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The Conservation Reserve Program in the 2018 Farm Bill

As we celebrate the 35th anniversary of the Conservation Reserve Program (CRP), the National Association of State Conservation Agencies (NASCA) has several concerns regarding changes to the program in recent Farm Bills. USDA's Farm Service Agency (FSA) has a long-term goal for the program to "re-establish valuable land cover to help improve water quality, prevent soil erosion, and reduce loss of wildlife habitat." Statutory changes to the program in recent years may be limiting FSA's ability to accomplish this goal.

The 2014 Farm Bill implemented draconian cuts to the CRP acreage cap, reducing the cap from 36 million acres to 24 million acres. It was widely recognized during the years immediately following the passage of this legislation that the acreage cap had been cut too drastically, and therefore needed to be increased. The 2018 Farm Bill addressed this issue by prescribing an increase in the acreage cap to be implemented over a five-year period. However, at the end of this period, the cap will be 27 million acres. This is still insufficient. Congress should reinstate the pre-2014 acreage cap to the program.

While NASCA is grateful that the acreage cap is increasing incrementally during the current Farm Bill, this increase came at a price. Rental rates have been decreased to a maximum of 85% of the average county rental rate, and above average soil values are no longer included in rental rate formulas. Thus, CRP rental rates can be reduced on ground with below average soils, but they cannot be increased on ground with above average soils. A number of commodity trade associations advocated for this rental rate decrease in the 2018 Farm Bill. For instance, the National Grain and Feed Association (NGFA) stated "NGFA is appreciative of Congress's intent to limit CRP rental rates to better target CRP to marginal land". NASCA certainly understands why commodity groups wish to keep land rental rates low in order to benefit their members. However, CRP was not designed to be implemented on marginal acreage only. FSA summarizes the program on its website as follows:

> "In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and plant species that will improve environmental health and quality."

The focus of the program is intended to target environmentally sensitive acres rather than marginal acres. While there may be overlap of these land types in some areas, in other areas environmentally sensitive acres may also be highly productive. Therefore, the program must have the flexibility to pay rental rates that are applicable to the acres in question. Without realistic rental payments, producers may be financially unable to participate in the program, thus putting environmentally sensitive acres at risk.

Another component of CRP that was lost in the 2018 Farm Bill was cost-share funding for mid contract management (MCM). Prior to 2018, cooperators in CRP were eligible for cost-share funding for practices that protected the environmental integrity of the CRP acreage under contract. The purpose of MCM is to manage established plant communities in order to maintain an early successional stage. MCM protects the integrity of the CRP practice, improves wildlife habitat, and provides multiple benefits to every citizen in the area and downstream. Examples of these types of mid-contract management practices are prescribed burning, spraying, disking, and interseeding. The 2018 Farm Bill discontinued cost-sharing these practices, placing the responsibility and costs of MCM squarely on the shoulders of our cooperating producers. In states with Conservation Reserve Enhancement Programs (CREP), this burden may have been transferred to state agency partners. Transferring this financial burden to cooperators serves as a disincentive to participate. Additionally, by placing the financial burden of MCM solely on cooperators, we may be placing our cooperators at risk, should they attempt to take on hazardous tasks like prescribed burning themselves rather than hire qualified contractors to do the work. Another symptom of shifting MCM responsibility to the cooperator is that these maintenance practices are likely to be minimized, thus reducing the overall success of the program in meeting multi-benefit goals. If the producer is financially unable to complete the necessary maintenance, the value and function of the established CRP practice will suffer.

History has demonstrated that voluntary, incentive-based conservation programs have the greatest success on private lands. CRP has been a tremendously effective conservation program for the past 35 years, based in large part on the incentives it provides operators to help improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. However, CRP incentives have been significantly altered in the 2018 Farm Bill. Moving forward, NASCA recommends the following actions to protect CRP and the associated Conservation Reserve Enhancement Program (CREP) in many states.

1. Increase the CRP acreage cap to historic levels at 36 million acres.

2. Offer realistic rental rates, which incorporate provisions to evaluate both above and below average soils. The focus of CRP should be on environmentally sensitive acres, not just marginal acres.

3. Restore cost-sharing for MCM.

4. Provide a provision in the next Farm Bill to easily roll expiring and expired CRP acres where environmental improvements have clearly been demonstrated into new longer term ACEP contracts.