

PATHWAYS TO LAND ACCESS

A STUDY OF THE CONSERVATION RESERVE PROGRAM –
TRANSITION INCENTIVES PROGRAM IN FOUR STATES



a report by ANNA JOHNSON
with support from GLEN READY
and the CENTER *for* RURAL AFFAIRS

PATHWAYS TO LAND ACCESS

A STUDY OF THE CONSERVATION RESERVE PROGRAM –
TRANSITION INCENTIVES PROGRAM IN FOUR STATES

ANNA JOHNSON

Policy Program Associate,
Center for Rural Affairs

with support from

GLEN READY

Policy Program Assistant,
Center for Rural Affairs

February 2017



CENTER *for* RURAL AFFAIRS

145 MAIN STREET, PO BOX 136, LYONS, NE 68038 | 402.687.2100 | INFO@CFRA.ORG | CFRA.ORG

Anna Johnson
Policy Program Associate,
Center for Rural Affairs

with support from
Glen Ready
Policy Program Assistant,
Center for Rural Affairs

© Copyright 2017

Center for Rural Affairs
145 Main Street
PO Box 136
Lyons, NE 68038

402.687.2100
info@cfra.org
cfra.org

Photos by Wyatt Fraas and AJ Fraas

This report was conducted under a cooperative agreement with Farm Service Agency, National Sustainable Agriculture Coalition, Center for Rural Affairs and Dakota Rural Action.

CONTENTS

1 Executive Summary

2 Introduction

- 2 Purpose of this report
- 2 Legislative authority and background on CRP-TIP
- 3 Similar opportunity with FSA
- 4 State participation in CRP

4 Research Methods

5 Findings

- 5 State office interviews
- 7 County office surveys
 - 7 Outreach and education
 - 9 Conservation implications of CRP-TIP
 - 9 Participation in CRP
 - 10 FSA county employees on barriers and suggestions to improve the program
- 11 Program participant interviews
 - 11 Role of farm economy

12 Summary of Findings

- 12 Outreach and education
- 12 Participation and the farm economy
- 13 Looking forward

13 About the Center for Rural Affairs

13 Acronyms



EXECUTIVE SUMMARY

This report investigates implementation of the Conservation Reserve Program - Transition Incentives Program (CRP-TIP) in Iowa, Nebraska, North Dakota and South Dakota. Through interviewing Farm Service Agency (FSA) state officials, surveying FSA county employees, and interviewing program participants, we gathered a great deal of data about program participation and implementation to support recommendations for improving program enrollment and usage.

We found that several factors influence program participation. The first is knowledge of the program for all involved, including landowners; beginning, socially-disadvantaged and veteran farmers and ranchers; and FSA employees. Counties with higher participation in this program conduct multiple forms of outreach.

The second factor is the existence, or lack thereof, of a strong relationship between the prospective farmer and rancher and landowner. An interested landowner often has difficulty finding a farmer or rancher to work with in enrolling in CRP-TIP, and vice versa.

A third factor is the influence of the agricultural economy. Falling commodity prices and CRP re-enrollment rates impact landowners' decisions to enroll in a CRP-TIP contract. FSA employees reported seeing that the high cost of starting a farm or ranch was a barrier for many beginning farmers.

We gathered data about CRP-TIP participation and implementation through interviewing FSA state officials, surveying FSA county employees, and interviewing program participants.

Fourth, we found that in these four states, the most common farmer and rancher participant group was beginning farmers.

Usage of the CRP-TIP program is concentrated in certain areas of the four states we studied. While this seems to be explained primarily by knowledge and interest on the part of FSA employees, landowners, and prospective farmers and ranchers, the quality and character of the land also played a role. In general, FSA county officers reported land that is more readily convertible to commodity production was more commonly enrolled in CRP-TIP.

Strategies FSA can implement to encourage increased participation in CRP-TIP include:

- Increasing educational outreach about the program, particularly to socially-disadvantaged and veterans groups;
- Providing additional training to county staff to increase familiarity with the program;
- Examining how to facilitate the landowner and farmer and rancher “match” and relationship; and
- Standardizing contract tracking at the county and state levels to facilitate communication about program participation.

INTRODUCTION

This report focuses on the Conservation Reserve Program - Transition Incentives Program (CRP-TIP), which is administered by the United States Department of Agriculture, Farm Service Agency (USDA-FSA). Included is an overview of CRP-TIP usage and participation in the four states of Iowa, Nebraska, North Dakota and South Dakota.

The research was conducted under a cooperative agreement with Farm Service Agency, National Sustainable Agriculture Coalition, Center for Rural Affairs and Dakota Rural Action.

