Staff Report No. 2020-16

Louisiana Commodity Market News Updates
February 2020

Louisiana Land Market Survey Results

Irrigated Cropland Values and Rental Rates		
Region	Average Selling Price/Acre	Average Rental Rate/Acre
Northwest	$4250	No Data
Northeast	$4389	$152
Central	$3500	$150
Southwest	$3350	$113
Southeast	$6000	$113

The AgCenter released the results of the first Louisiana Land Market Survey. Agricultural lenders and land appraisers across the state were surveyed and grouped according to the five AgCenter regions being the Northwest, Northeast, Central, Southwest and Southeast. The survey collected data on land values and cash rents for irrigated and non-irrigated cropland, pastureland and on land values for mature hardwood and pine. Expectations for changes in interest rates, bankruptcy and delinquency rates were also collected in the survey. Interested individuals can view the full reports on the Farm Finance and Management site on the AgCenter Extension and Outreach webpage.

Louisiana Crop Insurance Discovery Prices

RMA Discovery Prices and Volatility Factors		
Commodity	Volatility Factor	Discovery Price
Corn	0.14	$3.9200
Cotton	0.13	$0.7000
Grain Sorghum	0.14	$3.7500
Rice	0.10	$0.1220
Soybeans	0.12	$9.3100

The RMA has released the crop insurance discovery prices for the 2020 policy year. All prices with the exception of rice are projected at a lower value relative to 2019. Volatility factors were higher relative to 2019. The crop insurance sales close date for Louisiana is February 28th 2020.

Third Tranche of MFP Payments Released

On February 3rd, the USDA announced plans to make the third and final tranche of Market Facilitation Program (MFP) payments. $3.86 billion of the $14.5 billion originally allocated are left to be distributed. The package serves as part of a larger bundle of programs with a total maximum distribution amount of $16 billion. MFP payments are made on a per county basis and acres farmed regardless of the actual eligible crop planted in 2019.

Hemp Risk Protection Details Released

Louisiana Hemp Risk Protection Plans Available	
NAP	Provides coverage against eligible yield losses for hemp grown for fiber, grain, seed and CBD that exceed 50% of expected production at 55% of the price.
WFRP	Provides protection for all revenue insured on a farm including hemp grown for fiber, flower or seeds.

On February 6th the USDA announced details of risk management plans available for hemp producers to protect against eligible crop losses. Individual programs introduced include the Noninsured Disaster Assistance Program (NAP) and a new Multi-Peril Crop Insurance (MCPI) plan. Hemp is also now eligible to be bundled under a whole farm revenue protection (WFRP) plan. Basic coverage for a NAP plan would cost $325 per crop or $825 per producer per county. To be eligible, a producer must have a license to produce hemp and abide by the approved Louisiana hemp production plan.

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