



## Louisiana Conservation and Commodity Updates

### May 2020; Issue-5

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#### CWA applies to groundwater pollution

In a late April ruling, the court decided that federal clean water act applies to pollution of groundwater that flows into streams, lakes, rivers, and bays as long as it is similar, or in scientific terms "functionally equivalent" to a point source pouring pollutants into these waters. This ruling puts a need for scientific evidence such as whether nutrient loss from agricultural lands reaches groundwater or what portion of the nutrient loss reaches groundwater or how much time does it take for the contaminants to reach groundwater.

#### USDA Grants and Projects

USDA announced the availability of \$3 million for urban agriculture projects addressing access to food, and education to support increased local food production. [More information is available here \(https://bit.ly/3bt4OGZ\)](https://bit.ly/3bt4OGZ). Applications are due July 6<sup>th</sup>, 2020.

NRCS Conservation Innovation Grants (CIG) that supports the development and testing of conservation technologies on private lands is requesting projects through June 29<sup>th</sup>, 2020. One of the new priorities this year includes *water reuse* on agricultural lands.

NRCS will be investing \$25 million in 2020 through on-farm trials, a component of CIG. The funding includes up to \$10 million in soil health demonstration projects. Louisiana still loses about 2.2 million tons of soil per year per acre. Projects addressing soil loss have another avenue to seek funds for on-farm conservation evaluation.

#### Wetlands Mitigation Banks

Louisiana has an abundance of wetlands. Unavoidable impacts to wetlands due to agricultural activities could put our farmers in noncompliance with wetland conservation provisions. NRCS is making available \$5 million to develop or establish mitigation banks so that agricultural producers can purchase mitigation credits when onsite mitigation is a challenge.

#### Coastal Fund and Priorities

Louisiana receives its maximum of \$155.7 million payment from the Gulf of Mexico Energy Security Act in 2019 revenue-sharing funds for coastal restoration efforts. Besides, the state is committing at least \$115 million in state surplus dollars to the coastal fund, which will bring the Coastal Protection and Restoration Authority's planned expenditures for FY21 over \$1 billion for restoring and protecting Louisiana's coast. Gov. Edwards recently announced his second-term coastal priorities, which include:

- establishing Coastal Initiatives Task Force
- pursuing an integrated approach to the Mississippi and Atchafalaya Rivers
- initiatives to ensure a sustainable oyster industry
- growing, diversifying, and protecting the economy through investments in coastal protection and restoration and coordinated advocacy
- establishing the Coastal Innovation and Collaboration Hub

These coastal priorities aim to address coastal land loss and climate crises in Louisiana through strategic partnerships and enhanced information sharing.

#### US Commodity Costs and Returns Interactive Tool

USDA Economic Research Service (ERS) has an interactive tool for corn, cotton, rice, soybeans, wheat, sorghum, oats, barley, and peanuts. The tool provides regional estimates of costs and returns by commodity and by region. [The tool is available here \(https://bit.ly/2zEypje\)](https://bit.ly/2zEypje).

#### Inland Waterways Improvement

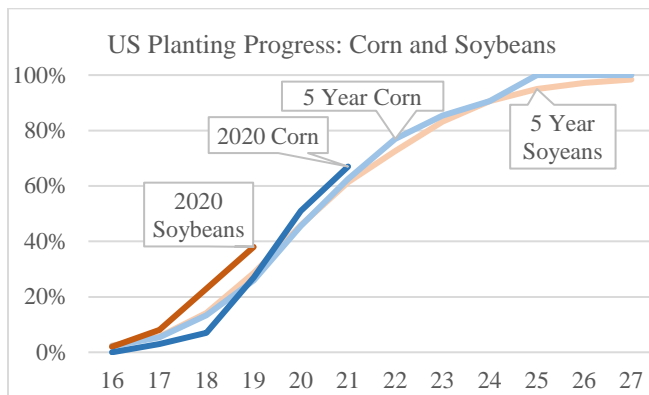
A new bill currently on the Senate floor proposes an increase to the federal funding share for inland waterways improvements. The federal amount under the new proposal would increase from 50 to 65%. Our waterways play a key role in grain movement within the US. Increased cost share could expedite improvements

as well as provide an opportunity to study flood risk along the major rivers supporting commerce.

REMINDER!!

- Louisiana producers are reminded to complete crop acreage reports. Acreage reports can be turned in by mail or e-mail after planting for most spring seeded crops by June 15<sup>th</sup>.
- Payments through the WHIP+ has already begun. Farmers who experienced losses in 2018 and 2019 for excess moisture and drought are encouraged to apply.

### Frost and Days for Planting



Planting progress for both corn and soybeans currently sits ahead of five-year averages. National corn planting is 67% complete as of May 10<sup>th</sup> compared to the 56% five-year average. Louisiana corn is 100% planted, as is typical in week 19. Soybean progress in Louisiana (65%) is near its week 19 five-year average (68%). The week ending May 9<sup>th</sup> saw some frost conditions return to the Northern states. Corn is expected to be unharmed from the conditions, but soybeans are monitored to see

if replanting may be necessary. National soybean planting progress is 38% compared to its 27% five-year average for week 19.

### Corn and Soybean Price Outlook

The latest WASDE report was released on May 12<sup>th</sup> and is the first report with 2020/2021 new crop projections. The report forecasts a corn yield of 178.5 bu/acre, 5.5 bu/acre above the five-year average, and ~2 bu/acre above the final yield in 2018. With expected corn acreage at 97 million, the highest since 2012, the USDA is projecting a record corn production year of nearly 16 billion bushels contributing to a bearish price marketing year average price of \$3.20/bu, down \$0.40 from the 2019 price. Projections for soybeans are much tamer with yield (49.8 bu/acre) and acres planted (83.5 acres) above the rain-affected 2019 season but below the acreage and yield in 2018. Despite soybean ending stocks decreasing by 329 million bushels, soybean prices still project downward for the 2020/2021 marketing year to \$8.20 from \$8.50 a year before due to higher domestic total supply, increasing acreage and yields from Brazil and Argentina, and effects of the COVID-19 pandemic.

### USDA Innovation Agenda

USDA is seeking comment on developing innovative strategies for the next 10-30 years in public and private research, productivity and conservation, and alignment of the USDA programs toward food, fiber, fuel, feed, and climate demands. [The full report is available here \(https://bit.ly/3cBVlck\)](https://bit.ly/3cBVlck). The benchmarks of the agenda include

- increase ag. productivity by 40% by 2050
- forest management through shared stewardship
- reduce food waste by 50% by 2030
- a net reduction in ag. carbon footprint by 2050
- reduce nutrient loss to waters by 30% by 2050
- achieve renewable fuel use of 15% by 2030 and 30% by 2050.

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