PURPOSE OF THIS REPORT

As with any new farm bill program, one of the challenges of increasing participation is raising awareness and marketing. We noticed variability in CRP-TIP usage at both the state and county levels, and this report seeks to understand the reasons. This report is intended to provide context and strategies on how to increase awareness of and participation in CRP-TIP.

The goals are:

1. Communicate an overview of the status of CRP-TIP in the four states of Iowa, Nebraska, North Dakota and South Dakota.
2. Explain the major factors that influence CRP-TIP participation, including administrative, economic and environmental factors.

The report aims to be useful to a variety of audiences: FSA state officials, county directors and program technicians; landowners, farmers and ranchers who are interested in participating; and farmer and rancher support groups who assist individuals in participating in USDA programs and gaining access to land.

LEGISLATIVE AUTHORITY AND BACKGROUND ON CRP-TIP

The Conservation Reserve Program (CRP) was created by the 1985 Farm Bill. Landowners can enter into contracts with FSA and receive rental payments for environmentally sensitive lands. This keeps land out of farming or ranching. Contracts

IN MARCH 2016,
THERE WERE
23.8 MIL
ACRES ENROLLED IN
CRP NATIONWIDE

can run from 10 to 15 years. There is a 24-million acre cap on the program; in May 2016, there were 23.8 million acres enrolled nationwide.¹

When a landowner's CRP contract expires, they have several options for enrolling the land in other USDA programs. CRP-TIP is one of these options.

CRP-TIP was created by the Food, Conservation and Energy Act of 2008, also called the 2008 Farm Bill. It allows a retired or retiring landowner who has land enrolled in CRP to receive two additional years of payments if land is transitioned back into production through being sold or leased to a beginning or socially-disadvantaged farmer or rancher. The incoming farmer or rancher must use sustainable production practices on the land.

CRP-TIP was modified in the subsequent farm bill. The Agricultural Act of 2014, also called the 2014 Farm Bill, expanded the program to veteran farmers and ranchers. The 2008 Farm Bill provided \$25 million for this program between 2009 and 2012; the 2014 Farm Bill provided \$33 million between 2014 and 2018.

In effect, CRP-TIP creates a pathway for beginning, socially-disadvantaged and veteran (Beg/SDA/Vet) farmers and ranchers to access land. It also provides an additional income source to retired or retir-

1 United States Department of Agriculture. "USDA announces Conservation Reserve Program results: More than 800,000 acres selected through highly competitive application rounds." May 8, 2016. <https://www.usda.gov/wps/portal/usda/usdahome?contentid=2016/05/0105.xml&contentidonly=true>

ing landowners, and it supports conservation practices. For example, during the last year of the CRP contract and before the CRP-TIP contract starts, Beg/SDA/Vet farmers and ranchers can begin preparing land for organic certification. Farmers and ranchers are also required to establish a conservation plan before enrolling in the program. When they take over management of the land, Beg/SDA/Vet farmers and ranchers may enroll in two of the major conservation programs under the Natural Resource Conservation Service, Environmental Quality Incentives Program and Conservation Stewardship Program. FSA guidance on administering CRP-TIP can be found on their website.²

SIMILAR OPPORTUNITY WITH FSA

On Jan. 6, 2017, the USDA announced it was making available an opportunity that is similar to

