

## The Future of the Conservation Reserve Program

[RuralAndFarmFinance.com](#)

VOL. 1, ISSUE 3, April 2022

Next year, the Agricultural Improvement Act of 2018 expires, creating an opportunity to change the Conservation Reserve program (CRP). Perhaps no rural policy has such a diverse set of proponents and opponents, and this reality almost assures that next year's CRP policy debate could be interesting. What is in store for the CRP program?

### The Evolution of the CRP

Congress established the CRP in 1985 to take fragile cropland out of production for 10-15 years via contractual rental payments. The CRP was needed to rectify unintended consequences of farm policy in the 1970s that encouraged marginal and/or environmentally sensitive land to be put into production. However, the CRP's objectives of conservation and supply control shifted, and new priorities emerged. Commodity price cycles have also led to changes in the program and participation rates.

The figure on the right shows how the CRP program has changed over the last decade, effectively evolving into three distinct sub-programs. In 2012, CRP was overwhelmingly comprised of general CRP acres, or whole fields taken out of production. By 2022 general CRP acres were less than half of the program acres and continuous sign-up acres, which target narrower conservation goals, represented almost 40 percent of the total. The continuous sign-up programs involve specific practices such as habitat improvement. These programs typically offer higher per acre incentives and may involve only targeted parts of fields. The third sub-program, the grassland related program involves lower per acre incentives for ranchers to improve grazing lands, while still being able to maintain animal production on the acres. The grasslands program was a stand-alone program that was moved under the larger CRP umbrella with the 2014 farm bill.

### Key Takeaways

- With current farm legislation expiring next year, the Conservation Reserve Program (CRP) could be a significant issue in future farm policy debate.
- The CRP has effectively evolved into three sub-programs over the last decade as policy makers, stakeholders and market forces have reshaped goals and priorities.
- Emerging environmental initiatives, high commodity prices and food price inflation could impact policy debate outcomes.

### Composition of CRP Enrollment

2012 - 2022



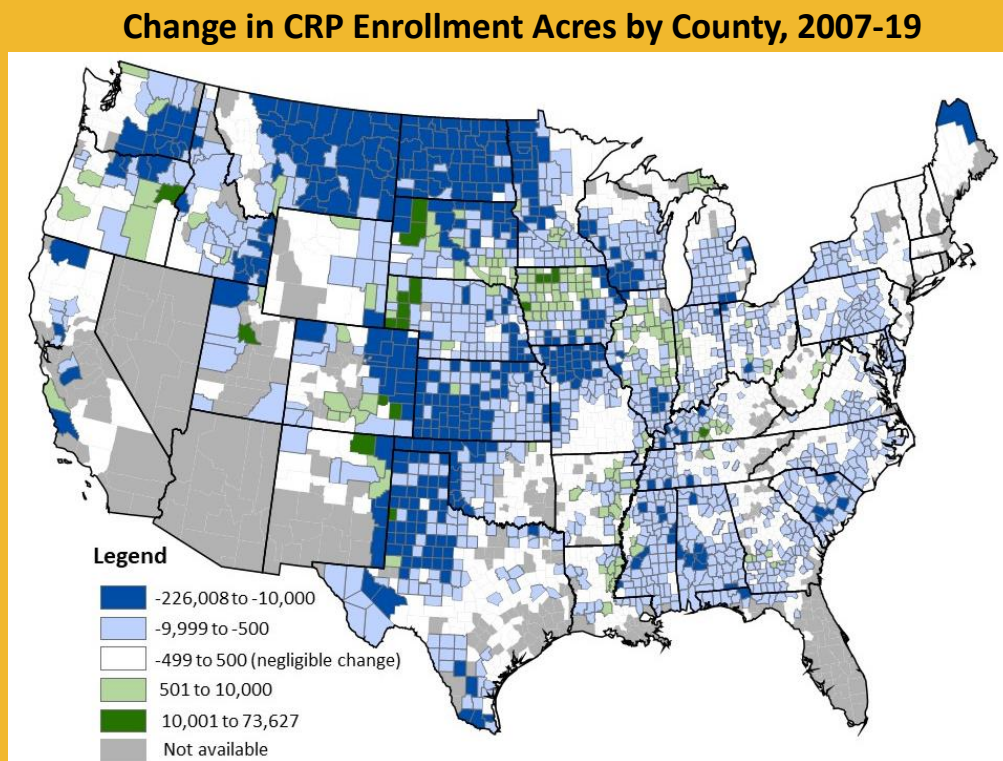
Source: Rural and Farm Finance Policy Analysis Center graphic using data from the USDA Farm Service Agency.

### Policy questions about on the future of the CRP

- What is in store for the CRP program?
- How might potential CRP changes affect rural economies?
- Click [here](#) for more data from the Farm Service Agency.
- A good historical background on CRP from farmdocDAILY [here](#).

## Geographic Shifts in CRP

The figure below shows the changes in CRP acres since total CRP acres peaked in 2007. In the dark blue counties, CRP acres have declined the most in absolute terms. The counties with the biggest declines are generally in the areas with the highest participation in the early decades of the program. The dark green counties have gained the most CRP acres since 2007, and generally illustrate where grassland CRP and continuous sign-up CRP programs have grown.



Notes: Map reflects absolute change in CRP acres and data are not a share of county land area or crop acres. Data for Alaska and Hawaii were not available.

Shifting conservation and environmental priorities and commodity price cycles have changed the CRP program over the years and will again likely shape the next farm bill debate. High commodity prices, food price inflation and prospects of food shortages will affect market-based and policy incentives that drive sign-up for the general, or traditional CRP sub-program. Stakeholders and policymakers concerned with climate change are likely to argue for expansions in programs related to climate change mitigation and climate smart agriculture. New environmental initiatives, combined with existing conservation priorities could drive initiatives to significantly expand CRP programs. At this stage, there are more questions than answers about the future of the CRP program. But forces that have traditionally hastened changes in the CRP have never been stronger.

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