

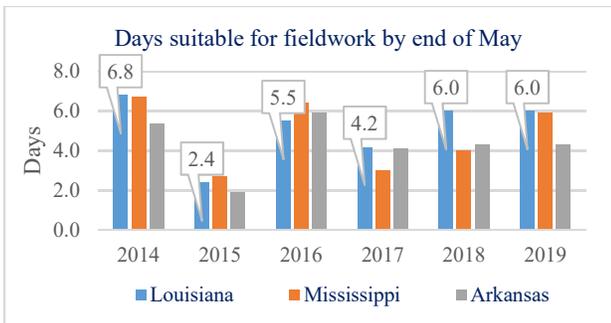


Louisiana Commodities and Conservation Newsletter

June 2019; Issue-2

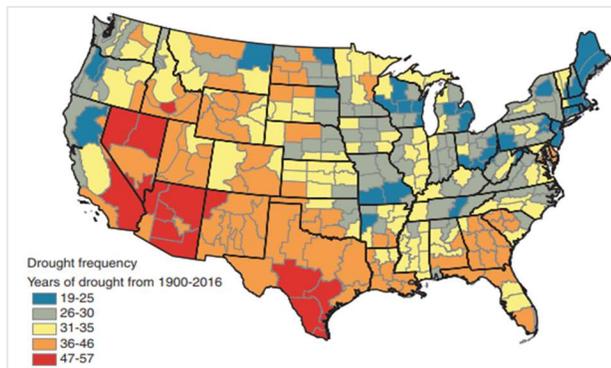
Days suitable for fieldwork

Days suitable for fieldwork for the end of May and beginning of June are shown for Louisiana, Mississippi, and Arkansas, which were higher in Louisiana than the average of the Tri-State. Given “Days suitable” is a variable that is accounted during crop insurance evaluations, knowing that our farmers can get into fields is good news.



Rain and drought- Not uncommon to Louisiana

Although the state has experienced higher than usual rainfall in recent years, it is also among those that were hard hit with drought. The pelican state had between 36-46 drought years during the last century, as shown in the US map below. Research has shown an increase in adaptation strategies and participation in EQIP and CSP for financial assistance to mitigate drought impacts.

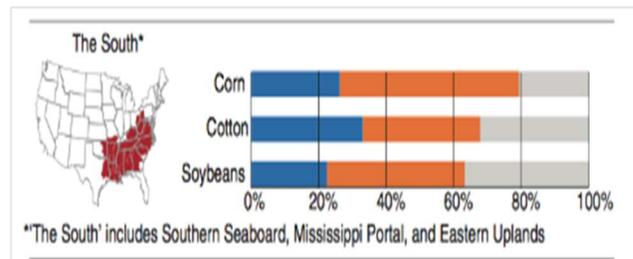


Source: USDA-ERS. Report: EIB-208

NATIONAL NEWS

- ✓ USDA releases state and county profiles with ag-census reports
- ✓ Judge sends back WOTUS rule back to EPA, says EPA did not follow Administrative Procedures Act.

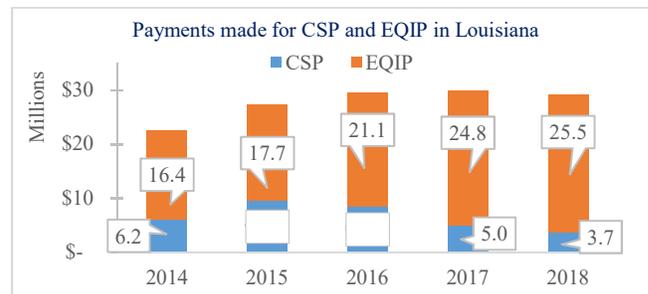
Crop mix and Tillage in the South



Source: USDA-ARMS. Blue: Mulch-till; Orange: No-till

The recent USDA-ERS report titled “Tillage intensity and conservation cropping in the US” indicates an average of 60% of corn, cotton, and soybean acres in the south have mulch-till and no-till. From the figure, about 50% of corn acres, 35% of cotton acres, 40% of soybean acres have no-till. On the other hand, 25% of corn acres, 30% of cotton acres, and 22% of soybean acres have mulch-till.

EQIP payments continue to rise



Source: NRCS-Louisiana

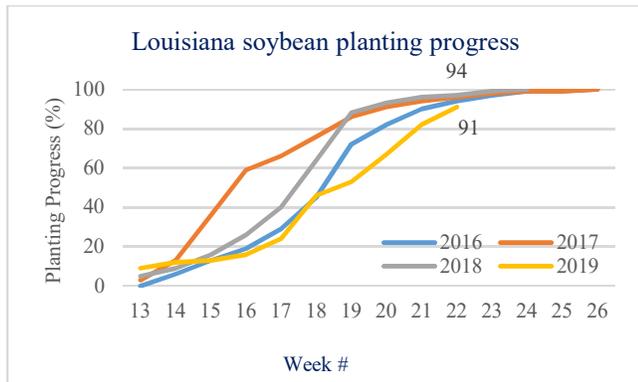
In the 2018 Farm Bill, EQIP includes a number of amendments such as the inclusion of irrigation and drainage entities that promote water conservation. CSP is no longer limited by acres but by total funding. In

Louisiana, total EQIP payments in each fiscal year, from 2014-2018, for all kinds of conservation has been on the rise, from \$16.4 to \$25.5 million. Whereas, CSP payments indicate a mixed trend, increasing from \$6.2 million to \$9.5 million and then decreasing to \$3.7 million in 2018, mostly due to changes to participating acres.

