



Louisiana Conservation and Commodity Updates September 2021, Issue-9

Insurance Coverage for Split-Application

USDA-Risk Management Agency will offer Post Application Coverage Endorsement (PACE) in certain states for non-irrigated corn. The program provides payments for any projected yield loss when producers adopt split-application of nitrogen but cannot fully apply the crop's in-season requirement. This new crop insurance option is another step by the agency toward encouraging on-farm conservation. Recently, the agency provided crop insurance premium support for producers who planted cover crops. Similarly, the agency now allows farmers to hay, graze or chop cover crops at any time and still receive 100% prevented planting payments. The news release is available at <https://bit.ly/3hTQyx6>

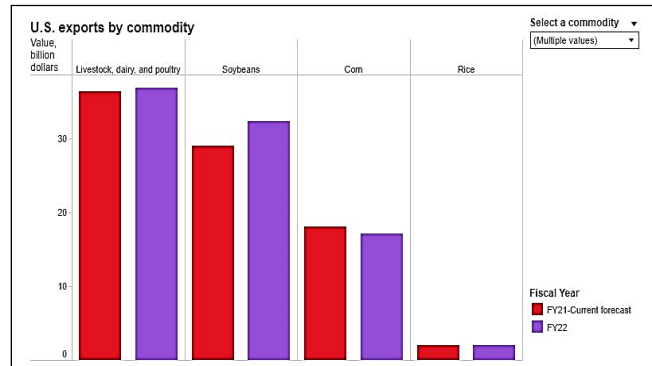
Carbon Bank Pilot projects – Strategic Advantage for Louisiana Master Farmers

Many in the agriculture industry support the idea of carbon banks where agriculture and forest management methods provide an opportunity to monetize conservation benefits. Pilot projects started in Iowa, North Carolina, and Arkansas. These projects aim to use the information as a foundation for establishing a carbon bank where one can buy and sell credits, showcase opportunities for participation, and promote the nation's climate strategy. Louisiana farmers, those at several stages in the Master Farmer Program, have uniquely positioned themselves at an advantage. These farmers, already familiar with the practices and their records showing proof of implementation over the years, set them as frontrunners in carbon transactions.

Ag-Exports Expected to hit All-Time High

US agricultural exports are expected to reach \$177.5 billion, USDA-Economic Research Service reports. This increase is primarily driven by higher export values of soybeans, cotton, and horticulture products. Livestock, dairy, and poultry products forecast is up \$400 million, bringing the total value of these products to \$36.8 billion. The value of the FY-22 forecast for soybeans is \$32.3 billion, corn: 17.1 billion, rice: \$2.0 billion. The fiscal year covers from October 1 to September 30. The graph below shows the FY-21 and

FY-22 estimates. Commodities included are livestock, soybean, corn, and rice. The units are billion dollars.



Source: USDA-ERS. Red color is for FY21. Purple is FY 22 forecast.

“Functional Equivalent” Test

A recent decision by the Supreme Court decision in the *County of Maui v. Hawaii Wildlife Fund*, where the Court ruled “discharge of pollution from a point source to groundwater that eventually reaches a water of the US is the *functional equivalent* of direct discharge to such water.” EPA has said it will use the precedent created in this decision to evaluate on a case-by-case basis whether the discharge from a point source through groundwater that reaches jurisdictional waters requires a Clean Water Act permit.

Millions in Ag Damages from Hurricane Ida

Floods and rainfall from Hurricane Ida, a category-4 when it made landfall, left significant impacts in the southern and eastern parts of the state. According to the LSU AgCenter extension specialists, the economic loss to the agriculture sector tops \$550 million. The specialists warn that these assessments might not show the full impact as access to some parts of the state was a challenge immediately after the storm. The below table shows the overall impacts

