

State of Louisiana Agriculture

LA AGRICULTURE TECHNOLOGY AND MANAGEMENT CONFERENCE

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Commissioner

Louisiana Department of
Agriculture and Forestry

What we know globally

- Cultivated land, including arable lands and shifting cultivation, covers approximately 24 percent of the world's land area.
- Partly or fully irrigated agriculture claims 70 percent of the world's developed fresh water supplies.
- Today, agriculture accounts for over 38 percent of global employment.

The UN Population Division estimates that, for the first time, the global urban population has outstripped the rural one, putting greater pressure on farmers to increase production to feed urban populations

What we know about Louisiana

- In 2007 and 2008, Louisiana farmers are still recovering from the storms of 2005 (Hurricanes Katrina and Rita)
- Despite high input costs, prices for most commodities were well-above their five-year averages, and production levels for most agronomic crops were at or above record levels
- Estimates of losses to Louisiana agriculture, forestry and fisheries resulting from Hurricane Gustav and Hurricane Ike now place the totals as high as \$950-plus million and climbing.
- The totals include up to \$763 million in lost revenue to Louisiana farmers, ranchers, foresters and fishers, as well as another \$175 million to \$200 million in damage to the industries' infrastructure – farm equipment, barns, processing facilities, etc.

2007 USDA CENSUS

- GROSS VALUE INCREASED 31% TO \$2.1B SINCE 2002
- AVERAGE AGE OF LA FARMER INCREASED 2.2 YRS TO 57.2 YRS
- 2/3 OF ALL LA FARMS HAVE INCOME LESS THAN \$10k
- INCREASE IN FEMALE AND MINORITY FARMERS

Estimated Revenue Losses from Hurricanes Gustav and Ike for Louisiana Fisheries and Aquaculture Producers

Table 4. Estimated Revenue Losses from Hurricanes Gustav and Ike for Louisiana Fisheries and Aquaculture Sectors ^A

Sector	2007 Revenue	Estimated Revenue Loss (Lower bound)	Estimated Revenue Loss (Upper bound)	Average Revenue Loss (\$)	Average Revenue Loss (%)
Farmed Crawfish ^B	\$84,602,973	\$12,883,252	\$25,562,331	\$19,222,791	22.7%
Farmed Catfish	\$16,817,817	\$1,547,710	\$3,095,420	\$2,321,565	13.8%
Farmed Alligators	\$30,138,982	\$7,083,242	\$10,515,993	\$8,799,617	29.2%
Farmed Turtles ^B	\$6,270,000			\$2,134,500	34.0%
Wild Alligators	\$5,823,750	\$1,891,002	\$2,279,591	\$2,085,297	35.8%
Wild Crawfish	\$9,010,878	\$1,124,146	\$2,249,717	\$1,686,932	18.7%
Freshwater Fisheries	\$4,171,146	\$1,480,322	\$2,076,539	\$1,778,431	42.6%
Shrimp	\$146,941,227	\$20,182,144	\$40,924,229	\$30,553,186	20.8%
Crabs	\$31,647,722	\$4,799,068	\$7,391,411	\$6,095,240	19.3%
Oysters	\$30,481,465	\$4,472,665	\$8,116,656	\$6,294,661	20.7%
Marine Fisheries	\$48,052,056	\$8,021,023	\$14,191,671	\$11,106,347	23.1%
Charter Fishing ^C	*	\$6,527,623	\$10,286,781	\$8,407,202	*
Totals	\$413,958,016	\$70,012,197	\$126,690,340	\$98,351,268	23.8%

Preliminary Estimates of Loss Revenue to Selected Agricultural Commodities Due to Hurricanes Gustav and Ike

Table 2. Estimated Losses To Revenue To Agriculture From Hurricanes Gustav and Ike

