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The Conservation Reserve Enhancement Program Improvement Act

Senator Michael Bennet (D-Colo.) and Senator Roger Marshall (R-KS)

April 2023

The Conservation Reserve Enhancement Program (CREP), part of the Conservation Reserve Program (CRP), leverages federal and non-federal funds to target specific state, regional, or nationally significant conservation concerns. Traditionally, it has provided farmers and ranchers with payments to remove land from production in order to address specific conservation concerns. Each CREP is unique, and in drought-prone regions in Colorado, Kansas, and across the West and the Great Plains, CREP is used primarily to voluntarily reduce water consumption on farmland.

However, the CREP program has not always worked as intended, and producers have sought more flexibility to achieve CREP goals while allowing for alternative water conservation practices and fairer compensation for enrollment in the program. The 2018 Farm Bill included a provision to allow dryland farming on retired irrigated acres in CREP. Unfortunately, USDA still has not implemented this provision, and payments on these acres are insufficient to encourage participation in key regions where water conservation is a top concern.

For example, Colorado's Republican River CREP is a partnership between USDA, the Republican River Water Conservancy District, and the State of Colorado to reduce irrigation water use of the Ogallala Aquifer, a critical water source for the Great Plains, and to help Colorado satisfy its commitments under the Republican River Compact, a water allocation agreement between Colorado, Kansas, and Nebraska that has been in place since 1943. In recent years, the Republican River CREP has faced challenges enrolling enough producers in the program to meet CREP's objectives. Producers are hesitant to permanently retire their water rights and take their land out of production as a result of lower payment rates in certain areas of the Republican River Water Conservation District.

Other CREPs have faced similar challenges with the program's lack of flexibility. In Southern Colorado, 40 percent of the farmland grows alfalfa, but is ineligible for enrollment into the CREP overseen by the Rio Grande Water Conservation District because a producer must show a historical rotational cropping pattern. This inflexibility hinders the ability of the Rio Grande CREP to achieve their water conservation goals using the program.

Additionally, the CRP program's \$50,000 annual cap on payments to producers often restricts participation by producers with multiple fields in production, further limiting the success of water conservation CREPs.

Specifically, the Conservation Reserve Enhancement Program Improvement Act would improve the CREP program by:

- Explicitly directing USDA to allow dryland agricultural uses on CREP acreage where appropriate;
- Specifically adding dryland crop production and grazing to the list of appropriate conservation practices for the CREP program;
- Allowing continuous cropping systems, like alfalfa, to be eligible for drought and water conservation CREP agreements;
- Ensuring fairer payments to producers by stipulating that annual payments for drought and water conservation CREP agreements will be equal to the difference between the irrigated acre payment rates and the dryland acre payment rates, as determined by USDA. And ensuring that any drought and water conservation agreement that includes the permanent retirement of a water right receives the full irrigated acre payment rate;
- Making the payment formula retroactive for existing drought and water conservation agreements;
- Letting producers choose their payment allocations under the program, instead of a fixed payment per year for the 10-15 year contract period; and
- Waiving CREP payments from the \$50,000 annual payment limitation under the Conservation Reserve Program.

The Conservation Reserve Enhancement Program Improvement Act will provide the flexibility farmers and ranchers need to conserve water on working lands under CREP, while providing them with fair compensation for retiring their water rights or limiting their water use.