



Conservation Reserve Enhancement Program

Powerful Tool for Soil, Water, and Wildlife

The Conservation Reserve Enhancement Program (CREP) began in 1998 as a US Department of Agriculture (USDA) initiative to leverage the Conservation Reserve Program with state and local funding to address conservation problems in targeted areas.

The program has been especially effective at (1) installing buffer strips along streams and restoring and protecting wetlands to address water quality problems in watersheds polluted by agricultural runoff, and (2) restoring grassland and other wildlife habitat in targeted landscapes.

CREP projects also improve soil health, because they typically take cropland out of production and plant a combination of perennial grasses, forbs, shrubs, and/or trees. Eliminating tillage, eliminating most chemical fertilizer and pesticide applications, and establishing perennial vegetation should result in an increase in soil organic matter and the improvement of soil health. CREP projects often focus on locations with highly erodible soil, like hillsides or riparian areas, which are vulnerable to erosion.

History of Success

For more than 20 years, Conservation Reserve Enhancement Program agreements have been a way for states to multiply the impact of state, local, and private funds to accomplish conservation objectives. Under CREP agreements between the USDA Farm Service Agency and states, USDA committed to fund a certain number of acres of Conservation Reserve Program contracts, which include annual rental payments for up to 15 years plus a share of the cost of establishing vegetative cover.

In return, the states and partners agreed to fund a portion of the overall project costs. That can include staff time to provide outreach and planning assistance to

In Summary:

In the 2018 Farm Bill, Congress:

- **Placed the Conservation Reserve Enhancement Program in Statute.**
- **Required new CREP agreements to provide quantifiable environmental goals.**
- **Put limits on the payments USDA could provide to landowners under Conservation Reserve Program contracts, but gave USDA flexibility to waive some of those limits under CREP agreements.**
- **Gave more flexibility for haying and grazing under most CRP contracts.**

The Conservation Reserve Enhancement Program remains an important, if under-utilized tool for states and other partners to leverage the benefits of the Conservation Reserve Program to achieve conservation goals. It could also serve as a new tool to restore the health of degraded soils.

farmers, additional incentive payments, increased cost-share payments to landowners for particular seed mixes, payments to extend the contracts for additional years, conservation easements to prohibit the land from being converted back to cropland when the CRP contract expires, and associated costs like monitoring the easements long-term. CREP agreements are limited to a particular watershed or area, designated conservation practices that address a resource problem (or problems), a set number of acres, and a number of years.

Successful CREP partnerships have helped clean up rivers like the Michigan, Minnesota, James (South Dakota), Illinois, and Ohio rivers. CREP projects have helped restore stream flows in rivers like the Upper Arkansas (Kansas), Platte (Nebraska) and Republican (Colorado) rivers, and helped protect trout streams

from Washington state to West Virginia. CREP agreements have worked to reduce polluted farm runoff into the Chesapeake Bay, Florida Everglades, and Lake Erie.



In May, 2020, there were 927,140 acres of CREP contracts in 32 states. That represented just over 4% of all CRP acres, and just under 12% of the 7.8 million acres of CRP enrolled through USDA's 'continuous signup' process at the time.

CREP has been particularly helpful in enrolling land in states with relatively higher land rental rates like Pennsylvania, Ohio, and Kentucky that have had fewer acres accepted into General CRP contracts. CREP agreements have also provided flexibility, allowing states to identify practices that will address local conservation goals and to craft incentives that fit the state's ability to provide cash or in-kind help.

Benefits for Landowners

Under a CREP agreement, farmers and other landowners don't have to wait for the annual CRP general signup, 'bid' for a contract, and then wait to see if they are selected — the process to obtain a general Conservation Reserve Program (CRP) contract. Instead, under CREP agreements farmers and other landowners with eligible land can enroll and be automatically accepted. CREP contracts are enrolled under USDA's continuous signup CRP process.

