



## Washington Association of Wheat Growers

109 E. First  
Ritzville, WA 99169  
(509) 659-0610  
wawg.org

### IN SUMMARY

The 2014 Farm Bill required many changes and updates to the Conservation Reserve Program (CRP), which many wheat farmers utilize to help protect and restore marginal land, control soil erosion and improve air and water quality. WAWG supports CRP when it is part of the economic and environmental portfolio of a working farm.



## IMPACTS OF CRP CHANGES FOR WASHINGTON WHEAT

The Conservation Reserve Program (CRP) is important to many wheat farmers because it helps them address natural resource concerns, such as water and air quality, soil erosion, energy efficiency, sustainable agriculture, wildlife habitat preservation, and emergency response for natural disasters. CRP is administered by the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA). Technical assistance for CRP is administered by the Natural Resources Conservation Service (NRCS).

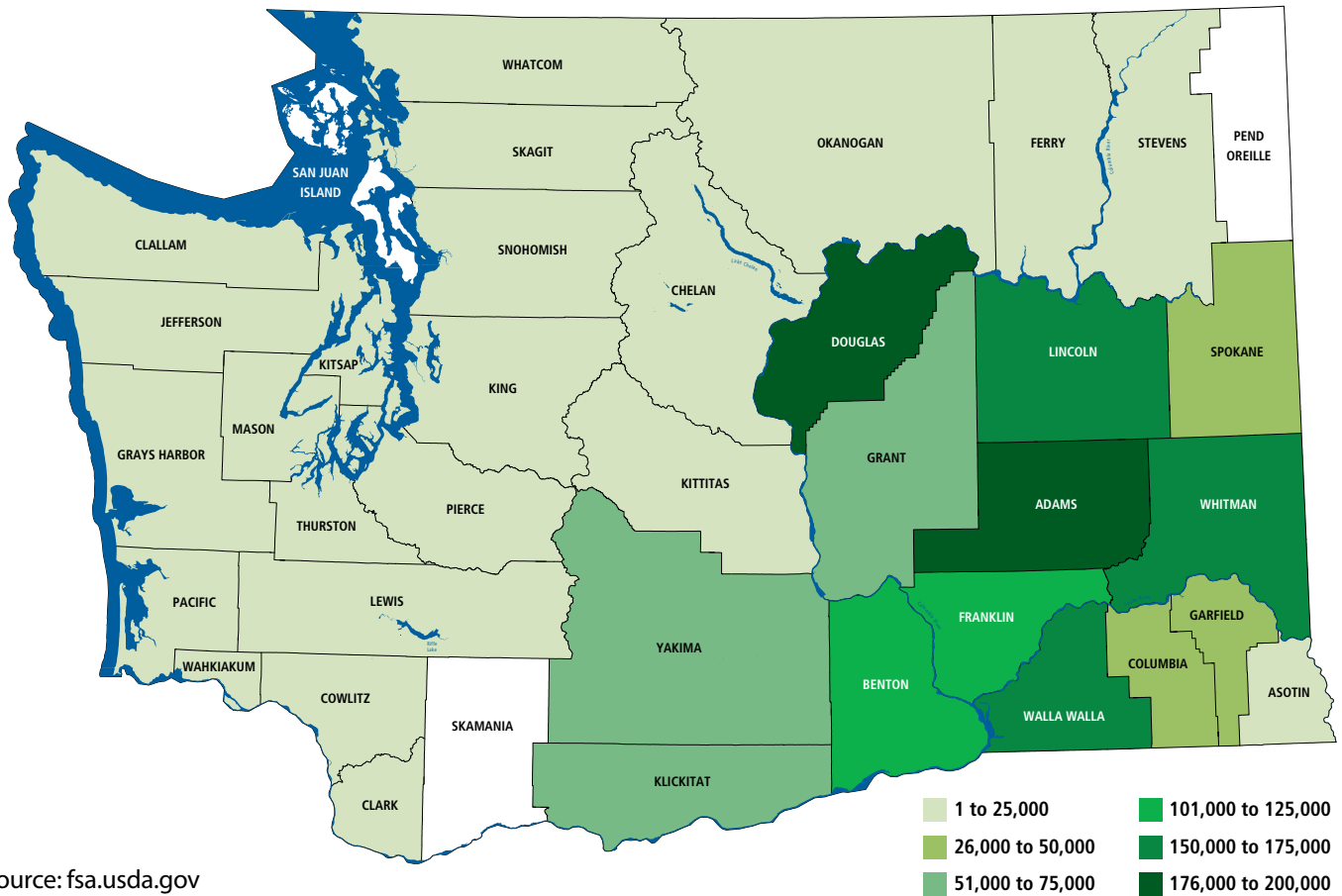
WAWG hopes that CRP conservation measures and their benefits can be utilized in our state for years to come. The new rules were published on July 16, 2015. The rules go into effect on Sept. 1, 2015, and the comment period closes Sept. 14, 2015.



