Idaho CRP Contract Holders Preferences

Linette Fox, Neil Meyer and Jean Greear

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IDAHO CONSERVATION RESERVE PROGRAM CONTRACTOR HOLDER'S PREFERENCES FOR THE 1995 FOOD SECURITY ACT

by L. Fox, N. Meyer, and J. Greear[1]

Introduction

Before a new agricultural program is delivered in 1995, many agricultural conservation and environmental issues will be debated. The most far reaching conservation program is the Conservation Reserve Program (CRP). The CRP was authorized by the Food Security Act of 1985 to preserve the nation's most fragile land. Ten-year contracts provide producers with annual payments from USDA for maintaining land, soil, and water protecting practices. Important program objectives are to improve water quality, reduce soil erosion, enhance wildlife habitat, increase recreational opportunities, and protect the nation's cropland base.

The bulletin discusses general characteristics of the respondents and what the contract holders intend to do with land coming out of the CRP under certain conditions. In addition, the respondent's analysis of the costs and benefits of the program are discussed, along with the importance they placed on costs and benefits. Moreover, the bulletin reports respondent's preferences towards agricultural programs and public policy; in particular, policy pertaining to the CRP.

Summary

Questionnaires were mailed to 2,000 of the 3,063 Idaho CRP contract holders in June of 1994. This single mailing, with no follow-up letter or reminder card, produced an excellent

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[1]Research/Extension Associate and Extension Economist at the University of Idaho Department of Agricultural Economics and Rural Sociology and Conservation Program Specialist at the Idaho Agricultural Stabilization and Conservation Service.

response rate of 43 percent. Of the questionnaires sent out, 853 completed and returned questionnaires are summarized below.

A remarkable feature of the data base is that 42 percent of the respondents are over 65 years of age. This figure is not necessarily unrepresentative of the sample, but the results of the study are influenced by the large proportion of elderly people. Many of the elderly are likely to be retired or semi-retired earning less than $20,000 from gross sales of agricultural products. Gross sales of this magnitude are not usually associated with active production agriculture.

Furthermore, older respondents require a higher price for wheat and hay to return their land to production agriculture. The high prices are necessary to cover the costs of re-investing in the capital equipment and labor to support production agriculture on this land. Responses of CRP participants reflect somewhat of a dependence on the program, because alternatives may be limited by the respondent's age.

A crucial question facing policy makers is what do contract holders intend to do with CRP land upon contract expiration. Although most respondents are in favor of keeping their land in CRP, some would consider grazing their land. Younger respondents and those who wish not to extend their current CRP contracts favor this option. Eighty-five percent of contract holders report that they would extend their CRP contract at the current rate if they are given the opportunity. Those indicating they will not choose to extend contracts are younger and in general they earn under $20,000 in gross sales. The data show little association exists between where contractors live and the desire for contract extension.

Respondents require only $45 per acre to keep land in the CRP which is slightly lower than the $47 current average. Commodity prices they would require to till the land and produce particular commodities are slightly higher than current market prices for these commodities.

If the CRP is not extended, most respondents will till the land. Primary agricultural products they expect to produce are wheat, barley, hay, and forage. Furthermore, over 63 percent suggest they will use conventional tillage. Conversely, respondents who will not extend their CRP contracts plan to use more environmentally friendly production practices, such as conservation tillage, grazing, and haying.

Respondents think the CRP has produced very positive environmental impacts in terms of improving water quality, both on and off-site soil erosion, and wildlife habitat. Water quality is very important in the contract holder's decisions about the future use of their CRP land.

Another key feature of the CRP is that it improves land for future use. The benefits of the program, however, do not come without costs. Complaints about the CRP are that the land harbors pests while out of production, such as weeds and harmful insects. Most respondents, however, do not view weeds and harmful insects as a serious problem with the CRP.

Environmental considerations were not the only reasons land was placed in the CRP and it will not be the only factor considered when land owners decide future use. Many acres are enrolled in the program, because of water availability, crop rotation, or pesticide use and availability problems. Water availability, in particular, is a major concern in future plans for the respondent's agricultural operations.

The CRP also supports farm prices by reducing agricultural production. The CRP accomplishes this goal, a benefit according to the respondents. Farm prices and profitability weigh heavily on the respondent's decision making process for the future of their agricultural operations. An additional consideration in these future plans is the level of government support, particularly among those that would extend their current CRP contracts. Income stability is also benefit to CRP contract holders and influences producers' decisions on their future agricultural

planning decisions. Given the importance of agricultural income, it is not surprising that providing a constant income for the contract holder rates as an important benefit of the CRP.

With the benefits of the CRP there are costs. The direct cost of the program is the cost to the federal government and the American taxpayers. Most respondents do not view the CRP as a serious cost problem to the federal government.

The cost of making the transition from crop production to the CRP has been incurred. Respondents do not associate their activities with rural community viability. In particular, they do not feel the CRP hurts local businesses and communities by reducing farming related purchases.

The program financial costs, both direct and indirect, are minimal according to respondents. Few respondents view the direct costs as a serious problem. Furthermore, the indirect costs such as the cost in terms of rural community viability are not viewed as serious.

A surprising 20 percent, however, view urban encroachment and land use changes as important in their future agricultural production decisions.

The last section of this bulletin looks at producer preferences in terms of what agricultural programs might be cut and what type of a conservation program should be offered. Respondents favor cutting foreign market development and export enhancement programs. This response is particularly true of respondents who have a low level of gross sales.

Domestic programs that are particularly popular are conservation programs. Respondents favor the CRP and are also supportive of soil and water cost share programs. The domestic programs that receive the least support are direct farm support programs.

