

...Pandemic and Texas agriculture

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U.S. farmers rely on foreign markets for about 80 percent of annual sales, and prices responded with 40 percent declines compared to 2019.

Cotton

COVID-19 is affecting the textile industry, from the cotton field to retail stores.

USDA's 2020 planting forecast predicted a slight increase to 13.74 million acres planted in cotton, a statistic Steve Verett, CEO of Plains Cotton Growers, recently said is unrealistic.

"I don't know where they think that's coming from," Verett told Agri-Pulse. "I'm not hearing anybody saying they're going to plant more."

Instead, he expects Texas farmers to plant less cotton as cotton prices and forecasted consumption continue to spiral downward at record levels.

The latest USDA Foreign Agricultural Service (FAS) world cotton market forecast shows world cotton consumption is down 7.6 million bales from last month, the largest monthly change in USDA's recorded data history.

The Intercontinental Exchange futures contract has fallen below 50 cents for the first time in over a decade, USDA said in the report. Global consumption is at a six-year low, world ending stocks are at the highest level in five years and stocks outside of China are 25 percent above the previous record.

Corn

No major commodity has been left untouched by the pandemic, including corn.

Since Jan. 14, corn prices fell 15 percent and ethanol prices fell 40 percent, according to an analysis by AFBF Chief Economist John Newton.

Since about 40 percent of corn's demand is for ethanol fuel purposes, corn prices correlate heavily with crude oil and gasoline.

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Crude oil saw record lows as travel and corresponding fuel consumption dramatically declined under shelter-in-place orders.

Data from the U.S. Energy Information Administration revealed nearly half of all U.S. ethanol production capacity was offline by early April.

Corn prices are also influenced by the USDA prospective plantings report, which said farmers intended to plant 97 million acres of corn this spring.

But since COVID-19 has wrecked the corn and ethanol market, agricultural experts are encouraging farmers to plant fewer corn acres.

All commodities

Updated analysis by AFBF shows crop and livestock prices falling to levels that threaten the

livelihoods of many U.S. farmers and ranchers. Shuttered schools, universities, restaurants and cafeterias are no longer buying milk, meat, fruits, vegetables and other food, causing a downward spiral in crop and livestock prices.

"The resilience of farmers and ranchers has been nothing short of stunning, but we must not take for granted their ability to hold on with prices spiraling, taking all hope of breaking even with them," said AFBF President Zippy Duvall. "I stand by my assurance that our food supply remains strong, but America will have fewer farms and ranches supplying it unless USDA acts quickly to deliver aid and our economy is released from the grips of this pandemic soon."

Labor woes

Farmers and ranchers across the state are concerned about getting enough laborers amid global travel restrictions and the temporary closing of consulates, who typically must conduct face-to-face interviews with H-2A applicants.

But the U.S. State Department recently announced it was committed to processing H-2A program applications by expanding an interview waiver to include new applicants, as well as returning workers whose visas had expired in the last 48 months, according to AFBF

Congressional Relations Director Allison Crittenden.

"This is important for agriculture, because it ensures that farmers and ranchers will have access to that critically important workforce. We are at a time when planting is getting started, some regions of the country are already harvesting, and this means that we will have access to our H-2A workforce pretty similar to how we would in a normal year," she said.

In addition to the interview waiver by the State Department, the Department of Homeland Security, with the support of USDA, enacted a temporary final rule to ensure farmers and ranchers could access the temporary labor needed to grow and harvest food.

Under this temporary final rule, an H-2A petitioner with a valid temporary labor certification who is concerned that workers will be unable to enter the country due to travel restrictions can start employing certain foreign workers who are currently in H-2A status in the United States immediately after United States Citizenship and Immigration Services receives the H-2A petition, but not before the employment start date listed on the petition.

Rural life

Rural communities are also feeling the impacts of the global

pandemic.

Lack of broadband internet access has long been a problem for rural America, but the issue has gained a spotlight during the COVID-19 pandemic. Distance learning, work-from-home roles and telemedicine all require dependable, high-speed internet access.

The Federal Communications Commission benchmark for high-speed internet is at least 25 megabits per second (Mbps) for downloads and 3 Mbps for uploads.

Research shows about 69 percent of rural Texans can access high-speed internet. But a 2019 USDA report, A Case for Rural Broadband, showed that 25 percent of Texas' nearly 250,000 farms have no internet access at all.

And another 25 percent of households have only one choice for broadband service.

Another report by the Classroom Connectivity Initiative noted about 275,000 rural Texas schoolchildren needed more bandwidth for digital learning, especially with schools closing for the year.

This leaves many rural Texans without a signal when it comes to working and learning remotely.

And telemedicine lags in rural communities, too, in areas that are already feeling the sting of

closing hospitals and lack of healthcare providers.

According to the Texas Department of Agriculture, 75 percent of Texas counties are federally designated as health professional shortage areas and/or medically underserved areas.

Sixty-four of Texas' 254 counties do not have a hospital, and 25 counties do not have primary care physicians.

State and federal guidance forced many rural healthcare facilities to temporarily suspend non-emergency services, which typically fund the bulk of rural hospital budgets. The lack of income is straining already-tight budgets, some to the breaking point.

Summary

COVID-19 is devastating every sector of agriculture and creating new challenges for rural Texas.

But while the current economic situation is dire, as TFB President Russell Boeing noted during a recent tele-town hall event, there will be an after.