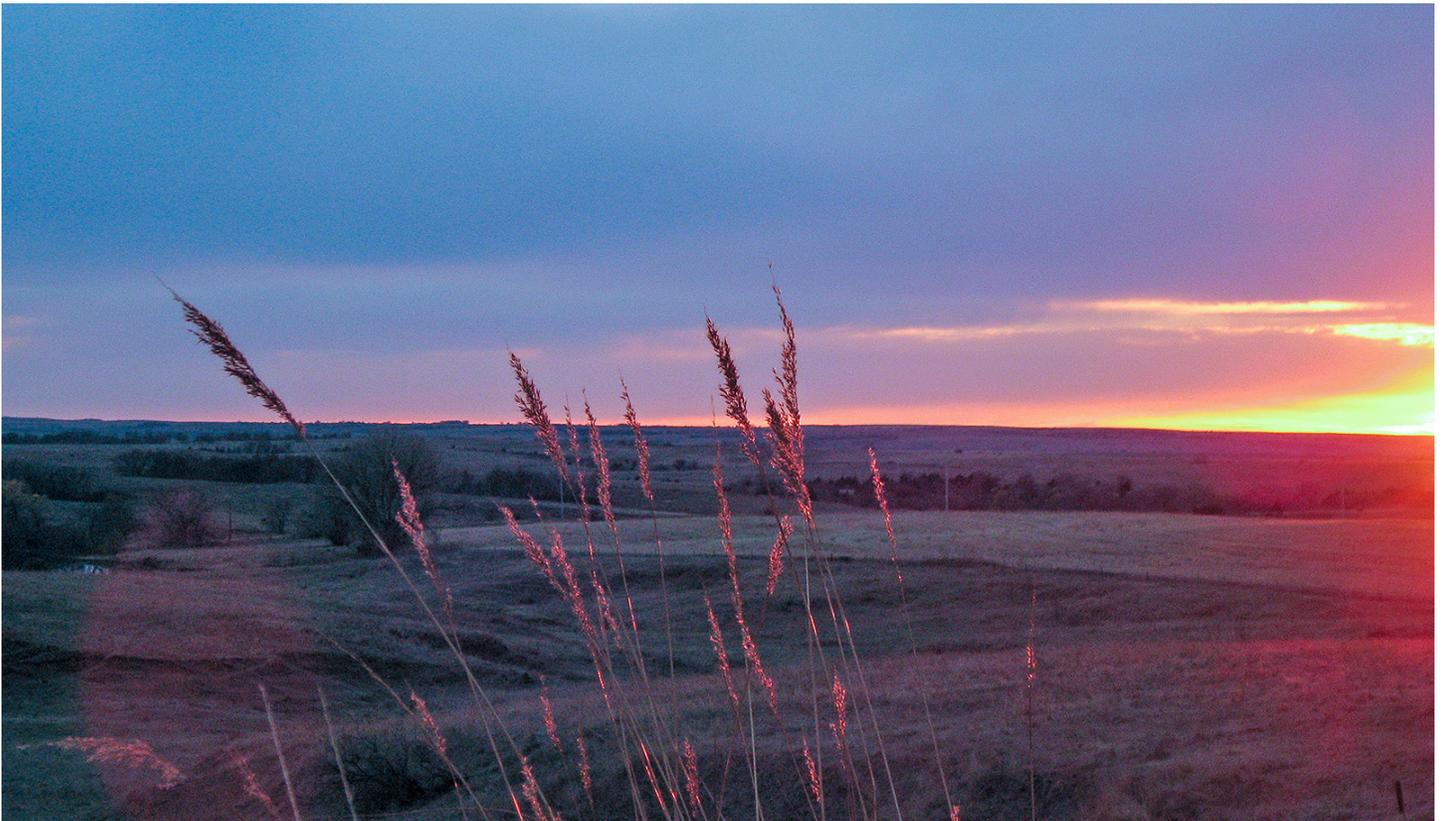
² United States Department of Agriculture, Farm Service Agency. “Agricultural Resource Conservation Program, For State and County Offices, Short Reference, 2-CRP (Revision 5).” June 13, 2016. https://www.fsa.usda.gov/Internet/FSA_File/2-crp_r05_a24.pdf

CRP-TIP.³ Under these new land tenure provisions, landowners enrolled in certain CRP practices⁴ can terminate a CRP contract early without having to repay their past payments, as long as the land passes to a beginning or socially-disadvantaged farmer or rancher. Eligible land includes the least environmentally sensitive land in CRP. One difference between these provisions and CRP-TIP is that these new land tenure provisions are available to landowners who wish to pass land on to family members, while CRP-TIP includes restrictions on transfer within a family. Another difference is that veterans are not targeted by this authority.

Although these new land tenure provisions are similar to CRP-TIP (they also aim to move land in CRP to

³ United States Department of Agriculture, Farm Service Agency. “Notice CRP-819 - Land Tenure Provisions.” Jan. 6, 2017. https://www.fsa.usda.gov/Internet/FSA_Notice/crp_819.pdf

⁴ Practices include CP1, Establishment of Permanent Introduced Grasses and Legumes; CP2, Establishment of Permanent Native Grasses; CP3, Tree Planting; CP10, Grass Already Established; CP11, Trees Already Established.



CRP-TIP was created by the Food, Conservation and Energy Act of 2008, also called the 2008 Farm Bill.

TABLE 1: CRP-TIP PARTICIPATION BY STATE FOR FISCAL YEARS 2014 TO 2016

State	Number of contracts	Acres in contracts	Average size of contract (acres)	Number of counties with CRP-TIP contracts	CRP-TIP funds from 2014 Farm Bill	Total rental payments	Total CRP acres (Oct. 2016)
Iowa	39	2,384	61	17	\$935,000	\$545,903	1,788,160
Nebraska	86	6,036	70	13	\$1,099,000	\$907,712	799,237
North Dakota	115	15,731	137	24	\$2,276,000	\$1,272,750	1,531,916
South Dakota	8	826	103	4	\$1,068,000	\$98,239	972,434

the management of beginning farmers and ranchers), they have been in effect for too little time to be relevant to this report.

