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CRP Transformation Continues with More to Come

During the latest general sign-up period for the Conservation Reserve Program (CRP), 1.7 million acres were enrolled in ten-year contracts beginning on October 1 of this year. Of that total, 81 percent of the land was already in the CRP with contracts expiring on September 30. This year 3.1 million acres will be exiting the general sign-up program as contracts expire, which will result in a net reduction of 1.4 million acres in the general sign-up program. Additionally, another 220,000 acres will leave the continuous sign-up program on September 30 for a total net reduction of 1.6 million acres.

According to Farm Service Agency data, 26.9 million acres were in the CRP on July 31, 2013. The net subtraction of 1.6 million acres will reduce the CRP to 25.3 million acres on October 1, 2013. The data for major CRP states appear in table on the next page. The actual amount in the CRP on October 1 will be higher than 25.3 million acres. But how much higher is uncertain at this time. (As a policy reference point: The proposed Senate farm bill sets a cap of 25.0 million CRP acres; the House bill cap is 24.0 million acres.)

The 1.6 million acre national reduction of land in the CRP represents 6.0 percent of the land in the CRP as of July 31, 2013. The withdrawal in the Midwest is 632,000 acres, 10.3 percent. Iowa's reduction of 136,000 acres is the largest for acres and Wisconsin had the largest percentage cutback of 19.1 percent. It is assumed that most of this land will return to wheat, corn and soybean production.

The Upper Plains states will also have a greater percentage curtailment – 7.0 percent – than the national average, as they withdraw 420,000 acres. North Dakota has the largest acre reduction, dropping 206,000 (or 11.5 percent). Some of this land is anticipated to be planted to wheat, but the majority will likely go to corn and soybeans.

Selected southern states in this analysis have percentage reductions of less than the national average, except for Tennessee at 15.0 percent and Kentucky at 8.0 percent. Texas has the largest at 50,000 acres or, 1.5 percent of the acreage in the CRP. This land will be used mostly for wheat and pasture. The next three states with high acreage leaving the CRP (at about 25,000 acres each) are Mississippi, Tennessee and Kentucky. This land will mostly grow soybeans and wheat followed by corn and grain sorghum.

The Upper West will have a 4.9 percent reduction in CRP, about 339,000 acres. Montana will drop 220,000 acres, 11 percent of its land in the CRP on July 30. Much of that land will be sown with wheat.

More Continuous Sign-p

The transformation of the CRP is not over. Several special programs for the continuous sign-up have already been announced.

A state government-initiated wildlife program called SAFE (State Acres for Wildlife Enhancement) has been allocated 1.25 million acres. By the end of July, 743,000 acres had been approved. Grass has been seeded on 97 percent of the enrolled land.

	Acreage 7/31/2013	Gen. Sign- up Net Decline 10/1/2013	Continuous Sign-up Exit 9/30/13	Total Reduction	Percent Reduction	SAFE Additional Allocation
U.S. Total	26,899,698	1,403,670	218,513	1,622,183	6.03	507,305
Midwest						
Illinois	994,871	72,926	40,347	113,273	11.39	11,000
Indiana	263,576	30,421	6,816	37,237	14.13	10,000
Iowa	1,528,262	91,731	44,250	135,981	8.90	58,000
Michigan	208,381	31,063	1,686	32,749	15.72	4,400
Minnesota	1,384,497	87,793	15,680	103,473	7.47	16,000
Missouri	1,127,069	96,984	6,381	103,365	9.17	16,000
Ohio	317,566	41,193	3,940	45,133	14.21	32,000
Wisconsin	317,838	55,878	4,869	60,747	19.11	3,500
Total	6,142,060	507,989	123,969	631,958	10.29	150,900
Upper Plains						
Kansas	2,361,825	62,254	5,303	67,557	2.86	37,000
Nebraska	891,692	49,131	6,987	56,118	6.29	44,000
North Dakota	1,788,843	197,680	7,993	205,673	11.50	4,000
South Dakota	974,028	85,550	5,418	90,968	9.34	24,000
Total	6,016,388	394,615	25,701	420,316	6.99	109,000
Selected N.E.						
New York	47,598	2,997	190	3,187	6.70	3,800
Pennsylvania	186,455	746	12,575	13,321	7.14	2,600
Selected South						
Alabama	325,501	11,387	496	11,883	3.65	600
Arkansas	239,071	6,795	1,173	7,968	3.33	3,600
Georgia	310,545	4,196	412	4,608	1.48	4,000
Kentucky	301,529	18,940	5,126	24,066	7.98	3,200
Louisiana	313,101	17,379	297	17,676	5.65	1,500
Mississippi	778,652	21,516	5,431	26,947	3.46	10,000
Oklahoma	786,534	19,137	190	19,327	2.46	8,400
Tennessee	176,534	25,615	914	26,529	15.03	7,000
Texas	3,259,762	47,912	2,036	49,948	1.53	45,000
Upper West						
Colorado	2,071,037	53,648	305	53,953	2.61	29,000
Idaho	615,629	16,624	655	17,279	2.81	45,000
Montana	1,995,108	213,591	5,924	219,515	11.00	17,000
Oregon	544,148	(5,133)	1,823	(3,310)	-0.61	4,500
Washington	1,456,978	46,259	9,434	55,693	3.82	31,000
Wyoming	195,718	(4,327)	395	(3,932)	-2.01	300
Total	6,878,618	320,662	18,536	339,198	4.93	126,800

The Midwest has about 151,000 acres yet to be enrolled in SAFE (see last column in table),

with 58,000 acres in Iowa and 32,000 acres in Ohio. The Upper Plains has 109,000 acres allocated, but not signed up (Nebraska, 44,000 acres; Kansas at 37,000) In the selected south, Texas has 45,000 acres yet to enter the program. The next highest is Mississippi with 10,000. The upper west has 127,000 acres to enroll (Idaho, 45,000 acres; Washington at 31,000 acres).

Last year USDA announced a continuous sign-up program for 750,000 acres of highly erodible land (defined as land with an erosion index above 20). At the end of July, USDA reported enrollment of 61,200 such acres. States with large enrollments of erodible acres include Texas with 28,800 acres, New Mexico with 14,600 acres, Missouri with 8,500 and Iowa with 2,200 acres.

Another 500,000 acres of continuous sign-up land is available for pollinator habitat, wetlands, duck nesting and upland bird sanctuary. From the data available, however, it is uncertain how many acres have entered these programs and where additional acreage may come from.

With the addition of new CRP programs like SAFE and the highly erodible land and miscellaneous habitat allowances – it is likely continuous sign-up lands will amount to about 1.7 million acres. That would push the CRP total to near 27.0 million acres again. The next farm bill is expected to cap the CRP at 24-25 million acres by the end of the five-year bill. Contracts on about 2.0 million acres of CRP land will expire on September 30, 2014, 1.7 million in 2015 and 1.2 million in 2016. That should allow USDA to meet the limits and provide for some expiring contract land to reenter the program or make way for some new land to enter.

In recent years, about 500,000 acres per year have entered the various continuous sign-up programs. Program enrollment was halted, however, when USDA had no management authority without a farm bill. It was not resumed until May of this year. According to a July 22 USDA press release, 370,000 acres have been offered by farmers for this fiscal year's programs. According to USDA data for the end of July, about 90,000 acres have been officially enrolled in the programs for this fiscal year.