The respondents desire to keep the CRP, but are increasingly aware of the financial burden of the program. Thus, a compromise between the CRP contract holders and the taxpayers must be made. Alternatives to the current CRP are to extend CRP contracts on only

the most highly erodible land, replace the program with an incentive program, reduce the payment rate, or offer an extended program with incentives for haying, grazing, and base protection.

Respondents most favor extending the current CRP. However, fifty percent of the respondents favor extending the CRP on only the most highly erodible land. Thus, there is a general consensus that at least some of the most highly erodible land must be protected.

Other options appeal to particular groups. Young respondents favor the government extending contracts with incentives for grazing and haying. Older respondents that have no desire to put their land into production agriculture again favor extending all contracts at a reduced payment rate. Respondents with many erosion problems may favor incentive payments as opposed to a flat rate supported by the CRP.

The last question pertains to one of the more current issues: water quality. Respondents strongly prefer that producers be compensated for planting grass protective strips along stream banks and waterways as a part of the CRP. Younger respondents are particularly in favor of this action. The younger respondents send a clear message. They are interested in participating in conservation programs, but producers cannot be expected to comply with conservation policies without compensation.

The Conservation Reserve Program

Although the CRP is a conservation program, a major impetus for the program is to help reduce surplus agricultural commodity supplies.[2] Surplus agricultural commodities lower prices and increase federal farm program costs. Acres start coming out of the program in 1995 when

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[2]Soil and Water Conservation Society,Future Use of Conservation Reserve Program Acres Policy Position, (Ankeny,Iowa: November 6, 1993), 1.

the CRP contracts begin to expire. Unless Congress acts to prevent cropping CRP land, the destiny of many acres currently in CRP is the production of annual crops and forage.

Future options for the CRP program currently being discussed at the federal level are: 1) the extension of contracts on particularly sensitive soils, 2) federal government purchase of permanent easements on selected lands, and 3) the extension of the entire program under a reduced set of benefits to the producers.[3]

Although there are several options, policies are often formed to appease many people, with protecting the environment a secondary objective. In an early 1994 address to the Soil and Water Conservation Society meeting on the future of the CRP, Senator Richard Lugar, the ranking Republican on the Senate Agricultural Committee, stated: "...all contract holders should have the option of extending contracts on 25% of their current land under contract."[4] However, there are at least 9 million acres in the CRP that Lugar feels probably could be released for production as the program expires. Lugar's idea is an easing of the transition between CRP and production for the landowner, but does not reflect environmental concerns that may surface during and after the transition.

Lugar's response is understandable, however. The Conservation Reserve Program is popular among landowners, farmers and some environmental groups, but it is also costly. Thus, reducing the program is necessary to reach Congress' financial goals. However, reducing CRP is not a very popular goal with constituents.

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[3]"The Future of the Conservation Reserve Program," Doane's Focus Report, (Washington, D.S.: GPO, March 18, 1994), Vol. 57, No. 11-5.
[4]Ibid.

The cost of the program nationwide is approximately $1.8 billion per year and $38,768,021 per year in Idaho[5] If Congress does not appropriate the $1.8 billion per year to maintain the program or a figure anything close to that amount, many acres of CRP land will be converted to production of annual crops or forage.

Future demand for agricultural commodities determines the eventual use of CRP acres and the associated economic and environmental effects. The conservation compliance requirements of the 1985 and 1990 Farm Bills affect land coming out of the CRP. The provisions moderate the increases in soil erosion and reduction in water quality, but do not maintain wildlife habitat benefits. Since the market rarely values the environment at a high price, it is likely that the market will not preserve and protect the CRP conservation and wildlife benefits.

Idaho and the CRP

Idaho has a small land area (849,382 acres), in the CRP compared to other states.[6] Texas has over 4.2 million, North Dakota 3.2, Kansas and Montana each has almost 3 million acres under CRP contracts. Five hundred thousand of the approximately 850,000 acres are early enrollments slated to come out of the CRP in the 1995 to 1997 period.

The largest share of CRP land is located in counties in the eastern part of the state. Power, Bonneville, and Caribou counties have the most acres under contract and receive the largest total annual payments.[7]

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[5]"The Future of the Conservation Reserve Program," Doane's Focus Report, (Washington, D.C.: GPO, March 18,1994), Vol.57, No. 11-5 and Soil Conservation Service, CRP Acres and Payments Summary, May 1993.

[6]Agricultural Stabilization and Conservation Service, CRP Acres and Payments Summary, May 1993.

[7]Jon Jensen, "Growers Face Sea of Unknowns in Deciding Fate of CRP Land," Eastern Idaho Farm & Ranch, 19 (August 1994): 1,5.

On average, Idaho producers receive an annual rental payment of $47 per acre to keep their land in CRP.[8] In theory, the least environmentally sensitive land is paid less, and productivity is not a factor in determining rental payments. However, the 1985-1989 CRP is criticized because the competitive bid process for selecting CRP acreage essentially defaults to a price offering scheme. The uniform regional bid caps of the 1985-1989 signups are well known to producers. These multi-county bid caps generated windfall profits to producers with only slightly erodible, but unproductive, land. More erodible but more productive land is bypassed using bid caps, because the uniform bid cap is insufficient to attract CRP participation.

Since most of the CRP acreage in Idaho is under early enrollments, much of the land may be less productive. In spite of the lower productive capabilities, there is still an effect on the market when a large number of acres are returned to production. Not all of the currently enrolled CRP land is likely to be brought into production at one time, but almost 500,000 acres could be in annual crop production by 1997.[9] Five hundred thousand acres in three years is a substantial increase in productive capability.

Methods and Survey Design

No baseline data on the contractor population exists outside the acreage under contract. Thus, the only comparison of the contract holders in general and the sample is the average number of acres held by a CRP contractor. The average number of acres for all contractors in the state of Idaho is 214 acres. The sample mean (average) is much larger, 375 acres, but the median (middle: one-half larger and one-half smaller) is 187 acres. Several large CRP contracts have a fairly profound effect on the mean.