Commodity	Pre-Storm Estimated Value ^A	Preliminary Estimated Impact ^B	Current Estimated Impact - Updated Prices ^C		Current Estimated Impact - Preliminary Prices ^D	
			\$ Impact	Percent ^E	\$ Impact	Percent ^E
Beef Cattle	\$356,254,535	\$1,666,664	\$3,311,937	0.93%	\$3,311,937	0.93%
Christmas Trees	\$969,120	N/A	\$585,063	60.37%	\$585,063	60.37%
Citrus	\$6,431,100	\$1,574,764	\$1,170,538	18.20%	\$1,170,538	18.20%
Corn	\$347,820,000	\$66,402,000	\$33,375,501	9.60%	\$40,634,577	11.68%
Cotton	\$195,071,400	\$136,640,596	\$126,353,068	64.77%	\$149,391,870	76.58%
Dairy	\$85,033,608	\$2,318,760	\$652,755	0.77%	\$675,878	0.79%
Hunting Leases	\$72,224,410	N/A	\$9,459,988	13.10%	\$9,459,988	13.10%
Nursery Crops	\$115,598,750	\$6,500,000	\$3,088,544	2.67%	\$3,088,544	2.67%
Pasture/Hay	\$140,217,945	\$6,220,883	\$27,167,553	19.38%	\$27,167,553	19.38%
Pecans	\$12,036,016	\$6,018,008	\$8,827,148	73.34%	\$8,827,148	73.34%
Poultry	\$794,988,118	\$25,275	\$25,275	0.00%	\$25,275	0.00%
Rice	\$375,150,000	\$33,571,911	\$91,738,328	24.45%	\$93,768,847	25.00%
Sod	\$20,395,000	N/A	\$34,723	0.17%	\$34,723	0.17%
Sorghum	\$36,100,000	\$3,562,500	\$6,875,855	19.05%	\$8,698,982	24.10%
Soybeans	\$334,900,000	\$153,455,940	\$123,791,661	36.96%	\$148,680,338	44.40%
Sugarcane	\$582,609,720	\$87,391,458	\$62,190,870	10.67%	\$62,190,870	10.67%
Sweet Potatoes	\$65,548,000	\$33,540,019	\$48,341,011	73.75%	\$48,341,011	73.75%
Timber	\$1,092,538,858	\$91,737,294	\$91,737,294	8.40%	\$91,737,294	8.40%
Vegetables	\$45,332,680	\$5,544,561	\$6,911,397	15.25%	\$6,911,397	15.25%
Total	\$4,679,219,260	\$636,170,632	\$645,638,509	13.80%	\$704,701,832	15.06%

