



## **Episode 6—Prospective Plantings**

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Voice-over:

The Alabama Crops Report Podcast, your trusted information source for Alabama agriculture.

Scott Graham:

Hey everybody. Welcome in to another episode of the Alabama Crops Report Podcast. I'm Scott Graham.

Katelyn Kesheimer:

And I'm Katelyn Kesheimer. And we are back with another episode with up-to-date information about Alabama crops this year. You'll be hearing from extension personnel from all over the state with the latest research and management recommendations. Hi Scott, how's it going?

Scott Graham:

Oh, pretty good. How about you?

Katelyn Kesheimer:

Good. Yeah, we're slowly getting into planting season and we just had some prospective plantings released yesterday. So today we have two special guests. It's an exciting episode. We have Dr. Wendiam Sawadgo who is an assistant professor and extension economist with responsibilities and agricultural marketing. We also have Dr. Adam Rabinowitz, who is an assistant professor and extension economist with responsibilities in production and policy. So welcome Wendiam, how are you?

Wendiam Sawadgo:

I'm doing well, Scott and Katelyn. Thanks for having me on.

Scott Graham:

Yeah, thanks for coming on and talking with us today. So I know the USDA perspective planning report just came out on March 31st. So tell us a little bit about that.

Wendiam Sawadgo:

The main thing was there hasn't been as much change as you might have otherwise thought. With crop prices as high as they've been this spring compared to last year, I would have thought that there would have been a lot more corn and soybean acres planted, but we're looking at 91 million corn acres nationwide, which is identical to what we had last year and about 88 million soybean acres, which would be about 5% up from last year. But that's not quite as much I would have expected given the \$5 increase in prices.

Scott Graham:

So what about in Alabama? What are our farmers saying they intend to plant this year?

Wendiam Sawadgo:

They're saying similar to what we've seen nationwide, not too much change. We're looking at about 2.2 million acres of crop land total. That is up a bit above the 2.13 million we had last year, but corn acreage 330,000 acres would be identical to what was planted last March or last spring. Soybean acres, about 290,000 acres would be 10,000 acres more than last year. Cotton acres, 450,000 would be the same as last year. So the biggest difference I would say is with winter wheats, where last fall farmers planted about 180,000 acres total, which is much greater than the 135,000 a year before that. And so that's about a 33% increase in wheat acreage in the last year.

Katelyn Kesheimer:

So speaking of wheat, I know we've seen a decrease over several years with wheat. So are we back up to where we have been in previous years or is this much higher than we're used to seeing?

Wendiam Sawadgo:

We're getting back to the territory we were in the past three years before three years ago.

Katelyn Kesheimer:

So what about the planting estimates released by USDA? Are those different from those put out by particular commodity groups?

Wendiam Sawadgo:

Yes, that's a great question. So there were a lot of commodity groups in the Southeast cotton and peanuts are big in particular. And so the national cotton council, they have a survey in December and January, that asks farmers what they expect to plant cotton wise in the spring, they were looking at about 11.3 million acres nationwide. To compare that with the USDA reports, the USDA report found about 11.9 million acres of upland cotton. So we're dealing with about 600,000 acre difference in the United States. And I would say the main difference there is that cotton prices at the time of that report were in the 75 cent range. Now we're talking about high 80 cents. So you know, about a 15 cent difference could make a lot in terms of farmers planting [intentions 00:03:56] .

Scott Graham:

So you don't think those are one number is right one number is wrong, and you think they're just different based on when the reports were released, most likely.

Wendiam Sawadgo:

Yeah, that's exactly it. You know, if you ask someone what they're going to do in the future and they do something different, it could be that they were lying to you, or it could be that situation just changed.

Katelyn Kesheimer:

You mentioned cotton prices and a few other acreage. What about peanuts this year?

Wendiam Sawadgo:

So nationwide, we're looking at about 1.63 million acres of peanuts compared to about 1.66 million last year. And that's what the USDA reported. That's a lot different than what state agronomists from Alabama, Georgia, Texas, and South Carolina have said. They seem to think peanut acreage is going to be down about 10,000 acres lower than the USDA reports.

Scott Graham:

So how about soybeans? What are the agronomist and things, were there any difference there?

Wendiam Sawadgo:

Yeah. So for corn and soybeans, those are our two biggest crops acreage wise in the United States. So a lot of Ag economists will have opinions on that. And the takeaway seemed to be before the release of the report that we would have about roughly equal corn and soybean acreage, corn acreage is typically higher, but with soybean prices so high, maybe evening those out a little bit, also thinking we'd have closer to 93 million acres for each of those two crops. Now, the report seems to indicate that soybean acreage will be closer to 88 million and corn closer to 91 million. So as was expected by I'd say academics, the markets, Ag industry people in general, we're

not going to have quite that much acreage. So, that was pretty telling to what happened with regards to the markets.