### *CRP Rule Changes and WAWG's concerns about those changes*

- **The 2014 Farm Bill reduces CRP's enrollment ceiling from 32 million acres to 24 million acres by FY2018, meaning fewer farmers will have the ability to use the program as part of their working farm.** Farmers are some of the best stewards of the land. There are many instances where farmers make a subjective decision to enroll land into CRP because of the environmental benefits and ethical implications. CRP has reduced an estimated 8 billion tons of soil erosion since the program's inception in 1986. FSA estimates annual conservation benefits include a 52 million metric ton net reduction in carbon dioxide from sequestration. Other annual conservation benefits are a reduction of about 607 million pounds of nitrogen and 122 million pounds of phosphorous. As of FY2014, 25.45 million acres were enrolled in CRP.
- **The explicit opportunity costs of a producer to enroll land into CRP are, in many instances, too high relative to keeping the land in agricultural production.** The annual rental payment limitation cap needs to be raised or removed to more aptly compensate producers for their conservation efforts. Presently, rental payments and incentives earned by the producer in excess of the cap must be forfeited. The cap is contradictory to the goal of converting critical priority land, and the payment limitations cap is frequently cited as the reason land was not offered for enrollment.
- The amount of cropland that is allowed in a state Conservation Priority Area (CPA) has been reduced from 33% to 25%. CRP grasslands initiative and SAFE initiative enrolled acres will count against the state CPA cap.

# Washington State Conservation Reserve Program Cumulative Acreage Enrollment Ending September 2014



In Washington state, the FSA also mandates that CRP acreage not exceed the percentage cap for each county. The FSA did specify that cuts will not reduce current CRP contracts. Douglas County SAFE acres have a special exemption and do not count against and are not limited by the county acreage cap for state CPA acres. Washington state's CPA is specific to air quality. A WAWG resolution states, "WAWG supports the current State CRP Priority Area, but we also support the establishment of a CRP Priority area for grouse outside the current air quality CPA." **WAWG is concerned that the state CPA reduction will have a disproportionate impact on air quality relative to wildlife habitat acreage in Washington.** The Sage Grouse SAFE needs to be exempted from counting against both the state CPA area zone and acre totals, and the area of the air quality CPA needs

to be reduced to be exclusive of the Grouse SAFE. These recommended changes would also get us closer to compliance with the 22.9% area reduction requirement.

- **Some landowners do not enroll in SAFE because of concerns about long-term consequences such as additional farming restrictions or land-taking under the Endangered Species Act (ESA)** if the species of concern were to become listed. Idaho Representative Mike Simpson validated this concern in a June 2015 press release, saying, "It (the ESA) isn't doing what it was intended to do. Instead, interest groups are using the ESA to control land and water by suing federal agencies over each and every decision they make. The ESA hasn't been reauthorized for over 25 years, and Congress needs to update this law." Counties losing general CRP eligibility from

the CPA reduction could request to have their county included in the Grassland CRP eligibility zone, which would provide those regions an alternative CRP option to SAFE.

- **CRP rules don't provide farmers a way to re-align continuous and general CRP contract length, which will allow a grower to put the entire field back into production at once.** In the new rule, there will be penalty-free, early contract termination opportunities for FY2015 for contracts in effect for 5+ years and that meet certain criteria. The new rule also allows land to be transferred from CRP to Agricultural Conservation Easement Program (ACEP). Optional one year extensions will be granted to eligible existing contracts expiring Sept. 30, 2015. Unfortunately, re-enrollments, extensions, transfers, and terminations are often only eligible to certain types of contracts, and this can present a problem when a producer decides to take a field out of CRP and put it back into production. For example, the majority of a field is usually enrolled through general CRP, but any filter strips and buffers in that field are enrolled through continuous CRP. If an optional extension is offered for the general CRP acres, but not on the continuous ones, it means that part of that field goes back into production before the rest of it does. This misalignment in contract length is more than inconvenient. Often farmers will farm steep, narrow strips of land, arguably the most environmentally sensitive land, for a number of years waiting for the remainder of the field to come out of contract because the financial loss to not farm that land with no CRP revenue is too great.
- **The "infeasible to farm" provision currently just means "inconvenient to farm."** With some language amendments, this provision could be utilized as a solution to re-align continuous and general CRP contracts by allowing for variable year contract extensions for continuous CRP buffers and filter strips. The "infeasible to farm" land provision provides eligibility for land in a field with over 75% enrolled as a conservation practice other than a buffer or filter strip practice, and the remainder is considered infeasible to farm.
- **Washington state does not have buffer require-**