STATE PARTICIPATION IN CRP

The 2014 Farm Bill provided \$33 million to CRP-TIP for 2014 through 2018.⁵ These funds were allocated to states based on the number of expiring CRP acres in each. Table 1 above gives a broad overview of CRP-TIP participation in Iowa, Nebraska, North Dakota and South Dakota.

Participation in CRP-TIP under the 2014 Farm Bill is lower in South Dakota than in some of the surrounding states. In addition, while there is relatively higher participation in CRP-TIP in Iowa, Nebraska and North Dakota, there are certain counties with high participation while other counties have little to no participation.

Table 1 also includes information on total acres enrolled in CRP in these four states.

5 United States Department of Agriculture, Farm Service Agency. "Notice CRP-761 - Restart of Transition Incentives Program (TIP)." June 5, 2014. https://www.fsa.usda.gov/Internet/FSA_Notice/crp_761.pdf

RESEARCH METHODS

We used a variety of methods to investigate factors of high participation in CRP-TIP in certain counties in Iowa, Nebraska and North Dakota. Our findings are intended to be useful to stakeholders in South Dakota and other regions with low CRP-TIP participation.

We gathered information about CRP-TIP from four sources. The FSA national office shared state-level data about participation in each of the four target states, some of which is shown in Tables 1 and 2.

We also conducted interviews at FSA state offices with state executive directors and other conservation officers. Through these interviews, we learned about state level outreach and implementation of the program, factors that impact program signup, and how various economic factors influence landowner decision-making.

To gain county officials' perspectives, we sent surveys via the state office. For Iowa, Nebraska, North Dakota and South Dakota, we sent the survey to counties that had at least one CRP-TIP contract since 2008. In South Dakota, we expanded the survey to counties that have at least 10,000 acres enrolled in CRP. The survey was designed to collect three kinds of information: awareness and understanding of CRP-TIP; information on outreach and implementation; and insight on what may or may not be working.

In addition, we interviewed several landowners and beginning farmers and ranchers who participated in or are seeking to participate in the program. We were not able to identify any socially-disadvantaged or veteran farmers or ranchers who were participating or seeking to participate in the program.

The Center for Rural Affairs identified participant interviewees in three ways. First, we issued a press release soliciting participants. Second, we sent personal emails to contacts in our networks. Third, we contacted county offices that had a high level of CRP-TIP participation and requested they contact landowner participants to ask if they would be interested in being interviewed.

Participant interviews were conducted over the phone by staff at the Center for Rural Affairs. Interviews addressed how participants found out about the program, the ease of use, and factors influencing enrollment.



State officials identified one major barrier to participation in CRP-TIP: establishment of a match between the landowner and prospective farmer or rancher.

FINDINGS

STATE OFFICE INTERVIEWS

At each state FSA office for Iowa, Nebraska, North Dakota and South Dakota, we conducted a group interview with the state director, the chief officer for conservation programs, and in some cases, one or two other staff members. After conducting these interviews, we found similarities and differences in experiences implementing CRP-TIP.

In every interview, we discussed outreach strategies that worked well to get the word out and get contracts in place. All the states and county offices communicate about the program via GovDelivery, the publicly available FSA newsletter sent through email (signup is available online at no cost). In addition, FSA has a national policy to send a letter to every landowner with an expiring CRP. The letter informs landowners of their options following expiration of their CRP contract.⁶ In 2016, the options presented were to enroll the land into continuous CRP, to establish a CRP-TIP contract, to enroll in Natural Resource Conservation Service (NRCS) programs, or to allow the contract to expire. In addition to these formal outreach strategies, many of the state officers indicated that word-of-mouth communication at the local level is important for this program to succeed.

In the interviews, we also discussed training. All of the states distributed CRP-TIP training materials to county staff when the program was established following the 2008 Farm Bill. Since then, however, they have done little training on CRP-TIP.

An administrative barrier identified by one state office pertained to matching outreach with funding for the program. This state had a moderate level of funds still available for CRP-TIP, but they felt that if they did a broad promotional campaign, demand for the funds would exceed the amount available.

State officials identified another major barrier to participation: establishment of the match between landowners and Beg/SDA/Vet farmers and ranchers. We discussed efforts FSA has taken to facilitate these relationships, such as establishing a “match-

6 United States Department of Agriculture, Farm Service Agency. “Laws and regulations.” <https://www.fsa.usda.gov/FSA/notices?area=home&subject=lare&topic=not&getData=FSA75>



ing” website called TIP-Net.⁷ However, interviewees reported the resource as under-utilized, not well-known, and therefore ineffective (there were few recent posts when we investigated the site).

