

CRP: Lawmakers Question Costs vs. Benefits

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During a time when almost every federally-funded program is under scrutiny, one of the nation's longest-running conservation programs is no exception.

First enacted in 1985, the Conservation Reserve Program (CRP) pays farmers and landowners to take environmentally sensitive land out of production for up to 15 years in exchange for annual payments and other financial incentives to implement certain practices. Over 31 million acres are currently enrolled and USDA is conducting another general signup through April 15 in an attempt to reach the program's acreage ceiling of 32 million acres.

The CRP first gained popularity in farm country as a way to stabilize farm income by taking more than 30 million acres off the market at a time when surpluses were driving prices down. Environmental and wildlife groups embraced the program for its role in reducing soil erosion, improving water and air quality and enhancing wildlife habitat.

"Most people call it a land retirement program. For us, it's a dynamic program that is doing great things for the environment," says Jennifer Mock-Schaeffer, policy analyst for the Association of Fish and Wildlife Agencies.

But with record demand for farm commodities expected this year and skyrocketing commodity prices, some lawmakers are questioning why more than \$1.8 billion annually is being spent to idle land and hatch more pheasants and ducks. Average annual rental payments range from \$33.00/acre in Utah to more than \$172.00/acre in Massachusetts, with a national average of \$55.07.

"CRP is something like 10 percent of the crop acreage, but it is 50 percent of the expenditure," noted Rep. Jack Kingston (R-GA) during a recent House Appropriations subcommittee hearing. "It is an enormously popular program right now because it is a merger between environmentalists and farm groups and red and blue state politics. But it was originally intended for highly erodible land and now it is 32 million acres strong. People are getting a monthly check and they decided they like the program. I think we need to look at it."

Livestock and grain industry groups couldn't agree more. Citing the possibility of feed grain shortages this year, the National Pork Producers Council asked Agriculture Secretary Tom Vilsack in February to "release early and without penalty," non-environmentally sensitive farm acres from the CRP. Some industry sources suggest that as much as 8-10 million acres could be converted back to crop production without impacting environmental quality.

Sportsmen and environmental groups, many of whom will be hosting a press event to rally support for CRP today, beg to disagree about the importance of protecting millions of environmentally sensitive acres.

"We need CRP now more than ever, given the growing pressure for fence-row to fence-row production caused by high commodity prices, federal ethanol mandates and subsidies, escalating cash rents and land prices and intense competition each year for leased land," says Craig Cox, vice president of agricultural and natural resources for the Environmental Working Group. "CRP is the best tool we have right

now to take environmentally sensitive land out of production to protect soil, water and wildlife habitat in the face of fence-row to fence-row production."

However, Cox agrees that the program could be improved.

"The best thing we could do is create options within CRP that provide more long-term protection for the most environmentally sensitive lands. Purchase of cropping rights under long-term easements, for example, would be more cost-effective means of protecting the environment than renting land for 10 years. Enrolling only the acres that produce the greatest environmental protection conservation buffers, for example is also an effective way to get the most environmental bang for the buck."

Oklahoma State University Agricultural Economist Michael Dicks is looking at alternatives for revamping the Environmental Benefits Index (EBI), which is used to score acres for the CRP selection process. One option might be to target specific types of lands for specific purposes, like wildlife enhancement, and push more decisions back to the local level.

"If you just used the NRCS technical guides and allowed county-level management of the landscape, you could get better wildlife and species protection," says Dicks. In addition, local decision-making could mitigate some of the negative aspects that occur when too much land is retired in one area of a county, stifling the rural economy. Another option being discussed: combine CRP, the Wetlands Reserve Program and the Grasslands Reserve Program to give landowners more flexibility and streamline delivery.

Absent any program changes, landowners may simply "follow the money" and let CRP contracts expire, opting for more lucrative crop production or cash rental revenue streams. Contracts covering 4.4 million acres expire in September 2011.

Some of that trend is already evident in states like North Dakota, where CRP acreage peaked at 3.4 million acres in 2007 and now stands at 2.6 million acres. CRP enrollment in South Dakota has fluctuated from a high of 1.8 million acres in 1997 to 1.16 million today. In discussions with county officials around the country, Agri-Pulse discovered a mixed bag of interest for the 41st signup, which runs from March 14 to April 15.

In Edmunds County, South Dakota, where CRP acreage dropped to about 17,000 acres from a high of over 50,000 acres, only about ten applicants have applied thus far for the general sign-up. Cash rental rates for cropland are running as high as \$120/acre, compared to the average posted CRP rental rate of \$70.00/acre, says FSA director Rodney Strand. Still, says Strand, "some people are still coming in to sign up under the continuous enrollment, and interest is fairly good."

In some Texas counties, officials report that interest in CRP enrollment has slowed as growers look at capturing record high cotton prices. But in Gaines County, Texas, county FSA officials report little change in CRP applications from prior sign-ups. The county, which is almost as big as Rhode Island, currently has about 161,000 acres enrolled, with contracts covering more than 100,000 acres expiring this September. Δ

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