Under current CREP agreements, landowners can also receive higher federal rental payments, a Signup Incentive Payment (SIP), a Practice Incentive Payment (PIP), and sometimes higher cost-share payments than under a standard CRP contract. Under current CREP agreements, federal rental payments are typically 120% to 140% of county average soil rental rates for the predominant type of soil on the land. USDA also typically pays 50% of the cost of the planting or installation, a one-time PIP of up to 40% of the installation cost, a SIP of \$75-\$150 per acre, and sometimes a payment for management activities like mowing or burning taken

partway through the contract to manage vegetation.

Under CREP, landowners may also be eligible for state-funded payments which vary between CREP agreements. They can include a sign-up bonus, additional cost-share funds, additional annual rental payment, or payments for allowing walk-in hunting. States and partners have also offered contract extensions to continue rental payments after the federal CREP contract expires. In other locations, the state has offered to pay for

a conservation easement to ensure the land is not converted back to cropland and never developed.

The payments offset lost income and expenses for landowners who participate, but they are not overly generous. CREP contracts average less than 25 acres per farm, and just \$4,124 in rent per farm per

year. The 2018 Farm Bill substantially reduced the payments USDA can make for Conservation Reserve Program contracts (see below). Landowners are also locked into the same annual rental payment for 10 to 15 years, much longer than a typical farmland lease.

Leveraging CREP for Soil Health

The Conservation Reserve Program was designed to address three co-equal resource concerns: soil conservation, water quality, and wildlife habitat. Past CREP agreements have generally focused on providing water quality or wildlife benefits (or both); soil conservation benefits came primarily as a co-benefit.

In the future, CREP agreements could be focused on soil health, helping restore organic matter and soil health in seriously degraded soils. For example, the loss of topsoil has been a longtime problem in the Piedmont region of the Southeast, where some farms have lost all of the 6" to 12" of their historic topsoil. Planted with a mix of grassland vegetation and properly managed for 10-15 years, a significant part of the organic matter and soil biology that was lost could be restored.

At the end of the CREP contract, the grassland could be placed in a well-managed rotational grazing system to protect and further improve the soil. The landowner could install the fencing and water systems needed before or during the CREP contract. That would allow low-volume grazing as a management tool during the contract, and would facilitate transition to grazing after the contract expires. Under the 2018 Farm Bill, USDA



USDA



Lynn Betts, NRCS

could even pay cost-share to install the fencing and water systems under an Environmental Quality Incentives Program or Conservation Stewardship Program contract during the last year of the CRP contract.

As an alternative, at contract's end the land could be converted to back to cropland using a combination of soil health practices like no till, cover crops, conservation crop rotations, and organic or low chemical pest and nutrient management to maintain soil health. Transition to organic would be an attractive option for soil that is not highly erodible, because the landowner could avoid using non-organic chemicals on the land for the last three years of the CREP contract, allowing the operation to be certified organic from the start of production.

The 2018 Farm Bill

The 2018 Farm Bill placed substantial parts of the Conservation Reserve Enhancement Program in statute for the first time. The new law protects existing CREP agreements, but allows USDA and the CREP partners to agree to modify those existing agreements. New CREP agreements will be required to provide quantifiable environmental goals, identify appropriate conservation practices, include the payments to be offered landowners, and meet other new requirements.

The new law provides that state and local governments, Indian tribes, and non-governmental organizations can all be CREP partners.

Assessing Watersheds

The Izaak Walton League of America's *Save Our Streams* program trains volunteers to monitor and assess the health of local streams. The program could help CREP project partners assess the impacts of CREP initiatives at a watershed scale. Contact the League's Save Our Streams staff in our Gaithersburg headquarters for more information.

Where the majority of partner funds come from non-governmental organizations, partners in new CREP agreements will need to provide at least 30% of total project costs. Where a state, tribe, or local government provides a majority of the partner funds, the level of match will be negotiated between USDA and the partners. For existing CREP agreements,

partners are typically providing 20% to 40% of the total project costs. Matching funds can come from cash, in-kind contributions, or technical assistance.

