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# Adapting land retirement programs in response to Iowa's changing economy

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# Adapting land retirement programs in response to Iowa's changing economy

**Abstract**

The project explored the effects of Iowa's burgeoning biofuels economy on existing and future land conservation and preservation efforts.

**Keywords**

Conservation practices

**Disciplines**

Agricultural Economics | Natural Resources and Conservation



## Adapting land retirement programs in response to Iowa's changing economy

**Abstract:** The project explored the effects of Iowa's burgeoning biofuels economy on existing and future land conservation and preservation efforts.

### Principal Investigator:

**Duane Sand**  
Iowa Natural Heritage Foundation

**Budget:**  
\$10,000 for year one  
\$10,000 for year two

**Q** What conservation plans and technical tools exist (or are needed) to better define and target environmental benefits from conservation programs?

**A** Participants in these discussions were skeptical about existing state or federal natural resources plans and the technical tools used to develop such plans. They stated that land use planning needs to be a local, transparent, participatory process in order to earn public confidence and support in Iowa.



**P O L I C Y**

### Background

This project was planned in 2006, when rapid growth of Iowa's biofuels industry was creating economic competition to put more land into production. Then there were 38 ethanol refineries operating or under construction in the state, with more refineries being planned. Six biodiesel plants were operating or under construction and 20 more were in various stages of development. (There were 28 in 2010.) Iowa corn prices were high in spite of a large crop, and long-term corn futures prices exceeded \$3/bushel. Farmland prices and cash rents were appreciating rapidly, partly in response to commodity market profits.

These circumstances suggested the U.S. Department of Agriculture conservation programs designed and adapted over the last four Farm Bills would likely need to be reformed or prioritized to better address the challenges that Iowa and other Corn Belt states would face in the next few years. These trends continued and escalated during the project duration, making the discussion of feasible USDA program reform even more pertinent as discussion of the next Farm Bill began.

Two key questions were to be addressed during the project: 1) What conservation plans and technical tools exist (or are needed) to better define and target environmental benefits from conservation programs? 2) Can Iowa leaders agree on a process or processes to pinpoint lands that should be permanently retired from crop production and lands that should be protected from conversion to agricultural crops?

### Approach and methods

The project gathered information and fostered discussion among a diverse set of agricultural organizations. Most of the invited organizations and participants agreed to participate in the project, forming an ad hoc Conservation Reserve Program (CRP) Policy Group to hold a series of in-depth discussions. The discovery and dialogue process involved four meetings, each lasting three to six hours. Meetings were held in March and April 2007.

Presentations and discussion covered the following topics:

- CRP ranking criteria and general practices
- Federal laws protecting environmental quality
- Escalation of farmland prices
- Absentee landowner statistics and trends in Iowa
- Wildlife and CRP, including critical waterfowl nesting habitat in the prairie pothole region
- Farm Bill priorities of wildlife organizations
- Ideas about the future of the Conservation Reserve Program
- Modeling for economic impact on the land
- Economic impacts on CRP program
- Iowa Wildlife Action Plan as it relates to CRP
- Tools and data that make it possible to target land management and federal programs for maximum impact
- Land protection planning, including the Iowa natural resources inventory
- Relationship of water quality programs and non-point source pollution to CRP
- CRP impact on ground and surface water
- Agency strengths and limitations in delivering programs
- Biomass energy trends, potential, and impact on land and ag economics

By the third meeting, the CRP Policy Group was discussing policy premises and areas of agreement on the content of a white paper on the Conservation Reserve Program. Duane Sand drafted the white paper based on this input. At the fourth meeting, the group reviewed, refined and came to general agreement on the white paper: “Understanding CRP by the Numbers: A program that has changed the Iowa landscape.”

## **Results and discussion**

In regard to the first objective related to the conservation plans and technical tools that exist (or are needed), discussion revealed no effective plans or tools available at that time. Acceptance of targeting would depend on trust in the plans and tools – and such trust could only be built through local control, which requires flexibility inconsistent with federal policy.

Discussion revealed that participants understood and agreed on the importance of targeting lands that needed protection or retirement from production, but there was reluctance to support targeting unless there was a local planning component – and even then, participants would want to see the planning results before agreeing to target programs based on those results. Therefore the preference was to continue eligibility for the most applicants to compete within federal programs.

## **Conclusions**

The process for investigation, discussions and white paper development was achieved substantially as proposed. The white paper developed as a result of this project included:

- A summary of key facts that were revealed through this process.
- Policy premises for consideration by policy makers and state leaders.
- Recommended changes in CRP that would maximize its benefits for Iowa’s

future, and to increase CRP acres within budget restrictions. Recommendations included:

- o Predominantly fund continuous sign-up, conservation buffer kinds of practices
- o Vastly expand Conservation Reserve Enhancement Program (CREP) funding that encourages conservation partnerships
- o Target CREP and special sign-ups to assure regional equity
- o Authorize CRP for more acres under a new category of Transition CRP Contracts
- o General sign-ups should have uniformly discounted payments relative to local land rents

Participants were able to use this information by incorporating it into their thinking, planning and delivery of policy messages.

## Impact of results

Most project participants and the organizations they represented became better informed on CRP and embraced at least some recommendations developed through this project. The most consistent messaging from the participants centered on support for continuous enrollment for CRP practices.

Perhaps the most effective distribution and use of the white paper or its contents were:

When Senator Tom Harkin (D-IA) invited Duane Sand to testify before the Senate Agriculture Committee at their field hearing in Council Bluffs in April 2007, the project had progressed far enough to provide important insight and facts for his testimony and recommendations.

The project outcomes were used by the Iowa Natural Heritage Foundation to provide conservation committee leadership for the national Sustainable Agriculture Coalition. The Sustainable Agriculture Coalition has an effective national lobbying effort and had significant input in shaping the conservation title of the Farm Bill. The facts and insight derived from this project were included in their work.

Duane Sand has built upon the thinking of this project, plus subsequent trends, to provide further thinking on the Conservation Reserve Program as it was being scrutinized in 2011 for the next Farm Bill. He prepared a related paper, “2010 USDA Conservation Policy Update: Opportunities to consider in light of recent catastrophic flooding.”

## Leveraged funds

No additional grant funding or cash support were received for this project. Participants provided their time and expenses at no cost to the project. The Iowa Natural Heritage Foundation provided substantial time and office support for this project.

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