

POLICY MINUTE

USDA Accepts Two Million Acres into CRP

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On Monday, August 25, Agriculture Secretary Ann Veneman announced the results of the Conservation Reserve Program (CRP) Sign-up 26. Nationally, 2 million acres of land were accepted under the sign-up for new enrollment or re-enrollment in the CRP.

The 26th sign-up, which ran from May 5 to June 13, allowed landowners the opportunity to submit applications for new land to be enrolled in the CRP. At the same time, landowners with existing CRP contracts that were expiring on September 30, 2003 could also offer their land for re-enrollment. This sign-up was the first general sign-up offered since Sign-up 20 in early 2000. Thus, there was a great deal of interest in how much land might be offered during this sign-up.

Sign-up 26 Results

According to USDA, 4,148,989 acres were offered for enrollment in 71,077 offers. Of these offers, 1,995,189 acres were accepted from 38,621 offers. Thus, only about 48 percent of the offered acreage was actually accepted. The acceptance rate ended up significantly higher in Kansas, at about 63 percent. In Kansas 466,889.6 acres were offered in 6,625 offers. Of those offers, 4,179 were accepted with a total of 293,634 acres.

With the announcement of 2 million acres accepted, the CRP will grow to approximately 34.6 million acres as the newly-enrolled contracts take effect. This is based on a current enrollment of 34.1 million acres as of late July less the 1.5 million acres set to expire on September 30 plus the 2.0 million acres accepted in this sign-up.

In Kansas, 2,659,741 million acres were enrolled as of late July with 56,713 acres due for expiration on September 30. Based on the

293,634 acres enrolled in the latest sign-up, Kansas CRP acreage will grow to 2,896,662 acres.

Management Issues

On land accepted into the CRP in this sign-up, the contract may begin on October 1, 2003 or October 1, 2004 at the discretion of the landowner. For land currently enrolled in the CRP that was accepted for re-enrollment, the new contract will begin on October 1, 2003.

Based on the USDA release, approximately 0.7 million acres of the 1.5 million acres that were due to expire this year nationally, were successfully re-enrolled. For the balance of the acres (about 0.8 million) that were not offered or accepted for re-enrollment, landowners will be able to return the land to active agricultural use. If the land is subject to highly-erodible land regulations, a conservation plan will be required in order for the landowner or operator to retain benefits for certain other USDA programs.

Future Enrollments

When the newly accepted contracts are fully implemented, the CRP will grow to about 34.6 million acres. This is still substantially less than the acreage cap implemented in the 2002 Farm Bill of 39.2 million acres, suggesting there will be room available for future general enrollments.

However, the USDA focus is not just on general enrollments, but on the continuous enrollment option, whereby landowners can enroll certain high priority lands at any time in a non-competitive application. This is a very attractive option for lands with certain priority features, such as filter strips, wetlands restorations, waterways, and wildlife habitat buffers among others. USDA is reserving a share of the total

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acreage cap to allow for the continuous enrollment of these high-priority lands. At present, a minimum of 1.9 million acres are being reserved for the continuous enrollments.

Thus, while there will be about 4.6 million acres of room under the enrollment cap, about 1.9 million of it will be reserved, leaving just 2.7 million acres at present for another general enrollment. And, based on USDA reports that indicate less than 500,000 acres of CRP land will expire in 2004 and 2005, there will only be a little more than 3 million acres available at most for any general enrollment over the next two years.

Remembering that this was the first general sign-up since early 2000, it was a three-year wait for the just-completed sign-up. Based on the

numbers above, it could be at least a couple years before the next general sign-up. So, if you have land you would like to enroll in the CRP, but it doesn't fit the continuous enrollment guidelines, you may have to wait awhile for your next opportunity.

Or, you may want to consider some of the other conservation programs to see if they can help you address your plans. The Wetlands Reserve Program (WRP), the Grasslands Reserve Program (GRP), the Farm and Ranchland Protection Program (FPP), and even the Environmental Quality Incentives Program (EQIP) may help with rental or easement payments, incentive payments, and cost-share payments.