The 2018 Farm Bill put in place caps on CRP rental payments, including a cap of 85-90% of the county average soil rental rate for the predominant soil type on the land (calculated by the National Agricultural Statistics Service). The 90% cap applies to continuous signup CRP contracts, although Congress gave USDA authority to waive the cap under CREP agreements. Congress also allowed for an adjustment of the cap, including for the productivity of the land. However, in a 2018 administrative decision, USDA announced it would only adjust rental rates *downward* based on a soil productivity factor, and would no longer adjust them *upwards*.

The new statute allows USDA to adjust the rental rates for specific practices, for contracts in well-head protection areas, and based on soil productivity, and those adjustments could presumably be included in any new or revised CREP agreement. However,

USDA has announced it will no longer provide higher rental rates for high-value conservation practices like buffer strips and windbreaks under its continuous signup CRP, and it isn't yet clear whether that policy will apply to new CREP agreements.

The 2018 Farm Bill limits one-time Practice Incentive Payments (PIPs) to 50% of the cost of installing a particular practice, although in implementing the program USDA has said it intends to limit PIPs to just 5%. The new Farm Bill specifies that Signup Incentive Payments will be paid based on 32.5% of the first annual rental payment, which USDA is offering.

USDA has said it will generally not pay any cost-share for mid-contract management activities like burning grasslands or managing unwanted shrubs or trees, although under the 2018 Farm Bill USDA is required to make cost-share payments to encourage the management of riparian buffers for contracts that fall under CREP agreements.

The new statute also gives USDA more flexibility to allow haying and grazing on CRP lands, where it is done outside the primary bird nesting season.



Wisconsin DNR

Overall, the changes made by Congress and the decisions made by USDA could substantially reduce the overall payments farmers and other landowners can expect to receive under a new CREP agreement. The CREP process provides some flexibility for states or other partners to negotiate better deals for landowners who apply, but that flexibility has limits.

Where to Start

First, a word of caution. Since September, 2016, the acres enrolled in CREP contracts nationwide has declined by more than 20%. The Conference Report from the 2018 Farm Bill seemed clear: “The Managers encourage USDA to continue the enrollment of acres in CREP in all regions of the country. The Managers incentivize more enrollment of riparian buffers, including forested riparian buffers....” But USDA does not appear to be making CREP a priority.

In 2017, Kentucky asked USDA to extend its CREP agreement. USDA turned the request down and notified landowners that they would not have an opportunity to renew their contracts as they expired. USDA had asked Kentucky to increase the share of project costs coming from the state. Illinois has been trying for over two years to re-open enrollment in a CREP project that was put on hold when state funds became unavailable. Officials from several other states have expressed frustra-



CREP buffers protect Virginia streams from grazing cattle.

tion with an inability to get approval for extensions or minor changes to CREP agreements.

We suggest you start by contacting your USDA Farm Service Agency state executive director, who can fill you in on the process for negotiating a Conservation Reserve Enhancement Program and the potential for one in your state. You can see a list of CREPs active in 26 states and get more information on the Farm Service Agency web site under Conservation Reserve Program.

The Conservation Reserve Enhancement Program has tremendous potential to leverage state, local, and other funds to rebuild soil health, restore water quality, and provide habitat for wildlife. Capitalizing on that potential and focusing it to improve soil health will require creative thinking, one or more sources of state or local matching funds, and a commitment from the US Department of Agriculture to make CREP agreements a priority.



Izaak Walton League of America

The Izaak Walton League of America, chartered in 1922 by 54 anglers, is a national organization dedicated to the protection of America’s streams, lakes, and wetlands so future generations can enjoy the bounty of our waters. The League has over 200 local Chapters and 40,000 members.

The League’s Agriculture Program works to support and improve federal Farm Bill conservation programs that help farmers and ranchers adopt conservation systems. We work to leverage those programs at the state and local level to deliver conservation benefits where they will do the most good.

We engage business owners, outdoor enthusiasts, and League members to support state and local efforts to restore and protect rivers, lakes, and wetlands.

Follow our work and make a difference in your community by signing up for our *Soil Matters* email updates, available free at www.iwla.org/agriculture.

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