



Louisiana Conservation and Commodity Updates

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Fair Pay for Agricultural Workers

Some exemptions exempt agricultural labor from minimum wage and overtime pay. Among them are where an employer did not utilize more than 500 man-days of labor in a quarter of the preceding calendar year. Additional exemptions include- those engaged in livestock production enterprises, hand harvest laborers, and non-local minors. House Education and Labor subcommittee held a hearing earlier in the month to gather input and reexamine these exemptions. Also under scrutiny is how the Census of Agriculture counts farmworkers and the number of hours employers employ these labor. You can access the hearing here <https://tinyurl.com/2m848axa>

Testing Waters

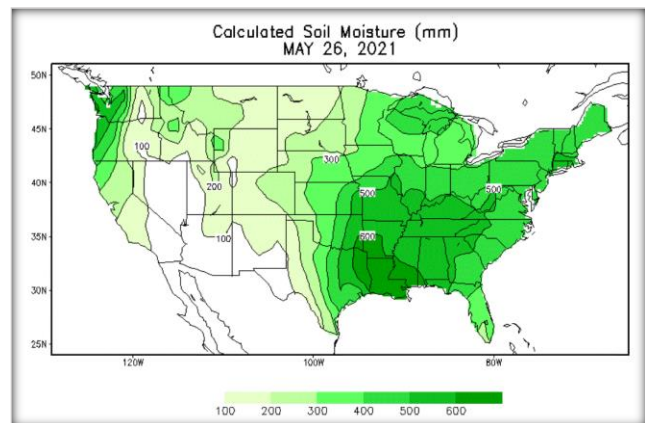
The US Environmental Protection Agency is considering crafting a new rule for determining if groundwater pollution is subject to federal permitting requirements. The force behind this comes from a high court ruling in the County of Maui v. Hawaii Wildlife Fund, which said contamination that moves through groundwater and eventually reaches federally regulated waters could be subject to Clean Water Act regulations under certain conditions. The current administration is also looking into offering answers and guidance on addressing the exclusion of ephemeral streams, cropland, and some wetlands in Trump's Navigable Waters Protection Rule.

\$4 Billion Debt Relief Plan

The US Department of Agriculture announced that it would start making loan forgiveness payments to minority farmers beginning June. Loans include operating loans, farm ownership loans, and conservation loans. In the first phase, relief payments will apply to about 13,000 loans, followed by another 3,000 loans in the second phase. Some of those farmers might have already received letters regarding the payments. There is opposition from banks arguing that the program will result in lost income. Banks make income by reselling those loans to other investors. The USDA clarified that it does not have such authority to pay lost interest income to banks. There are two

lawsuits filed petitioning that it is unconstitutional to exclude white farmers from loan forgiveness programs. You can find more details on the program here <https://tinyurl.com/3kmjrsh2>

High Soil Moisture slows Planting



Source: NOAA

Relatively high soil moisture has significantly slowed cotton and soybean planting. The latest crop progress report shows both crops planted at close to 50 percent of the acres, much lower than the previous year, a concern to many farmers due to the fast-approaching final planting date deadline for these crops.

Capital Gains Tax on Farms

Several House members organized a letter challenging the Presidents' intent to tax capital gains at death. They argue that such taxes threaten the transition of farms to the next generation and limit the availability of land to new farmers. The proposal organized by House members would exempt family-owned farm assets as long as the farm stays in operation. The USDA estimates that less than 2% of the farms will be subject to these capital gains tax, and the remainder of the farms will go unaffected due to continuing in farming activities.

Exports Continue to Show Strength

Exports continue to show strength for major commodities. For the week ending May 20th, the US exported 1.85 million metric tons of corn, 294,000

metric tons of soybeans, and 74,600 metric tons of rice. The cumulative exports for each of these commodities for May are 5.6 million metric tons of corn, 915,000 metric tons of soybean, and 172,000 metric tons of rice. These exports signal a strong buying from countries including China and add to the list of drivers that have corn price over \$6 per bushel, soybean over \$15 per bushel, and rice over \$13 per cwt.

Busy Hurricane Season



Source: World Meteorological Organization

National Oceanic Atmospheric Administration (NOAA) released its 2021 Hurricane outlook. It predicts a busy hurricane season with 13 to 20 named storms, 6-10 hurricanes. However, they do not expect the 2021 season to match the 2020 season, as shown above, which saw 30 named storms, 13 hurricanes, five of the twelve storms that came ashore in Louisiana, and nine landfalls on the Gulf coast.

Arkansas eases Dicamba Rules

Over the past three years, Arkansas registered an average of 200 Dicamba damage complaints per year. Citing crop damage, Arkansas State Plant Board sets a dicamba use cutoff date each year. The Board chose May 25th as the cutoff date for 2021, a date much earlier than specified by the federal label, June 30th for Soybeans, and July 30th for cotton. The Board also set a 1-mile buffer between dicamba fields and other crops, a larger buffer than the EPAs suggested 240 to 310 feet.

Questions and comments:

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However, a recent petition by crop consultants led the Board to loosen those restrictions for this year. Interestingly, following a lawsuit filed by farmers, the state supreme court ordered the removal of nine members of the Board appointed by the trade groups, saying they were illegally appointed. Many feared that the ruling might put in limbo the relaxation of dicamba use rules for this crop year; however, the Boards' executive committee approved the rules.

Soliciting Comments on Agricultural Supply Chains

Following the executive order "Americas Supply Chains," the US Department of Agriculture has extended the comment period until the end of June. The USDA is seeking comments on several aspects. You can find the detailed version of the document here <https://tinyurl.com/35xf7yhv>. Some of the key elements for which comments are solicited include

- critical goods and materials in ag and food product supply chains
- manufacturing capabilities, gaps, key locations,
- risks and contingencies that might disrupt the supply chains
- workforce skills

USMCA Deliberations

Trade ministers from the US, Canada, and Mexico met in mid-May to discuss several aspects of the USMCA deal, which took effect in July 2020. One of the topics on the list is the Country-of-Origin Labeling (COOL) for beef and pork. Canada and Mexico opposed this labeling. Also, the US challenged Canada's Tariff Rate Quota on dairy products. Under the TRQ, a specific tariff rate is applied up to a certain quantity (in-quota quantity) of imports to Canada from the US and a different rate to imports above the in-quota quantity. Many believe that these measures deny US dairy farmers the ability to realize the full benefits of the USMCA.