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[8]Agricultural Stabilization and Conservation Service, CRP Acres and Payments Summary, May 1993.
[9]Agricultural Stabilization and Conservation Service, CRP Acres and Payments Summary, May 1993.

The data were analyzed using the Computerized Statistical Package SPSS-X.[10] Statistical significance for the crosstabulation analysis is based on Pearson Chi-Squared tests and Likelihood ratio Chi-Squared tests.

The data collected include: 1) demographic characteristics of the CRP contract holders; 2) contract holder's intentions for the CRP land and under what conditions; and 3) the contract holder's perception about the benefits and costs of the CRP. A copy of the complete questionnaire is included for more careful examination in Appendix A.

Results

Responses were compared by age, gross income from sales, and whether or not the respondent would extend his CRP contract at the current rate. The respondents are also classified by residence in county or border county and by whether they are over 65 years of age.

Frequency data is made available for all variables and for the four Agricultural Stabilization and Conservation Service Districts. The Northern District includes Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce, and Shoshone counties. The Western District includes Ada, Adams, Blaine, Boise, Camas, Canyon, Elmore, Gem, Gooding, Lincoln, Owyhee, Payette, Valley, and Washington counties. The Eastern District includes Bingham, Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison and Teton counties. The Southern District includes the Southeastern counties in the state: Bannock, Bear Lake, Caribou, Cassia, Franklin, Jerome, Minidoka, Oneida, Power and Twin Falls. The Agricultural Stabilization and Conservation Service districts are displayed on a map on the following page (Figure 1).

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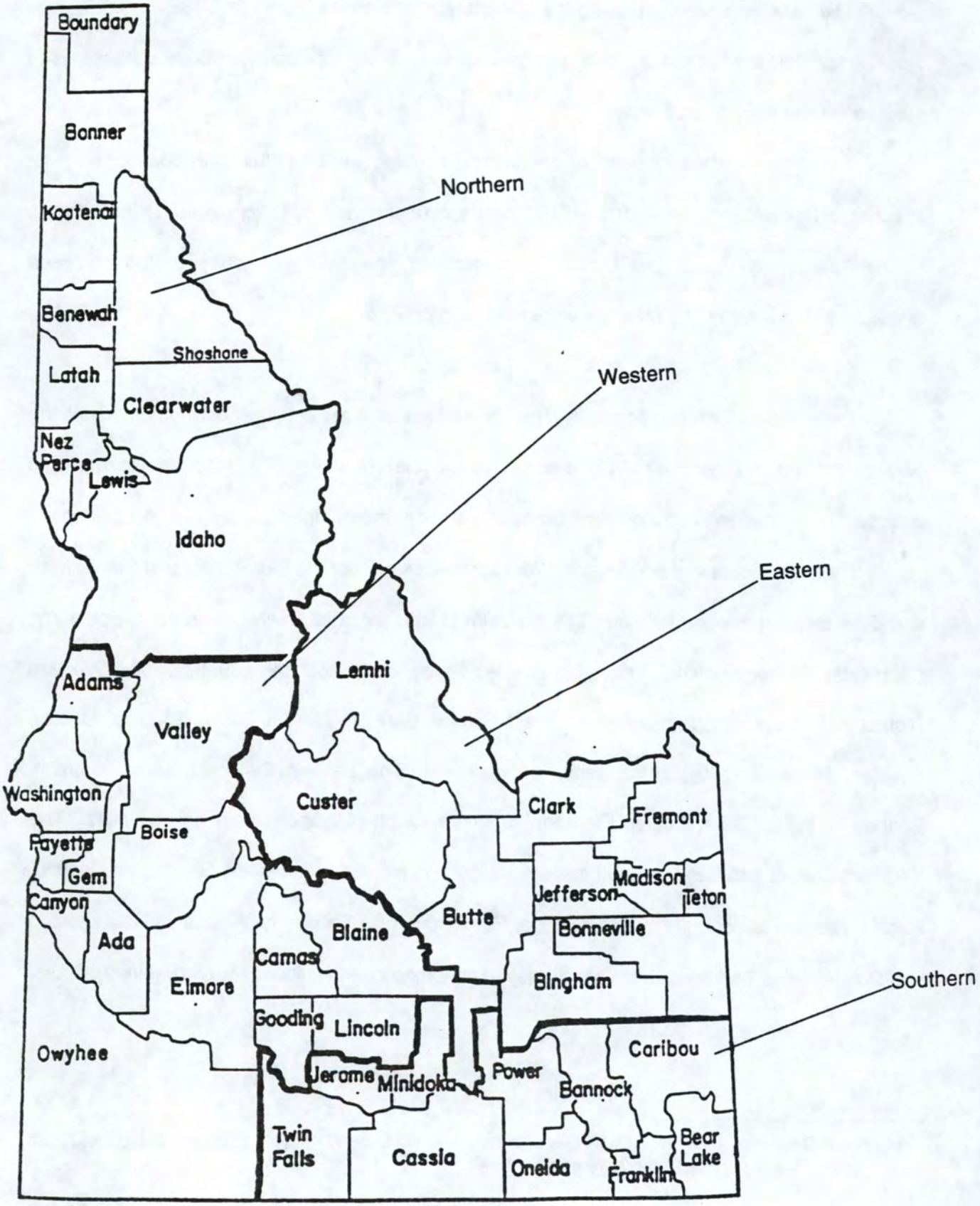
[10]Nie, N.H., C.H. Hull, J.G. Jenkins, K.Steinbrenner, and D.H. Bent, Statistical Package for the Social Sciences, third edition, (SPSS Inc., Chicago, IL: 1988).