Katelyn Kesheimer:

Wendiam, so what I'm hearing is things are going to stay pretty similar to 2020, but you also mentioned people telling lies, prices changing. If our listeners need to know one take home message for prospective planning this year, what would you want them to know?

Wendiam Sawadgo:

There's always something unexpected. So last year, obviously after the prospective planning, COVID kind of hit, so things can always change. But what farmers plant in the grounds is the first step to what they'll end up harvesting and what prices will be in the fall. So while weather and all that stuff can impact stuff, the planting decision is the first big step of a long series of decisions for this year's markets.

Katelyn Kesheimer:

Great. And you mentioned COVID, which gives us a nice segue to our other guest, Adam, who will be talking about the Coronavirus Food Assistance Program.

Scott Graham:

Hi Adam. Welcome in, how's it going today?

Adam Rabinowitz:

Things are going really good today.

Katelyn Kesheimer:

So, I've been hearing about this CFAP or Coronavirus Food Assistance Program. What is it and who benefits from it?

Adam Rabinowitz:

Sure. So, the Coronavirus Food Assistance Program, which has been released by the USDA, we call that CFAP, that was first introduced back in May of 2020, in response to the pandemic. So it is to provide assistance to agricultural producers who have risk of producing commodities and have had market impacts.

Scott Graham:

The USDA recently just announced the reopening of the CFAP 2 program. Why did that occur?

Adam Rabinowitz:

Yeah, Scott. So that was a very interesting issue that came up. Under the new administration, CFAP 2 was originally closed last December of 2020, and the new administration took a look at that in terms of the distribution of benefits, as well as some additional benefits that Congress had made eligible for agricultural producers later in December of 2020. And they tried to look at how they could really allocate those benefits equitably. And so, it really by reopening CFAP 2, it addressed both of these concerns. One is that it's going to allow producers to sign up for the program because the USDA felt that some producers did not originally know about CFAP 2 and did not take advantage of that.

Adam Rabinowitz:

It also allows producers to revise applications under certain circumstances where they have had received insurance indemnities or a nap or whip plus payments. These were based on disasters that occurred in 2019. And so if they received those payments, then they have become now eligible for additional payments. And then also just some additional assistance for things like contract growers, livestock and poultry in particular, and on the raw crop side, there's an automatic payment of \$20 an acre that will be provided.

Katelyn Kesheimer:

Now that CFAP 2 is reopened, what can our producers, specifically raw crop producers in Alabama expect from this program?

Adam Rabinowitz:

Sure. Katelyn, raw crop producers and I'll be more specific too, it really encompasses pretty much all of those crops for Alabama. We're talking those that produce barley, buckwheat, canola, corn, upland cotton, peanuts, sorghum, soybean, wheat but even hemp, which we may not always think about as a raw crop, but that is included in the raw crop segment. Those producers, if they had previously applied for CFAP 2, then they don't need to do anything additional. They can expect to receive an automatic payment of \$20 an acre, for those that did not apply previously, then they can go ahead to go to farmers.gov website or their local FSA office beginning April 5th and they can sign up at that time.

Katelyn Kesheimer:

Fantastic. That was good. My next question is where can they get more information? So thanks for that.

Adam Rabinowitz:

Absolutely. I'll say too, that they can also come to aces.edu and we have information about the program as well.

Scott Graham:

Great. Well, on that same line there, what kind of advice do you have for producers about the coming up crop year?

Adam Rabinowitz:

So there've been a lot of government programs over the last few years, and the big thing that I think that producers need to remember and to focus on, is just going back to typical risk management strategies for marketing. We don't know certainly what the impact of COVID-19 is going to be moving forward, but things are looking positive on the raw crop side where prices have increased and trade has increased, and there's been a lot of good opportunities. But I think now's really a time to remember those fundamental strategies, those fundamental marketing strategies. And I'll actually toss things back over to Wendiam here, if that's okay. And he can talk about where prices have been recently.

Wendiam Sawadgo:

So prices really increased following the release of the USDA's perspective planting report. We saw corn futures prices increased 25 cents on March 31st following the release of the report, cotton for December of 21, increased by about 1.20 cents per pound and soybean prices up about 70 cents on the November's future contracts.

Katelyn Kesheimer:

That's great information. Thanks Wendiam and thanks Adam for joining us today on the Alabama Crop Report Podcast. And like you heard, you can go to [aces.edu](http://aces.edu) for more information or [farmers.gov](http://farmers.gov) for more information specifically on the Coronavirus Food Assistance Program.

Voice-over:

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