Corn market wading in water

Despite the importance of drought in Louisiana and the national agricultural picture in the last few years, excess snow and rain remind us it should not be forgotten. Several parts of the Midwest saw flooding conditions from record-setting snowfall this year, making planting calculus for 2019 several orders more complex. As of the week ending June 2nd, planting progress for corn was 39% at the national level, the lowest in prior 4-years.

While complicated decisions exist for farmers with acres affected by flooding, Louisiana farmers have been fortunate so far. The USDA crop progress shows that 100% of corn acres in the state have been planted. Nationally, the average planting progress is 67%. The picture for soybeans shows little difference with crop progress currently sitting at 91% in Louisiana. Slightly behind the state minimum of 94% for the prior 4 years but well ahead of the national average which is currently at 39%.



Source: National Agricultural Statistics Services.

Markets react to conditions

Corn prices have risen to a level last seen just before the passage of soybean tariffs from China. Unlike acres affected by flood-like conditions, the price increase is welcome in areas with little to no impact. Louisiana farmers planting corn will feel the positive impact.



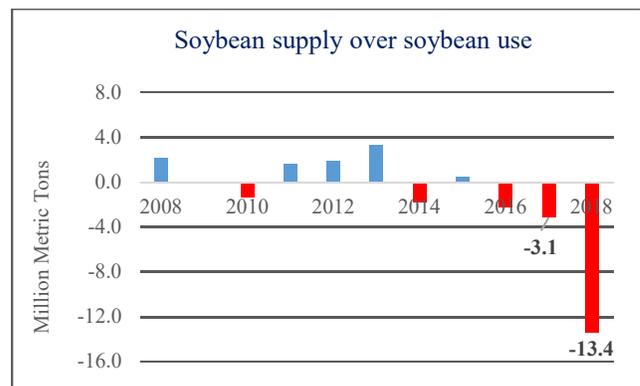
Nearby corn futures price behavior since June 2018

The price increase will also spill over to other feed grain markets as well. Soybean nearby futures prices have risen to as high as 894 cents since falling below 800 in May. Increases in soybean prices are expected to be tame overall though given the level of uncertainty that still remains for the crop.

Positive in the long run?

Soybean production and stocks exceeded use by 13.4 million metric tons in 2018, equivalent to 9 million acres at 50 bushels per acre. Corn was slowly approaching a similar condition. Reduced production this year may relieve some of the excess supply in upcoming marketing years, which has the potential to bring price expectations early on this year.

The final impact on prices will depend on the number of prevented planting acres which is likely to hit a record high this year. Farmers in Louisiana are well positioned to take advantage of any positive corn price impacts for this year.



Source: USDA Foreign Agricultural Service

Important dates

June 5th marks the last final planting day for corn in the Midwest. Important dates in Louisiana:

Crop	Final Planting Date	End of Late Planting
Corn	4/15/19	4/30/19
Cotton	5/25/19	6/9/19
Grain Sorghum	5/15/19	6/9/19
Soybeans – Not following another crop	6/15/19	7/10/19
Soybeans – following another crop	6/25/19	7/15/19
Rice – SW LA	5/8/19	5/28/19
Rice – Central LA	5/15/19	6/4/19
Rice – North	5/25/19	6/9/19

The RMA provides answers to frequently asked questions related to prevented planting due to flood. They can be found at: [Prevented Planting -Flooding \(New Window\)](#)

Year of uncertainty

Louisiana farmers aren't completely in the clear. The Army Corps of Engineers has plans to open the Morganza Spillway. Initially set for June 2nd, the date to open the spillway has been delayed (to the 9th as of the writing of this piece after two delays). Crop, pasture, and timberland can see potential losses depending on the amount of water released through the spillway. Unlike 2011 though, crop insurance claims can be made on insured, affected fields.

A statement from the RMA on the handling of the Morganza Spillway opening can be found here: [Crop Insurance –Morganza Spillway \(New Window\)](#)

A new trade war also looms now with our neighbor to the south. While no specific actions have taken place yet, agricultural goods are a likely retaliatory target by the Mexican government given the existence of alternative markets in Brazil and Argentina. These alternative markets suggest that soybeans again may lie in the crosshairs of a new round of tariffs should they go into place.



Questions and comments:

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