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2016 CRP Signup Results Announced

The USDA's Farm Service Agency (FSA) recently announced that more than 800,000 acres were accepted into the Conservation Reserve Program (CRP) during the recent 49th CRP signup period.

This was one of the most competitive CRP enrollment periods ever, with over 3 million acres being offered for CRP enrollment. The FSA has not yet released any CRP enrollment data for individual states or counties.

Nationwide, there were over 26,000 offers to enroll more than 1.8 million acres under the General CRP during the enrollment period this year. Only 411,000 acres (or 23 percent of the total), were accepted under the General CRP, making this year the most selective enrollment period in the 30-year history of the program.

An additional 364,000 acres have been accepted this year under the Continuous CRP, which targets the most environmentally-sensitive land, and is not part of the competitive bidding process involved with the General CRP.

The recent CRP enrollment period also included a first-ever enrollment option for the CRP grasslands program, which provides producers with financial assistance to plant approved grasses, trees, and shrubs on land, which can in turn be grazed. There were a total of 4,600 offers--totaling over one million acres for this new program. The FSA accepted 101,000 acres for the CRP Grassland program. There continues to be over one million CRP acres enrolled in the Conservation Reserve Enhancement Program (CREP), including nearly 71,000 acres in Minnesota. The CREP program is a cooperative program, involving state environmental initiatives.

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As of March 1 there were just over 23.7 million acres enrolled in the CRP, which is down from nearly 27 million acres in 2013, over 31 million acres in 2009, and over 36.8 million in 2007.

As of March 1, there were: nearly 17 million acres enrolled under General CRP contracts; just over 5 million acres under Continuous CRP contracts; 1.1 million acres under CREP contracts; and 390,000 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.

CRP contracts will expire on just over 1.65 million acres on September 30, 2016. This includes: 92,409 acres in Minnesota; 99,645 acres in Iowa; 58,712 acres in South Dakota; 44,595 acres in North Dakota; and 22,885 acres in Wisconsin. Nationally, slightly over 2.5 million contracted CRP acres will expire in 2017, and nearly 1.5 million acres will expire in 2018.

The bids that were offered into the CRP for 2016 were evaluated, using the "environmental benefits index (EBI)." The USDA targeted the most environmentally-sensitive land with the 2016 CRP signup, in order to reduce soil erosion, protect water and air quality, and to enhance wildlife protection and carbon sequestration. There continues to be a special focus on buffer strips near rivers and streams.

The following are the EBI factors which were used by the FSA to evaluate CRP contract offers:

- Water quality benefits from reduced erosion, runoff, and leaching.
- Wildlife habitat benefits from CRP contract acreage.
- On-farm benefits from reduced soil erosion.
- Air quality benefits from reduced wind erosion.
- Benefits that will likely endure beyond the CRP contract period.
- Cost per acre for the CRP rental contract.

The USDA is currently celebrating the 30th anniversary of the CRP and three decades of conservation success. The CRP program was developed as part of the 1985 Farm Bill and was established

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by the USDA on December 23, 1985. The CRP has been the largest and most important conservation program in the United States since that time. The CRP continues to make major contributions to national efforts to improve water and air quality, prevent soil erosion, protect environmentally sensitive land, and enhance wildlife populations.

Some of the benefits of the CRP over the past three decades that have been cited by the USDA include:

- The CRP protects more than 170,000 miles of streams with grass buffers and riparian forests, which is enough to circle the world 7 times.
- The CRP has prevented more than 9 billion tons of soil erosion since 1985, which is enough to fill 600 million dump trucks.
- Each year, the CRP has reduced nitrogen runoff on tilled cropland by 95 percent and has reduced phosphorus runoff by 85 percent.
- The CRP has created nearly 2.7 million acres of restored wetlands.
- The CRP helps enhance populations of ducks, pheasants, quail, and other wildlife species.
- The CRP has resulted in the sequestration of an annual average of 49 million tons of greenhouse gases, which is equivalent to taking about 9 million cars off the road.
- The CRP provides nearly \$2 billion per year to private landowners, which are dollars that help support local businesses and the local economy.

More information on the CRP, including the most recent enrollment data and information on the 30th anniversary of the program can be found [here](#).

For more information, contact Kent Thiesse, Farm Management Analyst and Vice President, MinnStar Bank, Lake Crystal, MN. Thiesse is at kent.thiesse@minnstarbank.com or 507-381-7960.

2016 Ag Conference

Join ICBM for this year's Ag Conference in Austin, MN.

Bankers will learn from ag industry experts and participate in discussions on critical ag issues and how they affect the financial industry.

The event will be held July 19-20. Registration and program information will be coming soon.

Questions? Contact Patti Coles, ICBM Meeting and Event Planner at pcoles@icbm.org or 651-789-3987.

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