Instead, many landowners and Beg/SDA/Vet farmers and ranchers made connections independent of FSA staff or TIP-Net. Interviewees reported that participants used prior relationships to make agreements work. FSA employees have limited

7 United States Department of Agriculture, Farm Service Agency. “Online Services: Transition Incentives Program (TIP) Net.” <https://www.fsa.usda.gov/FSA/tipNet?area=online&subject=landing&topic=tip&setflag=welcome>

The farm economy impacts program participation, according to FSA state officials in Iowa, Nebraska, South Dakota and North Dakota.

resources to facilitate these relationships due to tight restrictions on sharing contract holders’ contact information. Multiple officials reported difficulty in promoting the policy without being able to provide a matching landowner or Beg/SDA/Vet farmer or rancher.

Usage of the CRP-TIP program is concentrated in certain areas of the four states we studied. In our interviews, FSA state officials attributed this clustering to employees in some counties promoting

the program more often. They also attributed it to higher concentrations of Beg/SDA/Vet farmers and ranchers inquiring about the program. Another identified factor was the physical character of the landscape, which impacts CRP enrollment. Some areas have land in CRP that is more easily converted back into row crop production, or is more productive when converted.

The farm economy also impacts program participation, according to state officials. Based on the economy and the land's potential revenue, landowners, farmers and ranchers decide to participate in CRP-TIP. When commodity prices were high, more farmers and ranchers were converting land from CRP to production. Most state officials felt this was the main factor impacting landowners' interest in CRP-TIP. At the time of the interviews, officials believed land will move back to CRP (making it unavailable for CRP-TIP) due to falling commodity prices. Rental payments from CRP could be the most profitable option for some landowners.

COUNTY OFFICE SURVEYS

We surveyed county offices in Iowa, Nebraska, North Dakota and South Dakota, requesting input from both the county executive directors and program technicians. In each state, we surveyed counties that had enrolled at least one CRP-TIP contract. In South Dakota, we additionally surveyed counties that had at least 10,000 acres enrolled in CRP to gauge county agents' knowledge of the program.

We received 157 usable responses.⁸ In Iowa, we received responses from 22 counties; Nebraska, 29 counties; North Dakota, 40 counties; and South Dakota, 28 counties. Respondents included 84 county executive directors, 71 program technicians or another program position, and 2 who did not report their position or held another position. In limited cases, responses differed within a county.

OUTREACH AND EDUCATION

- **In states with higher CRP-TIP enrollment, there is still room for improving familiarity with the program.** 43 percent of respondents answered they were "somewhat familiar" with CRP-TIP. 54 percent answered they were "very familiar." By state, "very familiar" responses from counties that had administered CRP-TIP

contracts were 54 percent in Iowa, 60 percent in Nebraska, and 70 percent in North Dakota.

- ◊ Familiarity with the program was much lower in South Dakota, 19 percent, likely in part because county officers with no CRP-TIP contracts completed the survey.

- **County executive directors and program technicians reported somewhat different familiarity with the program.** 60 percent of county executive directors said they were "very familiar" with the program, compared to 48 percent of program technicians.
- **Counties with higher participation rates use multiple outreach methods.** We isolated responses from eight counties that have higher participation compared to other counties in their state. Seven of these counties reported using at least two outreach methods to advertise the program, such as emailing their customers through GovDelivery, communicating to individuals who visit the office, or promoting at conferences or other events.
- **Most counties with CRP-TIP contracts conduct outreach.** Counties surveyed in Iowa, Nebraska and North Dakota that had at least one CRP-TIP contract reported conducting outreach on the program.
 - ◊ 118 FSA employees advertised through GovDelivery.
 - ◊ 127 FSA employees promoted to individuals who visited their local office.
 - ◊ 44 reported promotion at conferences or other events.
 - ◊ Three respondents identified outreach through the letter sent to landowners with expiring CRP contracts.
 - ◊ Other strategies included promotion through local radio, newspaper or other advertising (14 responses) and encouraging use of TIP-NET (two responses).
- **Top counties have a central method for tracking participation.** Most county officials track participation on a spreadsheet, and several report the information to the state office. One office keeps a file of interested landowners enrolled in CRP. Note: during state office interviews, officials described a centralized reporting system that tracks spending of their allocated funds. A similar system can be used to track CRP-TIP participation.

⁸ Survey responses that did not report county and state were considered unusable.

