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Common Ground: State Conservation Reserve

William Miller, Extension Economist

The Conservation Reserve Program (CRP) has been a popular part of the federal farm program for the past several years because it contributes to farm income, soil conservation, and wildlife habitat. Landowners have found the annual payments for enrolling land in the CRP to be a financially attractive alternative to producing crops. Higher commodity prices due to fewer crop acres has been an additional benefit to landowners. Environmentalists have been pleased with the lower soil losses from the land and the improved stream environment associated with the CRP. Wildlife advocates are strong supporters of the CRP. For example, the Wildlife Legacy Partners composed of seventeen wildlife groups recently released a publication praising the value of CRP land as wildlife habitat.

All the groups interested in the CRP are providing input into the drafting of the 1995 Farm Bill which will determine the future directions for the CRP. The primary concern of these groups seems to be the budget constraints that will exist in the preparation of the farm bill rather than any question about the merit of the CRP. It appears that a smaller version of the program may be offered to farmers by the federal government with fewer acres and lower payments for each acre. There is little doubt that the current scope of the program cannot continue due to budget constraints.

Regardless of what happens to the federal program, other optional state programs need to be considered to keep acres currently enrolled in the CRP involved in a conservation use. It is possible that state programs could be used to complement or supplement whatever federal CRP programs remain after the new farm bill is adopted by Congress.

It is not likely that a program as expensive as the federal one could be used by states, but a lower cost state program may be financially feasible. There are at least three approaches that might be used separately or in combination to make it economically sound for farmers to maintain CRP land in its current use. These include: (1) state payments to farmers to replace part of the formerly federally funded CRP payments, (2) leasing the land for hunting to enhance farm income, and (3) contributions from the interested wildlife organizations.

The most important of these approaches — state contributions — is not new in Nebraska. State programs have been used in the past to supplement or extend federal programs. One example is a Nebraska program that provided incentive payments to land owners if they would extend their Federal Water Bank Programs for an additional 10-year period. This program was part of a broader habitat development and improvement program administered by the Nebraska Games and Parks Commission and funded by Habitat Stamp receipts. The success of this program indicates how state programs complementary to federal programs can enhance wildlife habitat.

The Missouri Legislature in 1993 adopted an agro-forestry program to extend the federal CRP. This program guarantees landowners the same dollar payment per acre they received for their federal CRP land for an additional 10 years. The landowners are required to plant some trees on the land. The unique feature of the program is that the landowner must plant some agricultural or horticultural crops on the land among the trees. The state only pays the land owners annually for the difference between revenue from the crop and the guarantee. This feature of the program should reduce the cost to the state to near zero during most crop years. The impact of the trees on the crops becomes greater over time so the payment by the state would be expected to increase over the 10-year contract.

The economic nature of this program is similar to the purchase of insurance to protect income from risk. Lower crop production is the cost borne by the farmer for this insurance. The competition for sun and moisture between the trees and the crops and the loss of some cultivated land to trees lowers the income from the crops on the land.

The wildlife habitat impact of this program is unusual because parts of the CRP field will be in crops while other parts will be trees grown in grass strips. Some species' habitat is enhanced by the increased edge effect of the alternative planting of the rows of trees with the crops. The crops may provide additional food for the wild-life. For other species, the larger unbroken grasslands in the current CRP would be better habitat. The tree plant-ing may have a long-term impact after the state program ends if it keeps the land from being returned to agricultural production.

Another approach to keep land in a conservation use could be an activity to help farmers earn money from hunt-ing fees on the land. Illinois has a program that helps hunters contact landowners. This program called "Access Illinois Outdoors" requires hunters who want to hunt on privately owned land to complete a personnel information profile. This information is provided to farmers who may then contact the hunter to arrange for fee or free hunting on the land. This program helps landowners market land for hunting purposes and provides income from the land maintained in a conservation use.

Many organizations, such as Pheasants Forever, are keenly interested in maintaining wildlife habitat. Perhaps in some states it would be possible for the state or local chapters of these organizations to make some type of in kind or cash contributions to farmers to keep land in a CRP.

Two current economic pressures on farmers make a conservation program more attractive to them than it would be under better economic situations. The current lower crop prices due to last year's high yields and the potential cost of bringing CRP land into compliance with the farm program make it cheaper today to encourage a landowner to maintain land in a conservation use. It is possible that either individually or in combination, state funds, money from fee hunting, and contributions from wildlife groups could provide enough money to make it financially sound for landowners to maintain current cover on land after completing the 10-year CRP contract.