since 2004. The September to May 13 million metric tons are up 85% year-over-year, but down 53% from two years ago.









Soybean futures triggered some profit-taking and farmer sales. Recent heat and arid conditions are expected to linger and possibly return again next week after some late-week/weekend showers. But there's a fair amount of forecast uncertainty and the key development period for soybeans is not until August, helping to hold back the recent price rally.

Simmering tensions between the U.S. and China are another a limiting factor, with the market still on edge about whether China will follow through on its ag purchase commitments. The USDA did announce a 264,000 metric ton old-crop soybean sale to China via its daily reporting service today. But a steady flow of such news and even bigger tallies will be needed if China is to reach its promised purchase targets.

Cont'd next page.

In-depth Crop Market Update (Cont'd)

The information that is presented in this market update reflects current information as of *July 6, 2020.*

Sugar

Citing data reported by the Farm Service Agency's (FSA) Sweetener Market Data (SMD) provide information that can reveal some of the recent shift of consumers eating more food at home and less away from home. Using data provided by reporters to the SMD of deliveries by package type as a proxy for at-home versus away-from-home sugar consumption, some inferences can be made about the impact of the recent market developments. Bulk shipments of sugar have been lower than expected since January 2020. Much of this is attributed to low beet sugar production and the force majeures that have occurred this year due to a record amount of sugarbeets that went unharvested during the 2019 harvest season. The reduction in bulk shipments is likely offset, at least partially, by the increase in non-reporter deliveries that include high-tier tariff imports, imports from the increased refined tariff rate quota (TRQ) announced in April, and additional amounts of sugar from free-trade agreements (FTA) that come in without need of further refinement. Bulk deliveries in April, however, were even lower than in previous months. This additional decline is likely the impact of the business disruptions caused by COVID-19.

Deliveries of sugar in large packaging (bags larger than 50 pounds) and liquid sugar also were lower than analysts expected in April, despite the spike seen in both categories in March. This is likely representative of fewer shipments for food manufacturers, as well as segments of the food service industry that purchases sugar in larger bags and packaging.

Finally, deliveries in consumer-sized packages were higher than normal in April. This is likely a continuation of the increase observed in March as consumers shifted to more at-home consumption. The increase in consumer-sized package deliveries is not large enough to offset the decreases seen in the other categories, however.

Ultimately, the reduction in deliveries for food and beverage use reflects the net impact seen thus far as a result of the economic disruptions of COVID-19. Through April, total deliveries are 2.5 percent higher than the same period the previous year, but this is entirely due to the growth in non-reporter deliveries. Deliveries from the domestic beet processing and cane refining sectors were 0.4 percent lower over that period.

Deliveries for food and beverage use for 2020/21 are projected at 12.125 million STRV, unchanged from the previous month's forecast. This would represent a 0.6-percent annual increase from the previous year. Like the outlook for 2019/20, however, deliveries in the next fiscal year will be subject to the outlook of public health and the macroeconomy.

Per the June Supply and Demand report, U.S. sugar production for 2019/20 is estimated at 8.024 million STRV, unchanged from the previous month's estimate. Beet sugar production for 2019/20 is estimated at 4.285 million STRV, also unchanged. The slicing campaign is nearing its end for all processors heading into the summer months, particularly with the small sugarbeet crop that was harvested this year. Eyes are now turning to the 2020/21 sugarbeet crop, with the planting season completed by the end of May. Planting progress was behind the historical average in many States but reports from processors indicate that development conditions have been conducive for a sugarbeet crop in line with longer-term trends and averages.

Table 2: Food and beverage deliveries, 2014/15 to 2019/20, October through April

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Annual change
	1,000 short tons, raw value						*Percent*
Beet sugar processors	2,744	2,548	3,032	3,060	2,886	2,696	-6.6
Cane sugar refiners	3,525	3,692	3,473	3,426	3,611	3,778	4.6
Total reporters	6,269	6,240	6,505	6,486	6,497	6,474	-0.4
Nonreporter, direct consumption	319	498	455	374	504	703	39.4
Total deliveries	6,588	6,738	6,960	6,860	7,001	7,176	2.5
Final fiscal year deliveries 1/	11,921	11,881	12,102	12,048	12,106	12,050	-0.5

1/ Latest WASDE estimate for 2019/20.
Source: USDA, Farm Service Agency.

Beet sugar production for 2020/21 is projected at 4.965 million STRV, also unchanged from the previous month, based on the assumption that sugarbeet-producing regions face normal weather conditions during the development and harvest stages of the crop.

Cane sugar production for 2019/20 is estimated at 3.740 million STRV, unchanged from May. Florida is the only sugarcane-producing State that is still reporting production for its 2019/20 harvest that concluded earlier this month. Production for 2020/21 is projected to total 4.040 million STRV, also unchanged from May. The current projections are in line with processors' first forecast submitted through the SMD for June.

Cont'd next page.

