



The Fate of Land in Expiring Conservation Reserve Program Contracts, 2013-16

Daniel Bigelow, Roger Claassen, Daniel Hellerstein,
Vince Breneman, Ryan Williams, Chengxia You

What Is the Issue?

The Conservation Reserve Program (CRP), administered by the USDA’s Farm Service Agency, is the largest land-retirement program in the United States. Under the CRP, landowners voluntarily retire environmentally sensitive cropland for 10-15 years in exchange for an annual rental payment. Once a CRP contract expires, land may be reenrolled, subject to the availability of signup opportunities. Since 2008, the acreage enrollment cap allotted to the program has been decreasing, reducing opportunities for reenrollment and resulting in almost 13 million acres exiting the program. What happens to the land that exits the CRP has policy implications from both a program budget and environmental stewardship standpoint. For example, if exiting land tends to remain in grass or tree cover, even in the absence of program payments, conservation benefits will likely persist beyond the duration of the contract. This report analyzes the rate at which CRP lands have recently been reenrolled and, further, how land is used after it exits the program.

What Did the Study Find?

Of the 8.1 million acres enrolled in CRP contracts that expired during 2013-16, 7.6 million are tracked in this report. Overall, 36 percent of expiring CRP land was subsequently reenrolled:

- For land enrolled through the “continuous” CRP sign-up—a CRP segment targeting practices and land with a high conservation value—48 percent was reenrolled versus 34 percent for land enrolled through the “general” sign-up—the mechanism by which a majority of CRP land is enrolled.
- Land originally enrolled under a tree-cover practice was the most likely to be reenrolled (47 percent reenrolled between 2013 and 2016), compared to land enrolled under grass (35 percent), wetland (39 percent), or wildlife habitat practices (29 percent).

ERS is a primary source of economic research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

- While in most States, less than half of the expired CRP land was subsequently reenrolled in the program, there were notable exceptions, including Mississippi (67 percent), Iowa (52 percent), and Idaho (51 percent).

Fifty-one percent of expiring CRP land was put into some type of crop production including annual crops (36 percent), perennial specialty crops (7 percent), and perennial forage crops (7 percent):

- On land that transitioned to annual crop production, the most common crops were soybeans (21 percent), corn (16 percent), and wheat (16 percent).
- Post-CRP annual crop production was particularly high in many Midwestern and neighboring States, with 70 percent or more of exiting land in annual crops in Ohio (75 percent), Kentucky (74 percent), Michigan (72 percent), Iowa (71 percent), Minnesota (70 percent), and Missouri (70 percent).
- Exiting CRP acres that had been in a CRP wetland practice had the largest share of post-CRP annual crop production (65 percent). Land in tree-cover practices had the lowest share in annual crops (13 percent).
- In contrast, exiting general sign-up land was nearly twice as likely as exiting continuous land to be put to grass or forage crop use.

About 13 percent of expiring CRP land was in grass cover (9 percent), tree cover (4 percent), non-CRP conservation programs and other uses (<1 percent each). In many cases, grass and tree cover likely represents a continuation of the CRP cover, although these lands could be used in ways that would not have been allowed under CRP contract (e.g., annual grazing).

- Tree cover was far more likely to be present on exiting CRP land formerly enrolled for tree-related practices, compared to other types of expiring CRP land, and was most common in Georgia (92 percent of land exiting CRP) and Mississippi (63 percent).

How Was the Study Conducted?

This report primarily relies on crop reporting historical data from the USDA Farm Service Agency's Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) database. The unit of analysis for the study is the Common Land Unit (CLU), defined by USDA's Farm Service Agency (FSA) as the "smallest unit of land that has a permanent, contiguous boundary, a common land cover and land management, a common owner and a common producer in agricultural land associated with USDA farm programs." We supplement the MIDAS data with information from the USDA National Agricultural Statistics Service's Cropland Data Layer when the CLU associated with the expiring CRP contract is missing from the MIDAS data. This allows us to account for 94 percent of land in expiring CRP contracts over the study period. We also draw on CRP contract administrative data to provide context for possible biases in the MIDAS database. National Resources Inventory (NRI) data provide background information on land use transitions into and out of CRP for years preceding the study period (1996-2012). In addition, FSA's historical records of program descriptions and publicly available data on current CRP patterns are used to supplement and provide context for the main analysis.