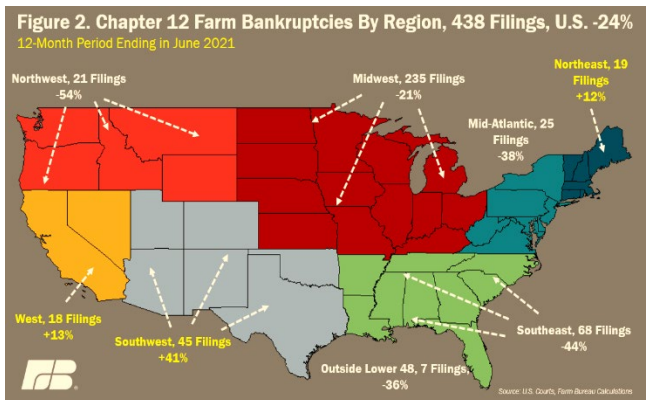
Commodity	Economic loss
Timber	\$315,946,540
Sugarcane	\$35,378,403
Soybeans	\$411,909
Vegetables	\$3,844,741

Fruits	\$10,632,784
Horticulture	\$9,524,950
Livestock, Pasture, and Hay	\$1,558,252
Ag Infrastructure	\$207,126,813
Total	\$584,424,393

Dr. Kurt Guidry, Dr. Jingtang Guo, and Dr. Jo Chang, LSU Ag Center, compiled the above estimates.

Farm Bankruptcies down from Previous Year

Farm bankruptcies are down in several states for FY 2020-21, which includes data from July 2020-June 2021. The southeastern US has seen the second-highest decrease (-44%) following the northwest, which saw the most drop in bankruptcies (-54%). In Louisiana, the number of filings was 10 fewer than last year, an 80% drop.



Source: www.fb.org

Farmworkers sue over favoring Foreign Farm Labor

Six Mississippi farmworkers sue Pitts Farms Partnership, Mississippi, for violation of the Migrant and Seasonal Agricultural Worker Protection Act, federal anti-discrimination laws, and breach of contract. Farmworkers claim that the farm management asked them to train foreign farm labor, paid them lower wages than other farm laborers, and eventually laid off these six farmworkers. The H2-A program allows farmers to temporarily hire foreign farm labor only when US

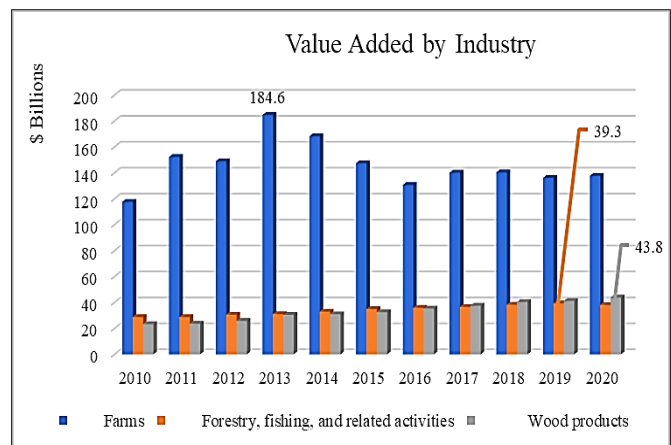
Questions and comments:

Dr. Naveen Adusumilli; 318-884-0514 (m); nadusumilli@agcenter.lsu.edu; Dept. of Agricultural Economics and Agribusiness.

farmworkers are not available, The case is pending in the Northern District Court of Mississippi.

Valued Added from Agriculture to GDP

The recent report on the value added by industry shows the contribution estimates from agriculture, forestry, fishing, and hunting to the nation's gross domestic product. Value-added represents the sum of the costs incurred and the incomes earned in production, accounts for employee compensations, taxes on production and imports less subsidies and gross operating surplus. The below graph shows the contribution to GDP, in billion US \$.



Source: Bureau of Economic Analysis

The graph shows the highest contribution by each industry in the last decade. The estimates for 2021 Q1 are \$172 billion, \$40.9 billion, and \$53.2 billion for farms, forestry, fishing, and wood products, respectively.

FSA Program helps with Heirs Property

Through a relending program, FSA is providing access to capital to help producers resolve title issues by financing or consolidating property. Cooperatives, credit unions, and nonprofit organizations can apply for these loans, which in turn will be provided to agricultural producers and landowners for resolving land ownership and succession issues.