Figure 1. Agricultural Stabilization and Conservation Service Districts.



The presentation of the survey results in the following sections is first, followed by overall preferences of respondents and then preferences of respondents in different categories. Categories are included for districts, current plans to extend contract if offered, and age groups. Additional tables of gross sales levels and a more detailed description of the responses from different age groups are included when the authors think the information is important to the reader's understanding.

General Information About the CRP Participants

The age distribution of contract holders is one of the most remarkable features of the study. Overall, 43% of the respondents are over 65 years old (Table 1). The Northern and Western Districts have a smaller percent of CRP contractors over 65, but nearly half of the respondents with CRP land in the Southern District are over 65.

Older respondents are also more likely to respond positively to keeping their land under CRP contract. Although there is a much higher percent of older than younger respondents that would not extend their current contract, 37 to 11 percent, there are many more respondents in the over 65 age group. Table 1 shows that 43 percent of those who wish to extend their current contract are 65 or older compared to 4 percent under 35.

[Table 1]

Since there is a very large number of respondents that are over 65 years old, it is reasonable to look at how their characteristics are different from the younger respondents for several reasons. First, the younger respondents are more likely to be active participants in the labor force. Moreover, they may be currently producing agricultural products and expect to

continue the effort for an extended period of time. The respondents over 65 are more likely to be near retirement or retired, these respondents may not have the physical or financial resources to put CRP land back into production. Thus, their decision may be one of renting land to the government as a part of the CRP or renting the land to a younger producer.

Another reason for looking at the older versus the younger respondents is that the younger respondents are the decision makers of tomorrow. Older respondents may be forced to turn land over to the younger respondents without the program.

Persons over 65 have a slightly different set of characteristics and preferences.[11] Forty-seven percent of those over age 65 make less than $20,000 from annual gross sales of agricultural products, a significantly higher percent than the other age groups at the 1% level. This low dollar value indicates that many of these respondents may have retired from production agriculture.

Furthermore, the older respondents require higher prices for wheat, potatoes, and hay to till the land again and a lower net return from the CRP to keep the land in the program. The older respondents may have to reinvest in equipment to farm. If reinvestment is required, they could require much higher prices for their products to make a profit comparable to the net return they receive from the CRP.

The characteristics mentioned above are expected, but it is surprising that the respondents over 65 own fewer CRP acres. The older respondents have both a lower mean and a lower median number of acres enrolled in the CRP, 422 to 314 acres (mean) and 210 to 166 (median). The mean is the average number of acres. If all the responses to the number of acres

[11]Tables for the following information may be found in Appendix B.

are lined up from smallest to largest, the median is the number of acres where half are above it and half below it.

Age is just one demographic characteristic of interest. Other characteristics are land ownership, annual agricultural gross income, and the proportion of income gained from agricultural production. Most respondents own their own land, gain a large portion of their income from agriculture, and have a very low level of annual gross income before taxes and expenses.[12] Eighty-six percent of the respondents own the land currently under contract. Over 50% say they receive 60 to 100% of their income from production agriculture.[13] Forty-eight percent gross less than $40,000 in annual sales from agricultural products including government payments.

Information on What the Contract Holder Intends to Do With CRP Land and Under What Conditions

The demographic information indicates who responded to the survey, but the primary purpose of the survey is to gain information about what the contract holders intend to do with their CRP land and what their preferences are on the costs and benefits of the program. The question addressed in this section is what do CRP contract holders intend to do with the land and under what conditions.

A large percent of the contract holders are willing to renew their contracts at the current rate. Thus, the first part of this section looks at the differences in characteristics between those who wish to extend their contracts and those that do not. Other information that contributes to an understanding of the owner's position are the current contract rates and the total acres enrolled.

The next part of this section asks what annual rental payment rate for a CRP contract do people require to keep land in the program and what price for agricultural commodities would

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[12]Tables for the following information may be found in Appendix B.

[13]Income from production agriculture included farm income, social security, non-farm investments, pensions, and government agricultural payments.

cause the owner to till the land again. A combination of keeping the land in compliance with conservation practices and allowing some productive use is also discussed. Respondents are asked about a future conservation program that allows the owner to use the land for grazing, haying or recreational uses. This lowers the overall cost of the CRP, because the government could lower their CRP payments according to the uses that the contract holder is making of the land. An additional question asks if the individual would consider employing some of these alternatives in their operations.

The final part of this section looks more closely at tilling the land. It discusses the specific crops people would expect to produce on the land if no CRP contracts are extended. There is also a short discussion about what cultivation methods people would most likely use on land coming out of the CRP.

Differences Between Those Who Wish to Extend and Those Who Do Not

An amazing 85 percent of the respondents claim that they would extend their CRP contract for 10 more years at the current payment rate (Table 2). A slightly higher percent of the respondents would choose to extend their contracts from the Southern and Eastern Districts, but even in the Northern District, 79 percent favor extending their contract at the current rate. Overall, there is a significant difference between respondent's preferences for extending contracts among different districts.

It may also be appropriate to look at residency and land ownership to see if there is a segment of the population such as absentee landowners that want to keep the program. Surprisingly, residents and nonresidents have nearly identical preferences for extending the program at its current rate. Furthermore, 91 percent of those who would choose not to extend their current contract own their own land compared to 85 percent of those who choose to extend

their current contract. Presumably, the respondents that prefer no contract extension do not make this decision based on whether or not they have land payments.

Again, respondents under 35 years old are much less likely to choose extending their current contract. Only 64% of the younger respondents prefer extending versus the 85% overall. Furthermore, those persons that receive under $20,000 per year in gross sales from agricultural products are much less likely to favor extending their current contracts.