"There are a lot of positives out there that we don't need to forget about. We have a lot of things that have happened in the past six months or a year, some trade deals that have gotten done, and I don't think we need to forget about that," Boeing said. "There will be opportunities after this is over."

Water Weekly

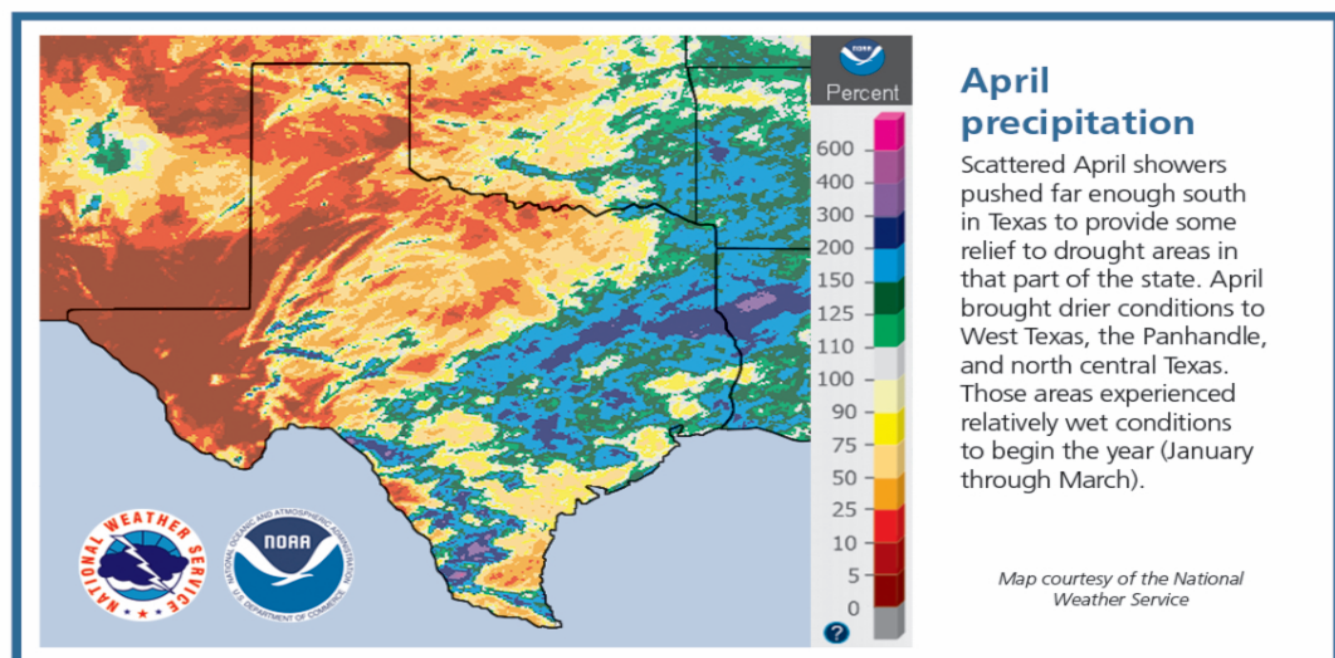
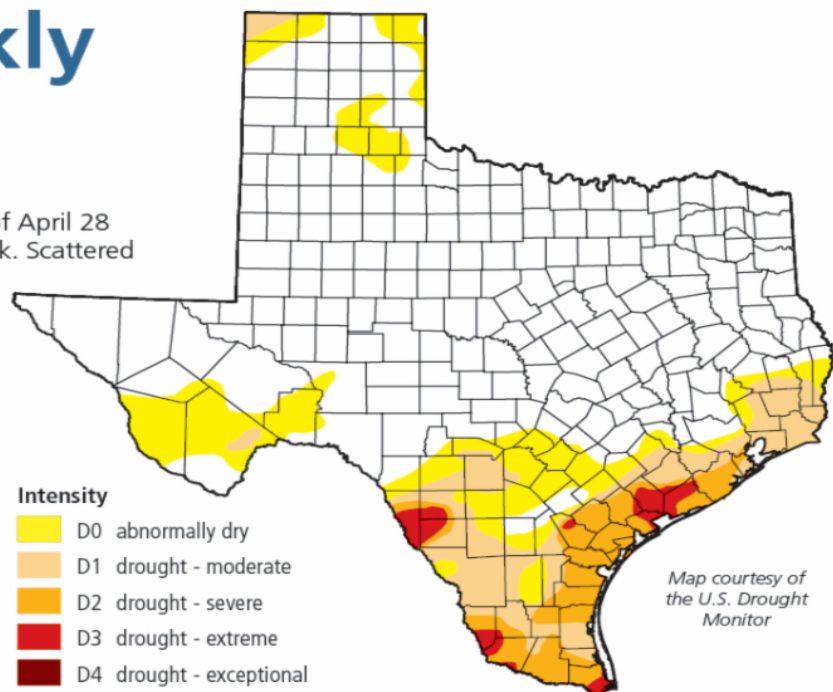
For the week of 05/04/20

Water conditions

The latest drought map for conditions as of April 28 shows little change from the previous week. Scattered areas of improvement were offset by scattered areas of degradation. Overall, all drought categories in the state changed less than one percentage point.

Drought conditions

- ◆ 16% now
- ◆ 16% a week ago
- ◆ 34% three months ago
- ◆ 1% a year ago



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