



Louisiana Conservation and Commodity Updates July 2021, Issue-7

Family Forest Carbon Program

Led by the American Forest Foundation and the Nature Conservancy, companies and family forest owners are exploring carbon markets. Carbon payments are based on specific forest management practices that have been shown to increase carbon sequestration. The goal is to enroll nearly 300 million family-owned forests in carbon markets. The project has been piloted in the central Appalachian region. The program currently has 50 contracts for over 6,000 acres of forest land.

FY 2021 Ag. and Rural Dev. Appropriations

FY 2021 appropriations show strong support for rural infrastructure and programs that promote agricultural exports. You can read the full report [here](https://bit.ly/3x6b1mQ) (<https://bit.ly/3x6b1mQ>). Highlights include

- \$990 million (an increase of \$435 million above FY 2020) for ReConnect program to expand broadband service
- \$1.45 billion for rural water infrastructure
- \$1.088 billion for food safety and inspections programs to ensure the productivity of the meat and poultry industry
- \$3.3 billion (an increase of \$92 million above FY 2020) for agriculture research programs
- \$2 billion for international food aid to support US agricultural exports

Supreme Court denies Review on California's Proposition 12

Proposition-12 strengthens existing California law to ban intensive confinement of egg-laying chickens, pigs, and calves. The rule also prohibits the sale of such products from facilities that confine animals to intensive caging facilities. The premier court rejected a petition seeking review of Proposition-12, and sided with prior rulings that states have the right to pass laws protecting animals, public health, safety and prohibit the sale of such products within their borders. Many believe that this state legislation can affect farm products produced in other states and sold in California.

Disaster Assistance AT-A-GLANCE

The USDA, in 2020, developed an informational resource highlighting a list of disaster assistance programs and the agencies primarily engaged with each of those programs. With the 2021 hurricane season predicted to be above average, the document serves as a helpful resource. A snapshot of the document can be seen below. You can access the resource [here](https://bit.ly/2TGLzXG) (<https://bit.ly/2TGLzXG>)

Disaster Programs	Agency	Blizzard	Fire	Hurricane/ Typhoon	Excessive Moisture/ Flood	Excessive Winds/ Tornado	Drought	Hail	Volcanic Emissions	Freeze	Earthquake
Crop Insurance – provides indemnity payments to growers who purchased crop insurance for production and quality losses related to drought, and other weather hazards, including losses from an inability to plant caused by an insured cause of loss.	RMA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Conservation Reserve Program (CRP) Hay and Grazing – provides for emergency planting and grazing on certain CRP practices in a county designated as D2 or higher on the U.S. Drought Monitor, or in a county where there is at least a 40 percent loss in forage production.	FSA	✘	✘	✘	✘	✘	✓	✘	✘	✘	✘

Overtime Pay for Farm Labor

Colorado becomes the fifth state in the nation, requiring farms to pay overtime to its workers. Other states include California, New York, Maryland, and Minnesota. Few other states pursuing similar action include Washington and Oregon. Colorado lawmakers passed a bill similar to the one passed in the other four states that removes exemptions for farmworkers from federal overtime and minimum wage requirements. States put in a timeline for the removal of these exemptions.

- Washington will lower the overtime threshold each year until it reaches 40 hrs in 2024.
- New York and Maryland have a 60-hour threshold in a single week, whereas Minnesota has 48-hours threshold in a workweek above which the farm labor must be paid one and a half times the regular rate of pay
- In California, large farms will have to get to a 40-hour threshold by 2022, and small farms will get until 2025 for that threshold to go into effect.

Pandemic Assistance continues for Various Agricultural Sectors

Timber harvesting and timber hauling businesses that experienced losses during the pandemic can apply for Assistance through FSA, starting July 22 through Oct 15, 2021, under the Timber Harvesters and Haulers Program (PATHH). Similarly, livestock and poultry producers can apply for assistance to cover losses during the pandemic under the Pandemic Livestock Indemnity Program (PLIP) starting July 20 through Sept 17, 2021.

Hay, Graze and Chop Cover Crops Anytime

Unlike in the past, where cover crops could only be hayed, grazed, or chopped after November 1 to avoid preventive planting payment reduction by 65%, the Risk Management Agency added flexibility that would not affect preventive planting payment for such producers. For the years 2021 and beyond, RMA would not consider cover crops planted following a preventive planting claim as a second crop but instead for conservation benefits.

Revising the Clean Water Act

A federal judge granted the government's request to write a new definition to clarify, within previous administrations Navigable Waters Protection (NWP) rule, what streams and wetlands fall under the jurisdiction of the Clean Water Act. Although several environmental groups have asked to vacate the existing rule, the judge ruled to leave the NWP in place while the EPA is working on the revisions.

Consolidation in Agribusiness Firms

A handful of firms dominate the agricultural industry sector – seeds, fertilizers, equipment, meat processors, and grocery chains. The consolidation within the sectors has garnered attention and criticism.

There has been a request to look into meat processors and their impact on cattle prices and prices at grocery stores across the country. A handful of companies dominates the global meat packaging industry. Several takeovers in the last three decades by larger firms have

created anti-competitive business practices. After a nationwide uproar, the Department of Justice has agreed to look into market manipulation practices by some of the US's largest meat processing and packaging firms.

An executive order was signed by President Biden, making it easy for small farmers to bring litigation against processors for unfair practices and payment structures that would limit fair farmer payments. The order also covers the proposal to allow equipment owners to have the “right to repair” their equipment.

Raw Cane Sugar Import Quotas

In early July, the US Trade Representative (USTR) office announced the reallocation of the unused country-specific import allocation quotas on raw cane sugar. US under the WTO allows countries to export specified quantities of a product to the US at a relatively low tariff. The tariff-rate quota on cane sugar for FY 2021, which runs from Oct 1, 2020 to Sept 30, 2021, is 1,117,195 metric tons raw value. As import quotas were not fully utilized, the USTR determined to reallocate a total of 76,571 metric tons raw value from unused countries to other nations based on their historical shipments. A news release can be read [here \(https://bit.ly/2Vbfesh\)](https://bit.ly/2Vbfesh).

Dicamba, Glyphosate, and now Tirexor

EPA is back in court with new litigation. Petitioners allege that EPA's decision to register Tirexor lacks scientific evidence and does not account for the impact on endangered species and their habitat. The herbicide has soybean and cereal grains within its crop use group.

Beef Exports to China on Record Pace

China's import of US beef continues to show strength. During the first five months of 2021, beef export to china increased thirteen-fold, compared to the same period last year, valued at \$4.6 billion. China imported about 1.3 million metric tons during these months. USDA Foreign Agricultural Service expects that imports of US beef to China are going to increase by 30% over the next decade.

Questions and comments:

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