In-depth Crop Market Update (Cont'd)

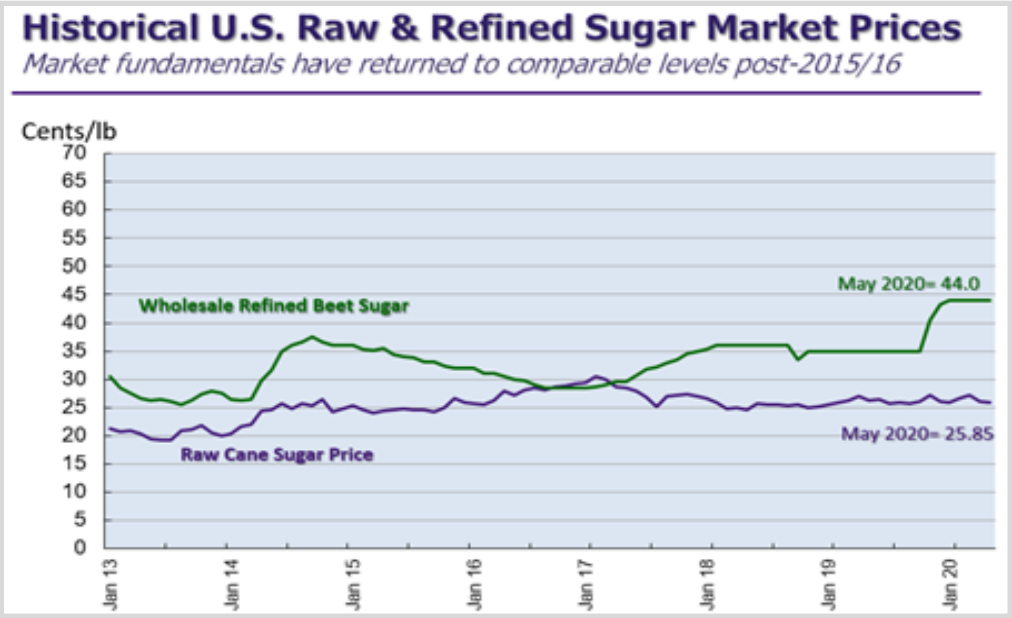
The information that is presented in this market update reflects current information as of *July 10, 2020.*

Sugar Cont'd

From the July WASDE report, U.S. sugar supply for 2020/21 is increased 187,367 short tons, raw value (STRV) to 13.921 million based on an increase in beginning stocks and production only partially offset by a reduction in imports. An increase in beginning stocks of 140,070 STRV results from increases in 2019/20 FTA TRQ imports from the implementation of USMCA and in 2019/20 imports from Mexico. Combined national beet sugar production and cane sugar production in 2020/21 are increased by 85,000 STRV based on projected increases in area harvested reported in the NASS Acreage report. TRQ imports for 2020/21 are increased by the quantity of specialty sugar beyond the WTO minimum as announced by the Secretary of Agriculture (154,323 STRV) and by projected FTA imports from Canada under USMCA (30,581 STRV). Imports from Mexico are projected at 1.079 million STRV, a reduction of 222,607 from last month. Net imports for 2020/21 are thereby reduced 37,703 STRV. There are no changes to use. Ending stocks are projected at 1.656 million STRV for an ending stocks-to-use ratio of 13.5 percent.

Under the USMCA effective July 1, 2020, Canada is to receive a calendar year export allotment of 9,600 metric tons (MT) of refined beet sugar for the entry into the U.S. market. USTR set the allotment for the remainder of 2020 at 4,800 MT, one-half of the annual amount. The allotment for 2021 is assumed at the full statutory level. USTR also granted Canada 20 percent of the 181,437 MT additional refined sugar TRQ established in April before the implementation of the USMCA. The 20- percent level of any addition to the refined sugar TRQ is set out in the USMCA and only applies in this case to calendar year 2020. These allocated amounts are prorated on a quarterly basis across the final two quarters of 2020 and the first three quarters of 2021.

Mexico production for 2019/20 is estimated at 5.282 million MT. This is an increase of 52,000 MT over last month mostly on better yields. FAS Mexico City Post reporting supports downward adjustments of 43,604 MT reflecting combined lower deliveries to the IMMEX re-export program and for human consumption. Required ending stocks to meet delivery needs for the 2.5 months before the start of the 2020/21 sugarcane campaign are lowered on the basis of lower projected deliveries in 2020/21. The net result of these changes is to increase residually determined exportable supply by 119,979 MT. Exports to the United States are increased to 1.194 million MT. Raw exports to the United States are estimated between 740,000 and 757,000 MT from 2019/20 production and beginning raw sugar stock levels. Mexico sugar supply and use for 2020/21 has fewer beginning stocks, lower projected deliveries for IMMEX and human consumption, and reduced stocks. The net effect is to increase exports by 117,000 MT to 1.731 million. Exports to the United States are reduced to 923,253 MT on calculated U.S. Needs as set out in the AD/CVD Suspension Agreements. Exports to third-country destinations are residually increased to 807,747 MT.



