

Excessive Rain Impacts all of Arkansas Agriculture

Farmers and ranchers have dealt with numerous challenges and stresses this growing season. These challenges have the potential to significantly reduce a producer's revenue. Below are a few examples of potential profitability impacts:

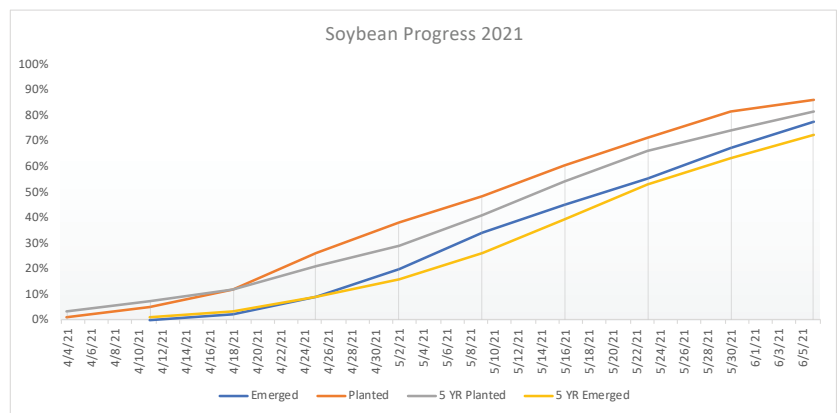
- Soybean producers face the dual challenge of completing planting and the potential of replanting the current crop if flood waters fail to recede.
- Rice producers have the potential of flood waters topping levees and stressing the young plants. This stress combined with the need to pull new levees will negatively impact yields this fall.
- Corn and cotton plants are being stressed by excessive moisture and the lack of adequate sunlight and heat units.
- The excess moisture is preventing hay producers from getting the first cutting of hay. The longer the grass grows without being cut the lower the quality and value of the hay at harvest.

The estimated cost of this disaster is still being assessed as the extent of the damage will not be known until the rains stop. The potential loss in revenue to agriculture across the state could potentially reach \$310 million to the agricultural economy due to total crop devastation or yield losses due to flooding.

Crop Impacts

Soybeans

After emergence, soybeans are not tolerant to long periods of flooding, especially when coupled with sunlight and higher temperatures. The crop progress as of June 6, 2021 shows that 86% of Arkansas's soybean crop has been planted with 77% emerged. This equates to 420,000 acres of unplanted soybeans, based on USDA's forecast of three million acres this year. The current weather challenges could result in a potential loss of 5 - 10% of planted acres, or 150,000 - 300,000 acres of soybeans left unplanted in 2021.



Rice

Rice producers faced similar challenges with rain in May as the planting delays pushed beyond the final planting date of May 25, increasing the chances of yield loss. The late planting date of June 9 for rice will start to show that acres may transition to soybeans. Potential impacts to rice production can be seen with the week ending June 6, 2021 when NASS projected 98% of the 1.25 million acres planted. The last 2% of the projected crop could be planted to soybeans if conditions allow. However, rice producers can file preventative planting and receive 60% of insured revenue and leave the ground fallow or take 35% of the coverage and plant soybeans.

Hay

As farmers in east Arkansas struggle with management decisions, ranchers are struggling to get their first cutting of hay. In 2020, the Arkansas hay crop was valued at \$361.2 million. On average producers will cut three hay crops per year. In many cases this year, the first cutting is significantly delayed resulting in a decline in quality. Once the rain stops and ranchers can harvest hay, the losses may not be over as Arkansas has a tendency to see rains stop in July and August, which would impact quantity and quality of remaining two hay cuttings.

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Crop Insurance Overview

CAT coverage is catastrophic coverage and is the lowest amount of insurance available and only covers yield. For individual CAT coverage, producers are compensated for losses exceeding 50% of an average yield and paid at 55% of the established price for the crop during the crop year. For area plans, producers are compensated at 65% of the area’s (typically by county) yield and paid at 45% of the established price. Premiums for CAT coverage are 100% subsidized but producers pay the \$300 per crop and county administrative fee.

In some cases, producers have now found that buying up to a Revenue Protection policy at a lower coverage level is comparable to the cost of CAT coverage. This buy up affords the producer replant coverage as well as preventative planting coverage that is not available under a CAT policy. In addition, a Revenue Protection policy provides more comprehensive coverage, giving the producer protection for both a change in price as well as a decline in yield.

Commodity	Early Planting Date	Final Planting Date	End of Planting Date
Soybeans	4/16/21	6/25/21	7/15/21
Corn	3/11/21	4/25/21	5/10/21
Rice	4/1/21	5/25/21	6/9/21
Cotton		5/25/21	6/9/21

Dates were based on Arkansas County. Northern counties dates are later.

The Rain

Farmers and ranchers have raced weather challenges for numerous years to ensure their crop will have a bountiful harvest in the fall. The old saying that April showers bring May flowers wasn’t the case this year, it seemed to keep bringing showers and slowing planting for Arkansas row crop producers while also preventing ranchers from cutting hay.

Above average rainfall begin in the state in May and continued into June. The 2021 Rainfall Chart shows the weekly sum of rainfall for each location according to NOAA collection sites. With each of these stations reporting above average rainfall, farmers face the concerning decision to file prevent planting or the option to replant their crop in an attempt to salvage the rest of the growing season.

