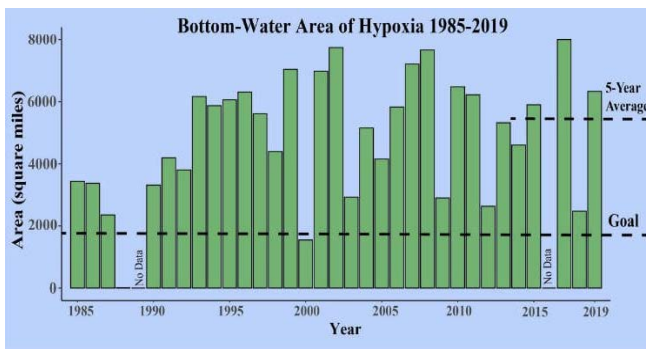




Louisiana Conservation and Commodity Updates June 2020; Issue-6

6,700 sq. mile Dead Zone

The NOAA scientists predict a 6,700 square mile dead zone for the year 2020, significantly higher than the goal established through nutrient reduction strategies across the Mississippi River Basin. The year 2017 had the largest dead zone reported at 8,776 sq. miles.



Source: Louisiana Universities Marine Consortium

Wetland Conservation Projects

Migratory Bird Conservation Commission allocated \$160 million, received mostly from migratory bird stamp purchases, for various wetland projects across the country. \$22 million from the allocated funds will be used to restore and conserve more than 160,000 acres of waterfowl and other bird habitats through 22 projects across 15 states. Louisiana will have five projects of \$1.0 million each, protecting and enhancing about 12,000 acres in total. [The full list of projects can be found here \(https://bit.ly/3fD8S9U\)](https://bit.ly/3fD8S9U).

Tipping Point

In a new study, published in Science Advances, it is reported that the Louisiana coast passed a tipping point based on 8,500 years of marsh record from the Mississippi Delta. This study indicates that the relative sea-level rise rates above 3 millimeters per year resulted in marshes drowning within a few centuries in the past, whereas 6 -9 mm per year sea-level rise would convert marshland to open water within a mere 50 years. With current sea-level rise rates surpass the 3 mm per year, the 15,000 sq. Km (5,800 sq. miles) of marshland in

Louisiana is in grave danger. [The study can be found here \(https://bit.ly/3ej98e4\)](https://bit.ly/3ej98e4).

Proposed Legislations

Growing Climate Solutions Act – Although in its very early stages, the proposed Bill aims to encourage sustainable farming practices and facilitate entry of farmers and forest landowners into greenhouse gas credit markets. The Bill proposes a USDA-run system for verifying credits, providing technical assistance related to those markets, and making reliable information accessible. [You can read the full text here \(https://bit.ly/2UWx8vI\)](https://bit.ly/2UWx8vI).

Great American Outdoors Act – passed in the Senate, the act is aimed to address maintenance backlogs of National Parks Service, US Fish and Wildlife, Bureau of Land Management, US Forest Service, and the Bureau of Indian Education, and provide permanent dedicated funding, \$900 million annually, for Land and Water Conservation Fund (LWCF). [You can read the full text of the bill here \(https://bit.ly/30TTu4Y\)](https://bit.ly/30TTu4Y). The funds in the LWCF are mostly used for

- a. protecting public lands and critical fish and wildlife habitats, including coastal restoration efforts
- b. increasing access to outdoor recreation

Coronavirus Food Assistance Program

The USDA released the final rules of the Coronavirus Food Assistance Program (CFAP). The program is meant to provide relief to producers who faced a 5% or greater price decline, experienced losses due to market supply chain disruptions due to COVID-19 and additional marketing costs. The final rule for the program was issued on May 21st detailing payment rates for various eligible agricultural commodities. Rates for major Louisiana commodities included in the final ruling is given the table below.