### *What are SAFE acres?*

The State Acres for Wildlife Enhancement (SAFE) Initiative is one of 10 nationwide CRP initiatives. Producers within an approved SAFE area can submit offers to enroll acres for 10 to 15 years. The program encourages enrollment through cost-share assistance of up to 90%, annual rental payments, and other incentives. It is focused on establishing, improving, or creating higher-quality wildlife habitat. SAFE initiative acres are non-competitive as long as the acre cap has not been reached. The rule allocates an additional 400,000 SAFE acres.

In Washington, The Sage and Sharp-tailed Grouse SAFE has been extremely successful in meeting enrollment goals since the program's introduction, but the Coastal Roosevelt Elk SAFE was discontinued following no interest or applications. The Columbia Basin SAFE has not been popular because land revenues for irrigated agriculture are high in this area. Most growers are not interested in investing the time required for planting, maintenance, paperwork, and compliance of a CRP contract when that effort could be focused on crops that yield a much higher return on investment.

**ments, and WAWG recommends that buffers continue to be a voluntary conservation measure.** The rule clarifies that state, local, or tribal laws which require environmental measures (such as riparian buffers) to be taken on land is ineligible for enrollment into CRP.

- **CRP Pollinator Habitat has not been very successful in Washington.** Producers have had difficulty in meeting stand requirements. Restrictions need to be loosened and seed cost share rates need to be increased if such expensive seed is required.
- **Transition Incentives Program (TIP) funds are utilized by our growers but run out quickly, indicating a clear need for more funding.** TIP was reauthorized, and veteran farmers and ranchers are now also eligible for this program.

## ***Grasslands***

The 2014 Farm Bill created a “new” type of CRP. Grasslands CRP replaces the former Grassland Reserve Program. The CRP Grasslands Initiative will have a continuous signup process with periodic evaluations at least once per year. Grasslands will be 15 year contracts that offer participants annual payments up to 75% of the grazing value of the land and up to 50% of the covers and approved practices. Up to 2 million acres may be enrolled in CRP as grassland. Enrollment for the CRP Grasslands Initiative begins Sept. 1, 2015, with the first ranking period scheduled on Nov. 20, 2015.

## ***Other CRP Rule Changes***

- AGI limitation has been reduced from \$1 million to \$900,000. The prior waiver for the AGI limit was not reauthorized in 2014.
- Up to \$10 million is allocated for incentive payments for tree thinning and other measures to improve performance of CRP tree plantings.
- CRP participants can make certain conservation and land improvements for economic use in the final year of the CRP contract that facilitate protection of enrolled land after contract expiration.
- The provisions for managed harvesting and other commercial use was amended to reflect a payment reduction of not less than 25% and the limitation that the activity occur at least every 5 years but not more than once every 3 years.
- The 2014 Farm Bill removes payment reduction for emergency haying, emergency grazing, or other commercial use of the forage on the land in response to drought, flooding, or other emergency.
- The rule modifies the provisions for routine grazing to be consistent with the 2014 Farm Bill restriction to not more than once every 2 years, with a payment reduction of at least 25% unless the participant is a beginning farmer or rancher.

## ***Recommended Actions***

- Support efforts to provide farmers a way to re-align continuous and general CRP contracts so they can put an entire field back into production at the same time.
- Support more Transition Incentives Program funding.
- Support the recommendation to make the sage grouse SAFE CPA exclusive of Washington’s CPA for air quality.
- Pollinator habitats need to be less restrictive and the seed cost share needs to be raised.
- Support efforts to raise the rental payment limitations cap with Congress.



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Since 1954, WAWG has been dedicated to the enrichment of the Washington wheat industry. WAWG works for solutions to problems of the farm, the farm home and rural community using united, organized action to represent, protect and advance the social, economic and educational interests of wheat farmers of Washington State.