[Table 2]

Sixty percent of the respondents have a contract rate between $40 and $50. This result is not surprising because the average contract rate in the state of Idaho is $47. The distribution of contract rates in the districts vary only slightly. Appendix B, Table 6 clarifies this point.

The average acreage per respondent varies dramatically by district (Table 3). The Northern District has a much smaller mean and median number of acres than the Eastern District. The Northern District CRP contractors may come from rural residences as opposed to large agricultural operations. The Southern and Eastern Districts compose the eastern part of Idaho. Many of the larger, in terms of acreage agricultural operations are in this area. Thus, it is not surprising that there is a higher mean and median number of acres for this area. Another issue is productivity. Much of the land in southeastern Idaho produced under 30 bushels in a summer fallow rotation, where land in northern Idaho produced 60 or more bushels an acre under annual cropping.

[Table 3]

The average number of acres is also calculated according to age, residency, and contract extension preference. As discussed previously, those who prefer not extending their current CRP contract have on average fewer acres in the CRP. Residents have slightly more acres on

average in CRP than non-residents, but CRP acres for non-residents are either very large or very small. The relationship between age and acreage is that respondents over 65 on average have fewer acres in CRP.

Financially Feasible Options

The second part of this section looks at the conditions that encourage producers to keep land in the CRP or cause removal of land from the CRP. In addition, it discusses what options a producer may take if he is allowed to increase his agricultural or recreational production on contracted CRP land.

There is a very large variation in the responses to questions in this section. The respondents are asked what net return per acre they feel is the minimum dollar value they would need to extend their CRP contract. Some respondents suggest that they need a very large net return. Others contracted their land for conservation purposes and would not take land out of the conservation program even if they received no return.

The mean and median are reported for each district and for the total sample (Table 4). By comparison, Northern District respondents indicate that they need the highest level of return, while Southern District respondents suggest a lower return is acceptable. The Southern District has a very large percent of CRP contract holders that are over 65 years of age. Without the labor force capabilities, these respondents may have a much lower opportunity cost for the land.

[Table 4]

Respondents were asked what price would result in tilling the land again for the following commodities: wheat, barley, potatoes, and alfalfa hay. These net prices should be comparable to the net CRP return. On average, responses to the commodity price question indicated prices that are somewhat above the current market prices for the stated commodities. The mean value for

wheat is $4.28/bushel, while the median value is $4.00/bushel. Furthermore, the mean value for barley is $3.48/bushel and the median value for barley is as low as $3.00/bushel (Table 7 in appendix B).

One very interesting question is "what are the characteristics of respondents that can accept a very low price for a given commodity?" Most respondents indicate that wheat is one of the crops that they expect to produce on CRP land if it is returned to cultivation. The prices given for wheat are broken down into categories and cross tabulated with other responses. The data suggest no consistent pattern (Table 5). As the price of wheat needed to take land out of the CRP rises, the mean and median acres both rise and fall. Similarly, there is no consistent pattern with those who wish to extend or not extend their contract or with the respondents that would use conventional tillage.

[Table 5]

Most respondents desire to extend their current CRP contract. Thus, it is not surprising that the median net return per acre required by the participant is $45 per acre. Desired commodity prices which encourage tilling land again is slightly above current market prices. Another option that has been discussed by policy makers is to permit increasing agricultural and recreational uses on the land in return for lower CRP payments.

Respondents were asked how likely they consider doing each of the following: grazing, forestry, fee hunting, recreation uses, and other. Grazing is the most popular option, while forestry, fee hunting, and recreation uses are not likely for most respondents.

Forty-one percent of all respondents are very likely to implement grazing (Table 6). Those less than 65 years old and those who would not extend their CRP contracts at the current

payment rate are more in favor of the grazing option than the overall group of respondents, 46 percent and 57 percent respectively.

Those that would not extend their current CRP contract may have a higher valued alternative for their land in hay or forage. These respondents may be more inclined to see grazing as a good opportunity to make up the deficit that they perceive exists from current CRP enrollment. They might see this option, a combination of the CRP program and forage production, as the highest valued use of the land.

The Northern and Southern Districts are most likely to see grazing as insignificant or not likely on CRP land. These districts are in higher elevations, on poor soils or are dry, where grazing may not be as feasible. Another factor in the Southern District is that 49 percent of the respondents are over 65 years of age. Thus, these responses may be a reflection of the respondents ability to incorporate grazing into their agricultural production operations.

[Table 6]

The respondents gave no indication that they would use their CRP land to produce trees, hunting grounds, or recreation. Seventy percent or more indicate that it is not likely that they will use their land for these purposes. There are, however, some differences in preferences depending on the district of the respondent. In particular, only 8 percent of the respondents say it is very likely that they will use their land for forestry, but 17 percent in the Northern District suggest that they will grow trees (Table 7). Many of the respondents that have no intention of extending their CRP contracts at the current rate are from the Northern District. Thus, the respondents that indicate it is likely they would plant trees if given the opportunity are quite possibly looking at preparing their land for fiber production in the future.

[Table 7]

Seventeen percent of the respondents indicate they are very or somewhat likely to consider using their CRP ground for fee hunting, but 25 percent of the Western District respondents indicate that fee hunting is a consideration (see appendix B table 8). The Western District contains heavily populated areas, such as Ada and Canyon counties. This district may be the only district where fee hunting may be profitable on a large scale.

Recreation use is considered not likely by most respondents, but there is a little more support for this in the Eastern District (see Table 9 in Appendix B). This district borders Yellowstone National Park. Perhaps more respondents view recreation as a viable means to add to their current income from the land.

Generally, respondents have a strong desire to keep the current conservation program. They indicate a net return per acre slightly lower than the current return is acceptable for their CRP ground. Furthermore, the average price for most commodities acceptable for tilling the land is higher than the current market price of the commodity. If allowed, however, many respondents would consider grazing their CRP land.