Crop	Payment rate	
	CARES Act	CCC
Corn	0.32/bu	0.35/bu
Cotton	0.09/lb	0.10/lb
Sorghum	0.30/bu	0.32/bu
Soybeans	0.45/bu	0.50/bu

Farm Income & Aid

Trade wars, coupled with the Covid-19 pandemic, is expected to drop farm income by 3% in 2020, according to FAPRI. Another report indicated average income per farm could drop from \$110,000 to \$14,000, not accounting for the government aid. However, a drop in farm income in 2019 is partially supplemented by farmer aid programs. On the other hand, near-zero interest rates present opportunities for farmers to refinance or extend amortization periods, which could result in savings in loan payments.

Through CFAP, USDA already approved payments totaling \$2.9 billion, as of June 15, 2020. The payments are expected to total \$16 billion. In the Delta states, the aid payments across categories already approved are as follows –

Product	LA	MS	AR
Non-speciality	\$2,630,523	\$23,225,611	\$8,796,423
Speciality	\$298,207	\$8,387	\$1,131,746
Livestock	\$7,221,164	\$20,057,385	\$37,535,913
Dairy	\$793,663	\$810,671	\$469,020
Total	\$10,943,557	\$44,102,054	\$47,993,102

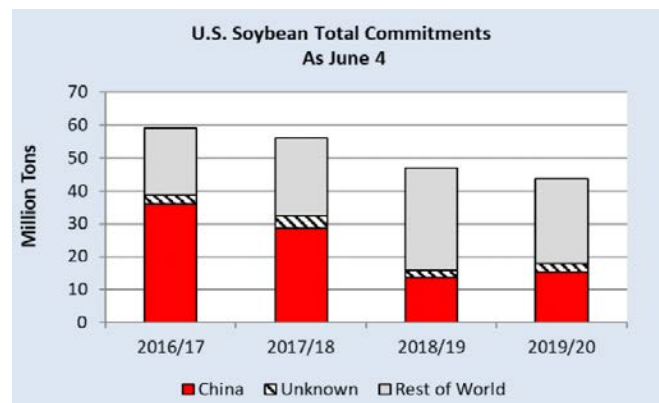
[The full list of states and their CFAP payments is available here \(https://bit.ly/2BnZ3hy\).](https://bit.ly/2BnZ3hy)

EPA Ruling on Dicamba Usage

Following the US Court of Appeals for the Ninth Circuit decision on three Dicamba products, Xtendimax with VaporGrip Technology, Engenia, and FeXapan, on June 8th, the EPA issued a final cancellation order prohibiting the sale of the products but allowing for the use of existing stocks until July 31st. The ruling refers specifically to over the top (OTT) use of the named Dicamba products, where such OTT usage is common for the post-emergent treatment of dicamba-resistant cotton and soybeans. Tavium, a premix of dicamba and S-Metolachlor, was not included in the ruling. Among many reasons, the EPA cited labeling being difficult to follow, which resulted in the off-target movement of these products, particularly in major soybean-producing states. Specific mandates of the final cancellation order-

- Distribution and sale of the listed products by registrants are prohibited as of June 3rd, 2020.
- Distribution or sale of existing stocks by persons other than the registrant is prohibited from facilitating return to the registrant or proper disposal.
- Distribution or sale of existing stocks by commercial applicators is permitted until July 31st, 2020.
- The use of existing stocks inconsistent with current labeling is prohibited. All use is prohibited after July 31st, 2020.

Soybean Exports to China Increase



Source: Farm Policy News

The week of June 4th saw the most substantial increase in soybean sales, 1.004 MMT for the 2019/2020 crop year. About 39% of that total was to China. Total sales for the 2019/2020 and 2020/2021 marketing years totaled 2.2 MMT, which is also a high for the two years combined to date. Uncertainty remains over the specific drivers behind the increase in purchases, making it difficult to predict the sustainability of such growth in purchases. China and the US agreed to a Phase-I deal, a commitment by China to purchase \$36.5 billion in US agricultural goods through 2020. \$4.65 billion of these commitments have been met through the first four months of 2020. The majority of China's soybean purchases from the US have come in the harvest months occurring in the Fall.

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