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Farm Operators Consider CRP Enrollment

The 49th enrollment period for the general Conservation Reserve Program (CRP) began on December 1, 2015 and continues through February 26, 2016 at local USDA Farm Service Agency (FSA) offices throughout the country.

The last general CRP signup period was in 2013. There appears to be more interest in CRP enrollment this year as a result of lower crop prices and reduced farm profitability.

Currently, there are over 630,000 CRP contracts in place--spanning over 350,000 farms in the U.S.

The 23.4 million acres enrolled in the CRP program in November 2015 is down from nearly 27 million acres in 2013 and 31 million acres in 2009. Currently there are approximately 17 million acres under general CRP contracts, 5 million acres under continuous CRP contracts, 1.1 million acres under Conservation Reserve Enhancement Program (CREP) contracts, and 380,000 acres in the Farmable Wetland Program. The maximum number of CRP acres enrolled at any one time has been reduced in each of the last two Farm Bills, with the 2014 Farm Bill setting the maximum acres in the CRP program at 24 million acres.

As of November 2015, there were a total of 54,476 CRP contracts in place in Minnesota, with a total of just over 1.1 million acres. Just over 530,000 acres are under a general CRP contract and slightly over 582,000 acres were under a continuous CRP contract.

Enrollment periods for the general CRP program only occur when the USDA deems it necessary to try and draw additional crop acres into the CRP program in order to maintain the desired CRP acreage.

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Enrollment for the continuous CRP program is ongoing and is likely to continue for the foreseeable future. The continuous CRP program targets the most sensitive environmental land areas, such as filter strips, buffer strips, wetlands, etc. The CREP program is a CRP partnership with state conservation programs and targets specific watersheds. There are several CREP programs in existence in Minnesota.

The average CRP land-rental rate in the U.S. in 2015 was about \$70 per acre, with an average of \$51 per acre on general CRP acres; \$114 per acre on continuous CRP acres; and \$144 per acre on CREP acres. CRP rental rates vary widely from state to state, and within different regions of a given state. The average CRP rental rate in Minnesota is \$95 per acre, with an average of \$70 per acre on general CRP acres, and \$118 per acre on continuous CRP acres. Most annual, CRP land-rental rates in southern Minnesota are considerably higher than the state average.

Other current average CRP rental rates for Midwestern states are: Iowa at \$181 per acre; South Dakota at \$82 per acre; North Dakota at \$45 per acre; and Wisconsin at \$111 per acre.

Both new cropland acres and current CRP acres that expire on September 30, 2016 may be offered for enrollment into the general CRP program during the current signup period. Producers with existing CRP contracts that are expiring in 2016 will have no preferential status for keeping their land in the CRP program after this year and must re-submit a new CRP bid to be re-enrolled in the CRP program.

Any new crop land being offered for CRP must have been planted (or considered planted) to an agricultural commodity in four of the six crop years from 2008 to 2013. New CRP contracts for 2016 are for 10 or 15 years and will be initiated on October 1, 2016, with annual rental payments taking place in October each year. Landowners may also receive cost-share assistance of up to 50 percent to establish approved cover crops and practices on CRP acres.

The USDA adjusts the maximum, annual CRP rental rates for continuous CRP enrollment each year on a county-by-county basis, which are also used as the maximum CRP rates for the general CRP signup period in a given year. The maximum rental

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rates are based on the relative productivity of the soils within each county, as well as the average dry land, cash-rental rate for each county. Landowners are provided the maximum, allowable CRP rental rate. However, they may submit a lower rental bid if desired, in order to enhance the chances of their general CRP bid being accepted.

FSA will rank all bid offers for the general CRP enrollment on the basis of the "Environmental Benefits Index" (EBI) to determine which CRP bids are accepted. The EBI is used to target the most environmentally sensitive land in the CRP enrollment process. Factors included in EBI calculation include benefits for: water quality, wildlife habitat, soil erosion, and air quality, as well as accounting for benefits that will likely endure beyond the CRP contract period. The cost per acre for the CRP rental contract is also factored into the EBI for final determination of accepted CRP bids.

For more information on the current general CRP signup, or on continuous CRP enrollment, land owners and producers should contact their local FSA office or go to the [USDA CRP website](#).

Impact of Minnesota's New Buffer Law

In 2015, a new buffer law was initiated in Minnesota. The measure requires buffer strips to be a minimum of 16.5 feet along all public ditches, which includes most agricultural drainage ditches in the state, as well as buffer areas that average 50 feet near public waters, such as rivers. Buffer strips generally qualify under both the general and continuous CRP programs, which would allow producers to receive some compensation for up to 15 years on the acres that are taken out of production to implement the required buffer strips.

Many landowners may prefer to enroll in the continuous CRP program, since a no-bidding process would be involved. The CREP program may also apply and would require the land to be permanently taken out of production and would limit the CRP payments to 15 years, without the chance for reenrollment after the current CRP contract expires.

Producers should be aware that the CRP program requires buffer strips to be a minimum of 30 feet in width. Livestock producers should also be aware that haying and grazing of buffer strips is not allowed on CRP acres, except when emergency declarations

occur.

Producers and landowners should contact their local Soil and Water Conservation District office for details on how the various CRP program options may interact with implementation of Minnesota's new buffer law.

Upcoming Events

There are several Ag Events and Meetings coming up, including:

- MN Ag Expo on Jan. 27 & 28 at the Verizon Wireless Center in Mankato
- [MREA Ag Property Tax Information Meeting](#) on Wed., Jan. 27, 3:30 PM, at Maple River High School, Mapleton
- [South Central College Ag Symposium](#) on Tuesday, Feb. 9 in North Mankato

For more information, contact Kent Thiesse, Farm Management Analyst at: kent.thiesse@minnstarbank.com or 507-726-2137.

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