



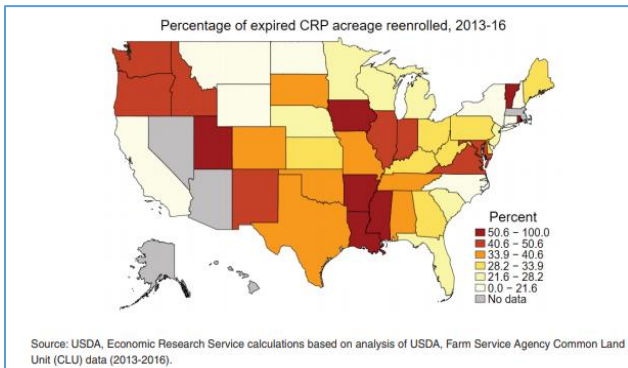
Louisiana Commodities and Conservation Newsletter

January 2020; Issue-1

CRP acres in the state!

Conservation Reserve Program (CRP) addresses natural resource concerns by providing annual payments as well as technical assistance to farmers in exchange for removing environmentally sensitive land from crop production for at least 10-15 years, with an option to re-enroll.

In a recent report by the USDA-ERS, from 2013-16, Louisiana is among the states that had the highest percentage of enrollment of expired CRP land. More than 50 percent of expired CRP acres, from 2013-2016, were reenrolled in the program. Mississippi and Arkansas also fell into this category.



Are you a Historically Underserved Farmer?

What does that mean and why is it essential— Four types of producers fit into this group

Beginner farmer - someone that is new to farming or has operated a farm or ranch for less than 10-consecutive years. *Veteran farmer*- served in the armed forces and has operated the farm or ranch for less than 10-consecutive years or obtained the veteran status in the last 10-years. *Limited resource farmer* – has direct or indirect gross farm sales of not more than \$180,300 in each of the previous two years and has a household income at or below the national poverty level for a family of four in each of the last two tax years. The

adjusted gross income threshold is \$25,750 to \$38,970 for parishes in Louisiana. *Socially disadvantaged farmer* – member subjected to racial or ethnic prejudice.

NRCS that provides cost-share assistance to implement conservation practices would provide up to 50% of the costs of the practice as advance payments to farmers classified as underserved farmer or rancher. This option can reduce the burden of covering upfront costs by farmers and promotes participation in conservation with more financial freedom.

West Carroll and Vermillion parishes have the most acres in 2017, about 57,000 acres each, farmed by beginner farmers as principal producers. [An interactive map with acres by parish where new and beginner farmers serve as principal producer is at the link \(https://bit.ly/2TNCxFZ\).](https://bit.ly/2TNCxFZ)

INDUSTRY NEWS!!

- January 2020 issue of the Sugar and Sweeteners Outlook report shows Louisiana cane sugar production is projected to be lower than the previous three years.
- ARC and PLC deadline in March 15th. The USDA is encouraging all farmers to enroll by the deadline.

Manure for crop nutrient needs

Manure can substitute some of the crop nutrient needs. Its use can influence profitability as well as environmental quality. According to the 2017 Census of Agriculture, in Louisiana, manure was applied on a total of 175,583 acres, a marginal increase from 2012. Farmers can take advantage of NRCS programs to develop a nutrient management plan that includes manure as a nutrient source to meet farm crop nutrient needs. Calcasieu, Desoto, Caddo, Richland, and Bossier

are the top five parishes that applied manure on crop and pasture acres. [An interactive map showing acres by parish that used manure for nutrient needs can be found at the link \(https://bit.ly/2NNBVMY\)](https://bit.ly/2NNBVMY).

Phase One trade agreement

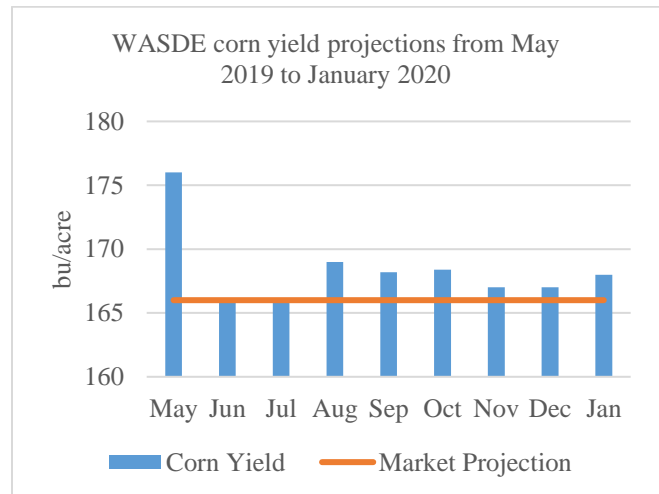
On January 15th, the US and China agreed to a phase one trade deal. Phase one includes an agreement for China to purchase an additional \$200 billion in US products over the next two years. The agreement will focus heavily on the Chinese purchase of American agricultural products of soybeans, pork, cotton, and wheat. A phase two agreement is yet to be determined. The agreement raises the question of whether the third tranche of MFP payments will be dispersed. The president authorized the USDA to provide up to \$14.5 billion in direct payments through MFP in 2019 for farmers directly affected by Chinese tariffs. Through two tranches, \$10.86 billion of the total has been distributed to farmers.

USMCA

On January 16th, 2020, the US Senate passed the U.S.-Mexico-Canada Agreement (USMCA). As indicated in our last months' newsletter, the trade deal contains provisions for US exports to Canada of dairy, eggs and poultry with the US allowing Canadian dairy, peanut and a limited amount of sugar and sugar-containing products. The agreement also eliminates Canadian grading systems that reduced US wheat into the Canadian market. Additionally, USMCA provides protections for biotechnology development, sanitation of traded goods, and allows free movement of wine and spirits. Louisiana eggs and poultry producers will likely be able to take advantage of the provisions of USMCA.

USDA crop news

The USDA, on January 10th, released its World Agricultural Supply and Demand Estimates. The production numbers for corn and soybeans have been closely watched for the 2019-2020 marketing year because of the harsh planting conditions faced at the beginning of the year and the resulting late planting, particularly for corn. Despite the speculations for a poor crop this year, the January 10th estimates saw corn yields increase 1 bushel per acre to 168 bu/acre and soybean yields increase 0.5 bushels to 47.4 bu/acre. The increase in both estimates is a significant endorsement to the decisions farmers made at the beginning of the planting season and will likely change our understanding of the relationship between planting dates, yields, and current agricultural technologies and practices. With the passage of the Phase-I deal with China coupled with the increase in production for both corn and soybeans, market reactions have been mixed over the last month.



Corn yields kept above-market projections. Acreage also beat many estimates.

Questions and comments:

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