

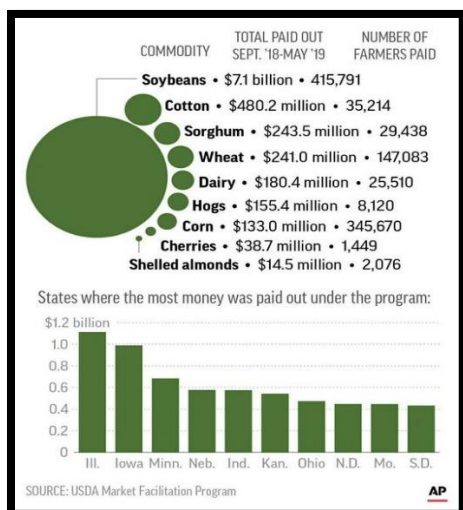


Louisiana Commodities and Conservation Newsletter

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Trade war and farmer aid-payments

The first round of payments to assist farmers hurt by tariffs and reduced exports went out. The picture shows the payouts by commodity, numbers of farmers, and states which received the most. Louisiana received \$106.6 million, whereas Arkansas and Mississippi received \$280.6 and \$217.3 million, respectively.



FEEDD act?

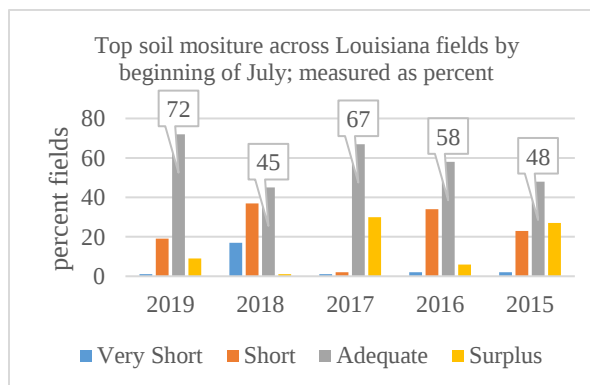
Feed Emergency Enhancement During Disasters Act (FEEDD) was introduced to alleviate feed shortages in a year or years with high prevented planting because of excess moisture or drought.

What does it do: it would allow grazing or haying a cover crop before the Nov 1 cutoff during feed shortages as a result of excess moisture or drought. Producers get indemnities for prevented planting but are prohibited from growing a cash commodity; however, under the FEEDD act producers get some relief by not having to take a further discount on crop insurance. The bill is **NOT** passed but being looked at by the House Agriculture Committee.

However, on June 20th, the USDA announced that for the 2019 year alone it would allow harvesting of cover crops on prevented planting acres on Sept 1st rather than Nov 1st.

Topsoil and subsoil moisture

Soil moisture is an important variable to keep track of as it determines irrigation needs as well as crop vulnerability to drought. USDA provides a weekly update on topsoil and subsoil moisture to prepare farmers to plan their irrigation or other related activities. For the week ending June 30, in Louisiana fields, 72% have adequate, 9% have a surplus, and 19% have short topsoil moisture. The fields have relatively better soil moisture compared to previous years. It is a very similar situation for subsoil moisture. The moisture status might change with all the rain “Barry” produced in the state.



Source: USDA-NASS

There's a name for it: “Fallow Syndrome”

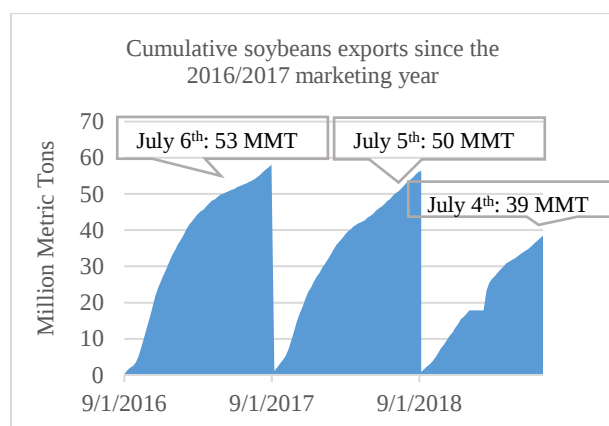
In situations where producers cannot get their cash crop planted, either due to excess moisture or drought, crop insurance doesn't require planting cover crops. However, most argue today that having a cover crop protects soils from erosion, controls weeds, and hold nitrogen in the ground. A

cover crop can prevent loss in yields the following year by providing the above-mentioned services.

p.s. You know prevent plant does require that weeds be controlled.

Trade and Market Facilitation Program

Trade remains a concern in 2019, particularly for soybeans. Cumulative exports through the 2018/2019 marketing year have seen a 26% dip as of July 4, 2019, compared to a similar period in 2017. Given the unique challenges, the USDA is again offering the Market Facilitation Program (MFP) payments to mitigate the impacts to farmers affected by ongoing trade disputes.



Source: USDA-FAS

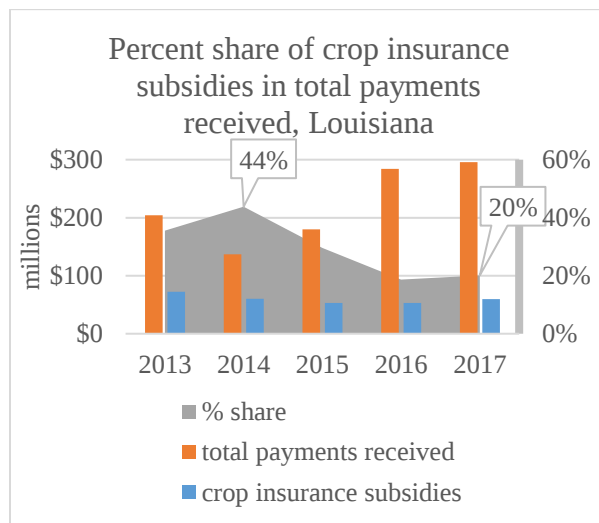
Government Programs and Prices

Leading into the year, the expectation was for moderate to slightly decreasing corn prices as corn was set to capture significant acres from soybeans. The current picture is very different, partially due to government payment programs. Prevented planting will almost certainly help to increase corn prices in 2019. By the time late planting deadlines had arrived, corn prices had not risen enough to justify planting late corn acres and forego prevented planting. Additionally, special exceptions for 2019 will only further encourage prevented planting acres. The deadline for grazing or haying cover crops to receive prevented planting payments has

moved up to September 1st and corn planted for silage will count as a cover crop. MFP, on the other hand, will work in the opposite direction since only acres actually planted can receive payments. Some MFP rules should help to reduce such market-distorting effects. For example, 2019 MFP acres claimed cannot exceed 2018 payment acres.

Growing significance of crop insurance

In a challenging year marked by uncertainty, government programs stand to play a significant role in helping farmers navigate the 2019 crop year. As crop insurance increases in importance as a policy tool, its prevented planting policy will feature significantly for multiple reasons this year. In 2019 as in 2018, the special circumstances of trade uncertainty will also trigger the MFP payments in addition to the crop insurance subsidies farmers receive.



Source: USDA-NASS

USDA extends the deadline to file acreage reports to JULY 22 in several states including Louisiana

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