TABLE 2: CRP PRACTICES REPORTED AS ENROLLED IN CRP-TIP

The number of respondents who reported a practice is given in brackets. The number of total CRP acres in each practice is given in parentheses.

Conservation practice reported	Iowa	Nebraska	North Dakota	South Dakota
CP1 - Establishment of Permanent Introduced Grasses & Legumes	Yes [9] (244,910)	Yes [4] (28,603)	Yes [6] (157,487)	No (49,674)
CP2 - Establishment of Permanent Native Grasses	Yes [2] (133,905)	Yes [13] (262,023)	No (15,313)	Yes [1] (68,560)
CP4D - Permanent Wildlife Habitat Noneasement	Yes [1] (124,243)	Yes [3] (39,079)	Yes [2] (277,604)	No (37,132)
CP10 - Vegetative Cover - Grass - Already Established	Yes [2] (172,851)	Yes [5] (87,327)	Yes [8] (305,887)	Yes [1] (78,356)
CP12 - Wildlife Food Plot	No (4,101)	No (417)	Yes [2] (1,989)	No (2,291)
CP16A - Shelterbelt Establishment, Noneasement (CP16 acres shown)	No (2,056)	Yes [1] (1,596)	No (3,990)	No (11,611)
CP18C - Establishment of Permanent Salt Tolerant Vegetative Cover, Noneasement (CP18 acres shown)	No (0)	No (541)	Yes [4] (102,511)	No (15,578)
CP21 - Filter strip	Yes [1] (191,681)	No (15,318)	No (7,547)	No (9,217)
CP23 - Wetland Restoration	No (132,897)	No (11,549)	Yes [6] (190,276)	No (176,279)
CP25 - Rare and Declining Habitat	No (158,047)	Yes [5] (168,500)	No (10,737)	No (14,563)
CP37 - Duck Nesting Habitat	No (2,602)	No (0)	Yes [2] (177,811)	No (195,395)
CP38 - State Acres for Wildlife Enhancement Practices	Yes [1] (181,567)	No (91,729)	Yes [1] (133,146)	No (136,998)

CONSERVATION IMPLICATIONS OF CRP-TIP

- **Some types of CRP land were popular for CRP-TIP across the states.** Land is enrolled in CRP under different conservation practices, and we asked county employees to list the common practices that are then enrolled in CRP-TIP. Note: Nebraska and North Dakota each had three counties with varied responses between the county executive director and program technician; in these cases all conservation practices reported are included in Table 2.

Table 2⁹ can be summarized as follows:

- Land that has been in CRP under various grass practices (CP1, CP2, CP10) seems to be most common for enrollment in CRP-TIP. This may be because this land is relatively easy to convert to crop or grazing land.
- South Dakota has thousands of acres in each of these practices but few CRP-TIP contracts.

Land can be enrolled in CRP through “continuous” or “general” signups. The characteristics of the land determine whether it is eligible for continuous signup or general signup. General signup is based on an environmental benefits index and is a competitive process with a limited amount of contracts awarded. Continuous signup is for lands that have a high environmental value, and landowners may apply at any time of the year.¹⁰

Channels of sign up varied by state. Iowa and Nebraska counties reported most CRP-TIP contracts on land enrolled under the CRP general signup. Responses from North Dakota were divided: 30 officials said general signup was more common and 10 said the number of signups were equal between the two. In seven counties in Iowa, Nebraska and North Dakota, the county executive director and program technician reported different answers to this question.

Another requirement of the program is that a conservation plan must be in place before Beg/SDA/Vet

9 United States Department of Agriculture, Farm Service Agency, Conservation Reserve Program. “Monthly summary - October 2016.” October 2016. <https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/Conservation/PDF/oct2016summary.pdf>

10 United States Department of Agriculture, Farm Service Agency. “Conservation Fact Sheet.” June 2014. https://www.fsa.usda.gov/Internet/FSA_File/crp_consv_contin.pdf



Land that has been in CRP under various grass practices seems to be most common for enrollment in CRP-TIP.

farmers and ranchers can enroll. Most counties said there were no difficulties in meeting this requirement. Only 7 of the 159 counties reported farmers and ranchers sometimes having trouble with the conservation requirements (Iowa, one county; Nebraska, three counties; North Dakota, three counties).

PARTICIPATION IN CRP-TIP

Participation in CRP-TIP by landowners and Beg/SDA/Vet farmers and ranchers was gauged by county; responses were varied. There was no clear pattern as to which group showed the greatest interest.

The type of farmer and rancher (beginning, socially-disadvantaged or veteran) enrolled in CRP-TIP was reported by county. These groups are not exclusive. For example, a person can be both beginning and socially-disadvantaged, or beginning and veteran. There is a possibility for some overlap in the data.