Coronavirus Aid Package Talks Ahead in Washington

The next few weeks in Washington could be the most consequential of the year, certainly until the election. Neither the House nor the Senate have any regular sessions scheduled over the next two weeks. Senators are privately discussing agricultural provisions in the next major coronavirus relief bill, which Republican leaders hope to get passed by the August recess. Senate Agriculture Chairman Pat Roberts, R-Kan., says the biggest issue with the agriculture provisions is how the USDA's Commodity Credit Corp. authority is replenished. Roberts says he thinks it would be a mistake to restrict how Agriculture Secretary Sonny Perdue can distribute the next round of coronavirus aid to producers. That position puts Roberts at odds with House Ag Chairman Collin Peterson, D-Minn. The Hill reported that the generous expansion to unemployment insurance Congress passed to keep Americans afloat during the COVID-19 crisis is due to run out at the end of the month, "potentially leaving millions of people struggling." Unemployment remained at 11.1% in June, worse than it was at the height of the Great Recession in 2009. At the heart of the discussion is a recent federal policy that adds a flat $600 to every weekly unemployment check through the end of July.

Agri-Pulse.

Coronavirus Food Assistance Program (CFAP) Signup and Details

CFAP is available to producers (crops, livestock, dairy, and specialty crops) regardless of size and market outlet, if they suffered an eligible loss. For producers receiving assistance through the U.S. Small Business Administration's Paycheck Protection Program (PPP) or the Economic Injury Disaster Loan (EIDL); eligibility is not impacted for CFAP participation.

Sign-up started on May 26, 2020 with applications being accepted through August 28, 2020. Additional information and application forms can be found at www.farmers.gov/cfap . Producers of all eligible commodities will apply through their local FSA office. Documentation to support the producer's application and certification may be requested. FSA has streamlined the signup process to not require an acreage report at the time of application and a USDA farm number may not be immediately needed.

Producers must provide the following information for CFAP: total sales of eligible livestock, by species and class, between January 15, 2020, to April 15, 2020, of owned inventory as of January 15, 2020, including any offspring from that inventory; and highest inventory of eligible livestock, by species and class, between April 16, 2020, and May 14, 2020.

To ensure the availability of funding throughout the application period, producers will receive 80% percent of their maximum total payment upon approval of the application. The remaining portion of the payment, not to exceed the payment limit, will be paid at a later date as funds remain available.

Non-specialty crops eligible for CFAP payments include malting barley, canola, corn, upland cotton, millet, oats, soybeans, sorghum, sunflowers, durum wheat, and hard red spring wheat. Producers will be paid based on inventory subject to price risk held as of January 15, 2020. A payment will be made based on 50% of a producer's 2019 total production or the 2019 inventory as of January 15, 2020, whichever is smaller, multiplied by the commodity's applicable payment rates.

Producers must provide the following information for CFAP: total 2019 production for the commodity that suffered a five percent-or-greater price decline, and total 2019 production that was not sold as of January 15, 2020.

Livestock eligible for CFAP include cattle, lambs, yearlings and hogs. The total payment will be calculated using the sum of the producer's number of livestock sold between January 15 and April 15, 2020, multiplied by the payment rates per head, and the highest inventory number of livestock between April 16 and May 14, 2020, multiplied by the payment rate per head.

Commodity	*Unit of Measure*	*CARES Act Payment Rate*	*CCC Payment Rate*
Barley (malting barley only)	bushel	$0.34	$0.37
Canola	pound	$0.01	$0.01
Corn	bushel	$0.32	$0.35
Upland Cotton	pound	$0.09	$0.10
Millet	bushel	$0.31	$0.34
Oats	bushel	$0.15	$0.17
Sorghum	bushel	$0.30	$0.32
Soybeans	bushel	$0.45	$0.50
Sunflowers	pound	$0.02	$0.02
Wheat, Durum	bushel	$0.19	$0.20
Wheat, Hard Red Spring	bushel	$0.18	$0.20

Newsletter Information

A group of growers inquired about a quarterly newsletter being delivered to them containing relevant market news and agricultural policy events. As a result, this publication will be delivered electronically per the release schedule. Please contact Dr. Mike Deliberto at mdeliberto@agcenter.lsu.edu to be added to the email distribution list, free of charge.

QUARTER	Reporting Period	Release Date
1	January 1 through March 31	April 15
2	April 1 through June 30	July 15
3	July 1 through September 30	October 15
4	October 1 through December 31	January 15

Please send questions and comments to Dr. Michael Deliberto, Department of Agricultural Economics and Agribusiness, LSU AgCenter. Mailing Address: 101 Martin D. Woodin Hall, LSU Campus, Baton Rouge, LA 70803. Office Phone: 225-578-7267. Email: mdeliberto@agcenter.lsu.edu *Staff Report 2020-41 July 2020.*