Crops Planted on CRP Land and Cultivation Methods

If respondents have the choice, they will leave their land in the CRP at the current payment rate. However, this may not be an option. In the event that respondents return their land to cultivation, they could grow a variety of crops. The most popular crop for production would be small grains. Ninety-three percent indicate that they will grow small grains (Table 8). Hay and forage are a distant second with 37 percent of the respondents indicating they will grow these types of crops. Only a few respondents indicate that they will grow pulses, vegetables, oilseeds, or trees.

[Table 8]

The cultivation method likely to be used reaffirms that grain, hay and forage are feasible for production and the most likely to be grown. Twenty percent respond that they will graze the land and another 20 percent indicate haying (Table 9). These figures are consistent with those that indicate hay and forage are crops they will produce on CRP land.

Very few participants in the CRP program respond positively to no till cultivation; more advocate reduced till, but the overwhelming majority indicate that they will use conventional tillage methods. Overall, 5 percent say they will use no till, 28 percent reduced tillage, and 63 percent conventional tillage.

Those preferring not to extend their current CRP contracts have different preferences. They are far more likely to respond that they will use reduced tillage, haying, and grazing than those that would extend their current contracts. Thus, those who currently intend to return land into production are planning on using soil conserving conscious cultivation techniques.

What CRP contractors intend to do with the land and under what conditions is the question addressed in this section. Eighty-five percent intend on keeping their current contract, if it is offered. Respondents under 35 years of age more often choose not to extend their contracts, as well as respondents from northern Idaho. Furthermore, residency and land ownership proves to have little impact on the participants decision to extend their contract.

Respondents appear to be content with their CRP payment schedules and unwilling to till the land until agricultural prices rise. Furthermore, respondents are only mildly interested in using their land for grazing, forestry, or recreation, especially in the Northern and Southern Districts.

In the absence of a feasible CRP contract, respondents may cultivate their land. Most of the participants would revert back to growing small grains and/or hay. Conventional tillage is the

most likely method of cultivation; however, reduced tillage, haying and grazing are popular among some respondents.

Preferences on the Costs and Benefits of the CRP

The last section looks at what contract holders intend to do with their land currently enrolled in the CRP and under what conditions. This section focuses on the preferences towards the costs and benefits of the contract holder. To analyze the costs and benefits, the first part asks two primary questions: (1) What factors are important to the respondents in planning the future of their agricultural operations? (2) How important are the benefits and costs of the CRP to respondents? The second part looks more closely at what programs should be offered. In particular, what form should a conservation program take?

Benefits and Costs of the CRP Program

The CRP is designed to take highly erodible land out of production, improve water quality, preserve the land, reduce overall production, and help producers through the agricultural finance crisis. Preserving the land today has costs and benefits in terms of environmental issues and improving the land and water for later use. Other costs and benefits to respondents are received in terms of reduced overall production, stable incomes, and food safety.

Environmental Issues - Important objectives of the CRP are to reduce soil erosion, improve water quality and enhance wildlife habitat. Respondents were asked questions about how important they see these benefits.

Soil erosion is reduced because of permanent cover. Less erosion improves the quality of the land at the erosion site. In addition, reducing soil erosion minimizes off-site damage. Respondents generally consider the permanent cover benefits at least somewhat important and often very important, 26 percent and 44 percent, respectively (Table 10).

Southern District respondents indicate a higher preference for this benefit than Northern District respondents. Fifty-two percent view permanent cover very important in the Southern District versus 36 percent in the Northern District. The difference in the responses can be attributed to the differing landscapes. The Southern District is in an area of lower rainfall and large areas of open space where wind erosion is high. The Northern District is in an area of higher rainfall and mountains which protect the land from wind erosion. The responses among the districts are significantly different at the one percent level.

The respondents who prefer extending their current CRP contracts are more likely to view the benefits of permanent cover as very or somewhat important, 73 percent. The respondents who wish to extend their contracts have an incentive to rate benefits of the program high, because they wish to keep the current program.

Another group that thinks the benefits from permanent cover is large are those earning less than $40,000 from gross sales in agriculture. Respondents with higher levels of gross sales are more likely to view the benefits as somewhat or slightly important. The preferences among the different gross sales level groups are significantly different at the 5% level.

[Table 10]

Soil erosion is damaging to the ground eroded, but may also cause off-site damage such as filling field and road ditches or polluting water. Respondents were asked how important they perceive the benefits of the CRP in reducing this off-site damage. Eighty-five percent of the respondents see the CRP as very or somewhat important in reducing off-site damage (Table 11).

Southern District respondents and older respondents are slightly more likely to view the decreased soil erosion and off-site damage as an important benefit of the CRP. The Southern District has a higher proportion of older respondents, so the preferences of the older participants

will be reflected in responses. Older respondents indicate a stronger desire to keep the CRP and have a tendency to view the benefits as more important.

[Table 11]

Permanent ground cover reduces soil erosion and improves the water quality. Sixty-six percent of the respondents consider improved water quality a very important product of the CRP (Table 12). Nearly 90 percent see improved water quality as a somewhat or very important benefit of the CRP. There is little difference in water quality preferences from different districts, age groups, or income levels. Water quality is, however, perceived as more important to those who wish to extend their current CRP contracts than to those who do not, 91 percent and 76 percent respectively.

[Table 12]

Respondents were also asked how important they view ground and surface water quality in the planning of their future operations. Forty-five percent of the respondents view water quality as very important (Table 13). Furthermore, nearly 80 percent considered water quality as at least somewhat important. Northern District respondents have a greater interest in water quality. In parts of southern Idaho, water availability is much more important. Northern Idaho normally has an ample water supply but more quality problems.