Major patterns identified were:

- In Iowa, Nebraska and North Dakota, respondents said 75 percent or more of CRP-TIP contracts were with beginning farmers or ranchers.
- Respondents in Iowa, Nebraska and North Dakota said they had less than 25 percent or no participants who were socially-disadvantaged. Results for veteran participants were similar.

- Almost every state had a few counties reporting more than 25 percent of their contracts with socially-disadvantaged or veteran participants. The exception was Nebraska, which reported higher participation by veterans but not by socially-disadvantaged participants.
- Of the responses from South Dakota counties that had CRP-TIP contracts, respondents said 75 percent or more were with beginning farmers and ranchers, and gave no responses about participation by socially-disadvantaged or veterans.

FSA COUNTY EMPLOYEES ON BARRIERS AND SUGGESTIONS TO IMPROVE THE PROGRAM

The final portion of the survey gathered input on challenges FSA county employees see for farmers, ranchers and landowners interested in participating. A few key themes are shown below.

Barriers to participation for Beg/SDA/Vet farmers and ranchers

- Finding an interested landowner or eligible land.
- High costs of rent, land, startup and operating.
- Low crop prices.

- Competition with established farmers.
- Low knowledge of and interest in the program.
- Elements of the program were too restrictive: the requirement for a five-year lease limits beginning farmers and ranchers; many retiring landowners want to pass land to their direct family members.
- Difficulty of starting up production on land that had previously been in CRP.

Barriers to participation for retiring and retired landowners

- Finding a Beg/SDA/Vet farmer or rancher. Not only do the landowner and prospective farmer or rancher have to find each other, but the prospective farmer or rancher has to be in a solid enough economic position to enter the contract; they have to be located in the right area; and they have to build trust.
- Difficulty with posting land online.
- Other plans for their land. They want to pass it on to a direct family member; they intend to keep it in conservation; they want to rent to an established farmer who can afford higher rent; or they do not plan to retire.



Several respondents recommended increased outreach to improve participation in CRP-TIP.

- Financial risk of entering into a CRP-TIP contract. The incoming farmer or rancher might not be able to pay a high enough rent, particularly with low prices and CRP rates increasing.
- Lack of knowledge about the program.
- Land in CRP in their county is unsuitable for conversion to production.

FSA employee suggestions for how to improve participation in CRP-TIP

- Increasing outreach. Suggestions included advertisements, GovDelivery, press releases, and sending the letter to landowners with expiring CRP acres early to allow more time for planning.
- Opening the program to direct family members. However, a few acknowledged that the impetus behind this program was to help new people get established in farming.
- Shortening the five-year lease requirement, given the volatility of current agricultural markets.
- Implementing a standardized tracking system to ease reporting and allow for better understanding of fund availability.

PROGRAM PARTICIPANT INTERVIEWS

We interviewed landowners and farmers and ranchers who have participated in CRP-TIP to learn about their experiences. We asked how they found out about the program, how they found a landowner/farmer or rancher to work with, and about their overall experience. We also discussed what influenced their decision to enroll. All of the landowners we spoke with had contracts with beginning farmers and ranchers, and all of the enrollees or potential enrollees we spoke with were beginning farmers and ranchers.

As we found in the interviews with state offices, landowners repeatedly pointed to learning about the program through word-of-mouth from neighbors or friends. Landowners stated that after they heard about the program, they contacted their local FSA office to find out more.

The interviews also confirmed that relationships between landowners and prospective farmers and ranchers were crucial pieces for enrolling. The landowners often already had a relationship with a beginning farmer or rancher when they found out about CRP-TIP.

The beginning farmers and ranchers we interviewed often struggled to find interested landowners to work with. Some reported learning about the program and approaching their county FSA office, but ultimately they were unable to enroll unless they

ONE COMMON ECONOMIC CHALLENGE FOR BEGINNING FARMERS AND RANCHERS: HIGH COST OF LAND

found an interested landowner on their own. Each interviewee we spoke with who had enrolled in the program had met a landowner through chance.

Many landowners reported relying on their local offices as a program resource. Most found their county staff were well-prepared to discuss the program. However, we spoke with a few farmers who were interested in applying but were struggling to enroll, seemingly due to staff who were not familiar with the program or not familiar with the non-traditional farming practices they were interested in implementing, such as grass-based rotational grazing.

One of the requirements for Beg/SDA/Vet farmers and ranchers to enroll in CRP-TIP is that they establish a conservation plan, which they do by working with their local NRCS office. Our interviewees did not report any significant difficulties with meeting this or other conservation requirements of this program.

