Farm Service Agency

February 1997

Fact Sheet

Conservation Reserve Program



United States Department of Agriculture

Authorization

The Food Security Act of 1985, as amended, authorizes the CRP, which is implemented through the Commodity Credit Corporation (CCC). The program is also governed by the regulations published in 7CFR part 1410.

Overview

The CRP is a voluntary program that offers annual rental payments, incentive payments for certain activities, and cost-share assistance to establish approved cover on eligible cropland.

The program encourages farmers to plant long-term resource-conserving covers to improve soil, water and wildlife resources. CCC makes available assistance in an amount equal to not more than 50 percent of the participant's costs in establishing approved practices. The durations of contracts are between 10 and 15 years. CRP is administered by the CCC through the Farm Service Agency (FSA). The Natural Resources Conservation Service, Cooperative State Research and Education Extension Service, State forestry agencies, and local soil and water conservation districts provide program support.

Eligible Land

To be eligible to be placed in CRP, land must be:

- Cropland that is planted or considered planted to an agricultural commodity 2 of the 5 most recent crop years (including field margins) which is also physically and legally capable of being planted in a normal manner to an agricultural commodity; or
- 2. Marginal pasture land that is either:
- a. Certain acreage enrolled in the Water Bank Program; or
- b. Suitable for use as a riparian buffer to be planted to trees.

Additional Requirements for Cropland

In addition to the eligible land requirements, **cropland** must :

- Have an Erosion Index (EI) of 8 or higher or be considered highly erodible land according to the conservation compliance provisions (Redefined fields must have an EI of 8 or higher);
- Be considered a cropped wetland;
- Be devoted to any of a number of highly beneficial environmental practices, such as filter strips, riparian buffers, grass waterways, shelter belts, wellhead protection areas, and other similar practices;
- 4. Be subject to scour erosion;
- Be located in a national or state CRP conservation priority area; or
- Be cropland associated with or surrounding non-cropped wetlands

Ranking Criteria

Offers for CRP contracts are ranked according to the Environmental Benefits Index (EBI).

The Natural Resources Conservation Service collects data for each of the EBI factors, based upon the relative environmental benefits for the land offered. Bids are then ranked in comparison to all other bids offered and selections made from that ranking.

EBI factors include:

- Wildlife habitat benefits resulting from covers on contract acreage;
- Water quality benefits from reduced erosion, runoff, and leaching;
- On-farm benefits of reduced erosion;
- Likely long-term benefits beyond the contract period from certain practices such as tree plantings;
- Air quality benefits from reduced wind erosion;
- Benefits of enrollment in conservation priority areas where enrollment would contribute to the improvement of identified adverse water quality, wildlife habitat, or air quality; and
- Cost.

Producer Eligibility Requirements

An applicant must have owned or operated the land for at least 12 months prior to close of the sign-up period unless:

- The new owner acquired the land as a result of death of the previous owner;
- The only ownership change occurred due to foreclosure where the owner exercised a timely right or redemption in accordance with State law; or
- The circumstances of the acquisition present adequate assurance to CCC that the new owner did not acquire the land for the purpose of placing it in CRP.

Rental Rates

The CCC bases rental rates on the relative productivity of soils within each county, and the average of the past three years of local dryland cash rent or the cash rent equivalent.

The maximum CRP rental rate for each offer is calculated in advance of enrollment. Producers may offer land at that rate or may bid a lower rental rate to increase the likelihood that their offer will be accepted.

In addition, CCC offers additional financial incentives of up to 20 percent of the annual payment for certain continuous sign-up practices.

Other Payments

The CCC encourages restoration of wetlands by offering an incentive equal to 25 percent of the costs incurred. This is in addition to the 50-percent cost share provided to establish approved cover.

Continuous Sign-Up

Eligible acreage devoted to certain special conservation practices such as riparian buffers, filter strips, grassed waterways, shelter belts, living snow fences, contour grass strips, salt tolerant vegetation, and shallow water areas for wildlife may be enrolled at any time under the CCC's continuous sign-up, and are not subject to competitive bidding.

All other eligible acreage must be enrolled during a CRP sign-up period. (See FSA Fact Sheet: <u>Conservation Reserve Program</u> <u>Continuous Sign-Up for High-</u> <u>Priority Practices</u> for further details.)

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