[Table 13]

Younger respondents are more concerned with water quality. The preferences of younger respondents is significantly different from the preferences of the older respondents at the one percent level (Table 14). In particular, of the respondents under the age of 35 years, nearly 95 percent consider water quality at least somewhat important in their future farming operations. This figure is much higher than the 73 percent of the over 65 age group. Younger respondents

may be more aware of the growing environmental concerns. They may be more willing to improve water quality to avoid future repairs.

[Table 14]

The remaining environmental element is wildlife habitat. Seventy-six percent of the respondents view wildlife as at least a somewhat important benefit of the CRP (Table 15). Northern and Southern Districts view wildlife benefits as more important.

Respondents preferring to extend their current CRP contract indicate that wildlife habitat is at least a somewhat important benefit at a slightly higher rate than non-extenders. The difference, however, is only significant at the 5 percent level.

[Table 15]

Respondents were also asked how important the endangered species listing is in planning their future farming operations. Only 36 percent indicate that the endangered species listing is of importance (Table 16). There is little difference in preferences between respondents of different age groups, income levels, and districts. Furthermore, there is no significant difference between those who would choose to extend their contract and those who would not.

[Table 16]

In general, respondents suggest that the CRP is important in enhancing the wildlife habitat, improving water quality, and reducing the damaging effects of soil erosion both on and off-site. Respondents assign more importance to environmental issues that are prevalent in their own districts. All respondents rate the environmental benefits of the CRP fairly high.

Improving the Land for Later Use - Some of the conservation practices that reduce soil erosion and enhance the water quality improve the land for later agricultural use. An additional benefit of the CRP is providing a host site for beneficial insects.

With the benefits of keeping the land in CRP, however, there are some costs. Some producers complain that the CRP increases weed and harmful insect populations. Benefits and costs must be evaluated to define the preferences for the program.

Respondents were also asked how important water availability, pesticide use and availability, and crop rotation are in planning the future of their farming operations. Producers may have bid land into the CRP because of non-environmental problems. Some of the problems could be water availability, pesticide use and availability, and crop rotation problems.

The benefits of the CRP are numerous for the producer who intends on returning land to crop production. The CRP allows land to store water and improve the top soil. Another benefit is that the ground has been the host site for many beneficial insects. Only 55 percent of the respondents, however, perceive the CRP as at least somewhat important in being a host site for beneficial insects (Table 17).

[Table 17]

CRP land is not only a host site for beneficial insects, it is a host site for harmful insects as well. How serious do respondents see the problem of CRP land being a host site for harmful insects? Most respondents, 71 percent, do not view the problem as serious or even somewhat serious (Table 18). Responses, however, vary by district, by age, by income, and by whether the participant would extend their current CRP contract.

Respondents from the Northern and Eastern Districts see the CRP as having very little effect on increasing harmful insect populations. These districts tend to have more harsh winters where insect populations are killed by the cold. The respondents from the Southern and Western Districts, which are at lower elevations, suggest there is a harmful insect problem.

CRP contract extension preferences also have an effect. Respondents who choose to extend their CRP contracts have an incentive to suggest that the CRP is not creating insect problems. Contractor holders respond in a consistent manner with this expectation. Forty percent of the respondents who wish not to extend their current contracts view harmful insect populations as a problem. By comparison, only 28 percent of the respondents who wish to extend their current contracts suggest harmful insects are a problem.

[Table 18]

Gross sales levels also impact responses on how serious the harmful insect problem may be. Respondents with gross sales over $250,000 per year suggest that harmful insect populations are a much more serious problem. In fact, 46 percent of the respondents think that harmful insects on CRP land are at least a somewhat serious problem (Table 19).

[Table 19]

Harmful insects are one of the problems that participants may find with land in CRP. More often, local producers and policy makers discuss the issue of increased weed populations. Surprisingly, only 34 percent of the respondents perceive the CRP as creating very important or somewhat serious increased weed problems (Table 20). Northern District respondents, however, find the CRP to have a more serious problem with increased weeds than the Eastern District. The Northern District has a greater productive capacity without irrigation. One can expect that the land would be capable of producing and maintaining a greater weed population.

[Table 20]

There are both benefits to be gained from keeping land in the CRP and costs in terms of the related problems. If the benefits outweigh the costs, landowners may expect gains in production from their conservation practices at the expiration of their CRP contracts. These

improvements may only be capitalized, however, if the landowner does not have alternative reasons for having land in the CRP. For instance the landowner may have enrolled his land because of water availability problems. Other problems may include pesticide use and availability and crop rotation limitations. If the respondents lack some of these key elements of production, then the CRP may be the highest valued use of the land.

Fifty percent of the respondents consider water availability an important factor in planning the future of their agricultural operation (Table 21). Water availability is especially important to Western District respondents. Sixty-eight percent of these respondents suggest that water availability is very important in planning their future agricultural operations.

[Table 21]

Respondents on the importance of water availability are significantly different at the one percent level for the gross sales levels categories. Of those making over $250,000 in gross sales, 72 percent consider water availability very important in planning their future operations (Table 22).

[Table 22]

Harmful insects and competition by other plants make it necessary to rotate crops and to use pesticides. Crop rotation is very important to 53 percent of the respondents (Table 23). Furthermore, 86 percent of the respondents consider crop rotation very important or somewhat important. There is very little difference between preferences when looking at age, districts, or whether or not people would choose to extend their current CRP contracts. Agricultural operations require crop rotation.

[Table 23]

Again, gross sales levels impact contractor responses to the importance of crop rotation. Those respondents with sales over $250,000 recognize crop rotation as an effective means of

reducing harmful insect populations and controlling weeds. Nearly 65 percent indicate that crop rotation is very important to their future farming operations (Table 24). Only 48 percent of the respondents with gross sales under $40,000 suggest that crop rotation is very important. The difference in these preferences is significant at the 1 percent level.