ROLE OF FARM ECONOMY

Echoing FSA state officials' responses, landowners reported profitability as a major factor in their decision to enroll in CRP-TIP. High commodity prices were identified as a key component of choosing to take land out of CRP and utilizing CRP-TIP.

Landowners stated that with high commodity prices, there had been greater demand for more row crop



Landowners participating in CRP-TIP reported relying on their local FSA offices as a program resource.

land. In that situation, they received two years of additional payments in addition to rent from the beginning farmer or rancher, which was a strong incentive to enroll in CRP-TIP.

But landowners were also aware of the current farm economy where low commodity prices reduce a farmers' or ranchers' ability to afford higher rents.

The landowners expect when their CRP-TIP contracts are up, they will either move the land back into CRP to receive the guaranteed payment or potentially absorb the cost of a lower rental rate from continuing to rent to a CRP-TIP tenant. Multiple landowners said they would be happy to continue renting their land, but the economy would impact their decision. No landowners we spoke with planned to sell their land to the tenant or anyone else after the agreement ended – they either planned to continue leasing or would seek to return it to CRP.

SUMMARY OF FINDINGS

OUTREACH AND EDUCATION

- There is opportunity and desire for more FSA outreach and education about the program.
- One aspect of outreach could address eligibility. There is a perception by many that this program

is only for beginning farmers and ranchers. Availability to socially-disadvantaged and veteran farmers and ranchers is not as widely known.

- Many FSA county staff reported being less than “very familiar” with this program. Since the staff surveyed in Iowa, Nebraska and North Dakota were those in the counties that have administered CRP-TIP contracts, it is likely that staff in counties that have not administered CRP-TIP contracts have less familiarity with the program. Some staff are also less familiar with non-conventional farming methods such as rotational grazing.
- Standardized tracking within FSA would improve the reporting burden as well as facilitate better communication about fund availability. This could also help address the issue where a state has only a moderate amount of funds still available for the program: counties could all stay aware of the funds remaining and promote the program accordingly.

PARTICIPATION AND THE FARM ECONOMY

- A major barrier to CRP-TIP participation is making the match between landowners and prospective farmers or ranchers. FSA does not have other programs that require this type of match, and could invest more resources in facilitating the relationship. The interviews and survey responses indicate that introducing the two parties was not necessarily sufficient. FSA could play a greater role in establishing some level of good communication and building trust.
- Some counties have higher CRP-TIP participation enrollment rates than others, which seems to be because some FSA county staff do additional outreach on the program, making it more well-known in their counties.
- The most common CRP practices on land that is to be enrolled in CRP-TIP vary by state, but land enrolled in practices requiring grasses (CP1, CP2, CP10) were most common in Iowa, Nebraska and North Dakota.
- The majority of prospective farmers and ranchers who enrolled in CRP-TIP in the targeted states were beginning farmers and ranchers. FSA has an opportunity to reach out to the socially-disadvantaged and veteran communities to increase participation.
- Commodity prices impact interest in CRP-TIP. Enrollment in this program is likely to decrease when CRP payments are more lucrative for landowners. When grain prices are low, farmers cannot afford high rents.

LOOKING FORWARD

The above findings point to clear actions that USDA-FSA can take to increase participation in CRP-TIP, such as increasing training for staff and outreach to eligible landowners and farmers. However, given USDA-FSA's restrictions on sharing participant contact information, additional creativity and work will be needed to address the barrier of making the "match" between farmers and ranchers and landowners. The strength of these "matches" will become increasingly important as broader economic pressures provide landowners with more lucrative options than enrolling in CRP-TIP.

There are funds available for CRP-TIP through 2018 as provided by the 2014 Farm Bill. The 2018 Farm Bill represents an opportunity to renew funding for this program and continue to support landowners in assisting beginning, socially-disadvantaged and veteran farmers and ranchers to become established.

ABOUT THE CENTER FOR RURAL AFFAIRS

Established in 1973, the Center for Rural Affairs is a private, nonprofit organization with a mission to establish strong rural communities, social and economic justice, environmental stewardship, and genuine opportunity for all while engaging people in decisions that affect the quality of their lives and the future of their communities.

ACRONYMS

- Beginning, Socially-Disadvantaged, or Veteran - Beg/SDA/Vet
- Conservation Reserve Program - CRP
- Conservation Reserve Program - Transition Incentives Program - CRP-TIP
- Conservation Stewardship Program - CSP
- Environmental Quality Incentives Program - EQIP
- Farm Service Agency - FSA
- Natural Resource Conservation Service - NRCS
- United States Department of Agriculture - USDA



Standardized tracking within FSA would improve the reporting burden as well as facilitate better communication about fund availability.