Largest agricultural disaster in Louisiana history





Lula Westfield Sugar Warehouse





Sugarcane





Grain





Concordia Parish





Soybeans





Corn





Cotton



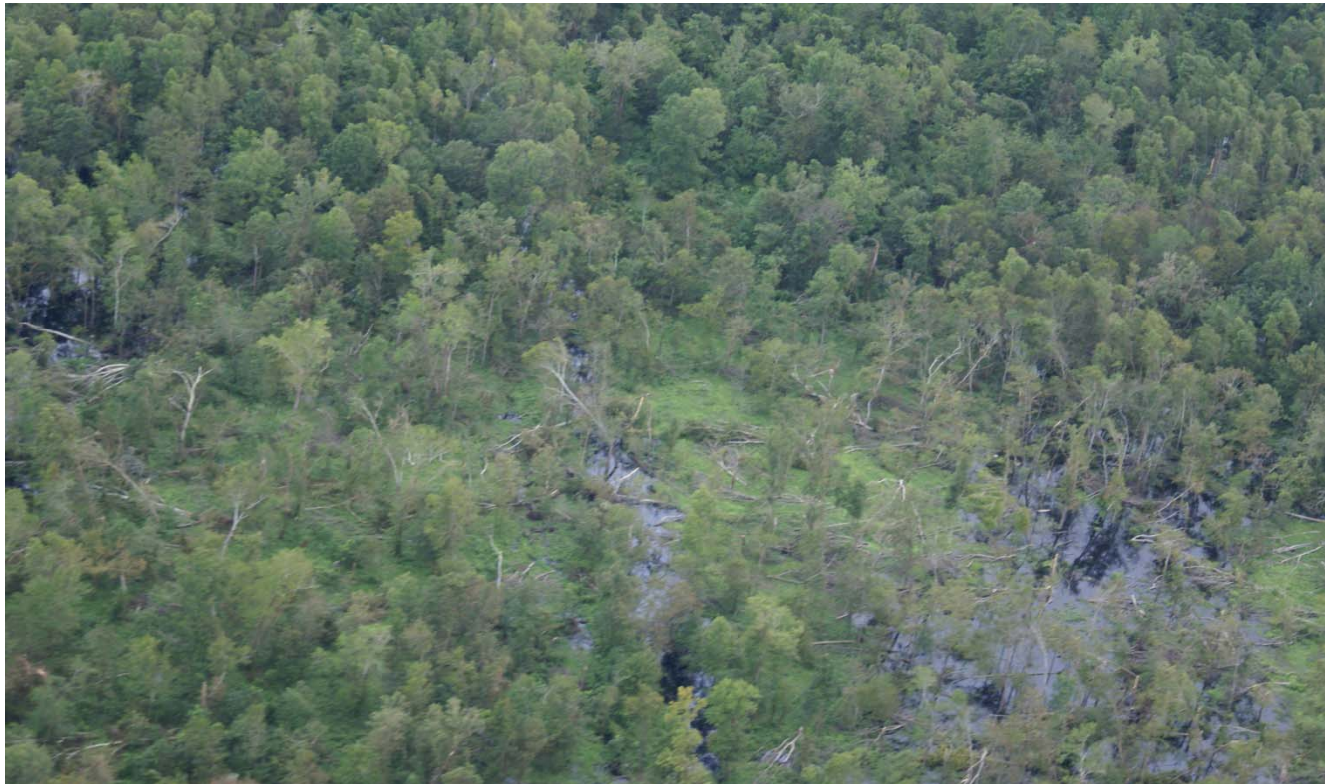


Sweet Potatoes





Timber



USDA Emergency Conservation Program (ECP)

- Producers will be able to use the money to remove farmland debris, restore fences and repair conservation structures which were damaged by floods, tornadoes, hurricanes, storms, wildfires, and to carry out emergency water conservation measures after severe drought.
- Louisiana to receive approximately \$16,000,000
- For land to be eligible, the natural disaster must create new conservation problems that:
 - if untreated, will impair or endanger the land;
 - materially affect the land's productive capacity;
 - represent unusual damage that, except for wind erosion, is not likely to recur frequently in the same area;
 - would be so costly to repair that federal assistance is or will be required to return the land to productive agricultural use.
- All of the above conditions must be met for eligibility. Conservation problems that existed before the disaster are not eligible for cost-share assistance. USDA's Farm Service Agency (FSA) county committees determine land eligibility based on on-site inspections of damage, taking into account the type and extent of damage.



Action Steps

- Met with USDA Secretary in Washington DC to help facilitate disaster recovery aid for agriculture
- Testified before Senate Ag Committee
- Secured 54M in CDBG funds
- 850M Ag dollars in Stimulus Bill
- NASDA COALITION OF AG COMMISSIONERS

Tougher Lending Standards for Agriculture

- Look for higher interest rates and tougher lending standards
- Agriculture is to the oil sector
- Agriculture gets 24% of its credit from the Farm Credit System
- 45% from commercial banks
- and 22% from other sources, such as equipment manufacturers and other input suppliers

Renewable Energy Opportunities

- Coalition of Louisiana Agriculture working toward renewable energy
 - La Dept of Ag and Forestry
 - American Sugar Cane League
 - Louisiana Farm Bureau
 - Louisiana Forestry Association
 - Louisiana Cotton Association
 - Louisiana Rice Growers
 - LSU Ag Center
 - Soybean, Grains and Corn Assoc. Members
- Biofuel production from Louisiana grown crops and animal agriculture
 - Possibilities include:
 - Cellulosic Ethanol from Louisiana Sugarcane
- Sales of electricity co-generated from agricultural biomass and agricultural byproducts
 - Forestry Production Facilities
 - Sugar Mills
 - Rice Mills Burning Hulls
 - Poultry Litter (not in LA)

Increased Fertilizer Costs

- LDAF called on the Louisiana congressional delegation and the United States Department of Agriculture to investigate the disparity between demand and cost of phosphate fertilizer.
- the demand for phosphate between the years 2001-2006 has increased 13 percent while current retail costs to agricultural producers have risen 365 percent.
- Phosphate fertilizers have gone from \$4.70 per unit to \$17.15 in 2008
- the costs of raw materials used in fertilizer production have all risen, but sulfur prices have shot up dramatically