[Table 24]

Another factor that is important in planning future agricultural operations is pesticide availability. New federal regulations require producers to monitor their use of chemicals, in an effort to reduce pesticide use. Many pesticides may not be available in the future, because of political pressures and potential dangers.

The questionnaire asks respondents, "how important is pesticide use and availability in planning your future farming operations?" Preferences, therefore, reflect respondents views on the fact that pesticides may not be available in the future and/or that pesticide use is a problem. These two questions could be considered separate issues.

Fifty-two percent say that pesticide use and availability is somewhat or slightly important, a middle of the road response (Table 25). Still, 40 percent suggest that pesticide use and availability is very important. Insignificant differences occur between districts, age, and whether or not the respondent would choose to extend his CRP contract.

[Table 25]

Clearly, respondents with gross sales over $250,000 per year are more concerned about pesticides. Fifty-nine percent consider pesticide use and availability important in planning the future of their agricultural operations (Table 26). This figure can be compared with the 34 percent of the respondents making under $40,000 in gross sales per year.

[Table 26]

Respondents think that the CRP produces many benefits to its participants. Those benefits include creating a habitat for beneficial insects and reducing soil erosion, which has positive effects on water quality, off-site and on-site soil damage.

CRP landowners face these costs of having land in the CRP, as well as reaping the benefits. There may be other costs as well. Many people participate in the program, because the benefits from participation are greater than the benefits they would receive from production. Low production benefits are the result of water shortages, banned chemicals, or soil depreciation. Water availability, crop rotation, and pesticide use and availability are all important to respondents in planning the future of their operations.

Agricultural Prices and Profitability - Important objectives of the CRP are conservation of soil and water, enhancement of wildlife habitat, and assurance of future food and fiber production capability. CRP contract holders also benefit from the financial stability the CRP contract offers. Many producers lose their land in periods of falling agricultural prices and rising costs of agricultural inputs. CRP contracts ward-off these negative impacts by providing producers with a stable and moderate rental income.

The federal government assumes the direct expense of these programs. Indirect costs of the CRP result from the changes in cropping patterns and the distribution of the changes. Changing the cropping patterns of producers changes their spending patterns. Local businesses and communities are often hurt in the transition from production agriculture to conservation reserve practices, because they must also make a transition. They must convert their goods and services from agricultural inputs to consumer goods. The degree to which local businesses must change depends on the quantity of CRP acres in the county and the state.

Respondents were asked their perceptions on how important they think the benefits are and how serious they see the problems of the CRP in terms of agricultural prices and profitability. Respondents were also asked how important farm prices/profitability, level of government support and rural community viability are in planning their future agricultural operations.

The CRP provides a constant income for the contract holder. Sixty-six percent of the respondents feel that this is a very important benefit (Table 27). More respondents from the Southern and Eastern Districts rate the provision of a constant income as very important than respondents from the Northern and Western Districts. The difference in responses may come from the Southern and Eastern Districts having a higher average number of acres enrolled in the CRP.

There is also a significant difference between the preferences of those who wish to extend their CRP contracts at the current rate and those who do not. Seventy percent of those who wish to extend their contracts rate provision of a constant income a very important benefit to the producer. By comparison, only 50 percent of those choosing not to extend their contract feel it is important.

[Table 27]

Income and age also have significant effects on the preferences of the respondents. Respondents with gross sales totalling over $250,000 per year are much less concerned with the program's provision of a constant income. Sixty-eight percent of the respondents earning under $40,000 per year consider a constant income a very important benefit of the CRP program (Table 28). Of the respondents earning more than $250,000 only 53 percent consider a constant income very important. Respondents in the high gross sales category are more inclined to look at the constant source of income as only somewhat important or of limited importance.

[Table 28]

Age affects the preferences of the respondents also. Older respondents are far more likely to consider a constant income a very important benefit of the program. Seventy-five percent of the older respondents consider this important (Table 29). Fifty percent of the respondents under 35 consider a constant income only somewhat important or of limited importance, but only 44 percent consider it very important.

[Table 29]

There are both benefits to the participants receiving a constant income and direct and indirect costs to others to provide that income. The federal government (public) pays for the program. Farm prices and profitability and the level of government support are important to producers. If the federal government does not support the program, then participants have no incentive to continue their participation land. Public pressure suggests that the CRP costs the federal government too much money. Thus, the government has to evaluate the benefits and costs of keeping erodible land in the program.

Prices and profitability are very important to respondents in planning the future of their agricultural operations. Eighty-one percent of the respondents rate farm prices and profitability very important (Table 30). Like any business, the price at which the producer can sell his goods and the profit obtained from his production are high priorities. This priority does not depend on district, age, or any of the other characteristics.

[Table 30]

For some respondents the level of government support is a part of their income. Forty-seven percent of the respondents consider the level of government support important in planning the future of the agricultural operations (Table 31). The level of government support is particularly

important in the Eastern and Southern Districts. Since the Southern and Eastern Districts have high participation rates in farm programs, this difference in the responses is expected.

The level of government support strongly influences the planning of future agricultural operations among those who would extend their contracts. Over 50 percent claim government support is very important. Only a third of the respondents who do not intend on extending their contracts consider the level of government support very important.

[Table 31]

The respondents' preferences suggest that prices and profitability, inclusive of government support, are important in the respondent's plans for their future agricultural operations. It is clear that the participants in the government programs benefit by participation, but there is also a cost to maintaining the programs. This cost of the CRP is paid by all citizens through the federal government.

Most respondents, fifty-one percent, suggest that the direct cost is not important (Table 32). A common argument is that government price supports for wheat and other direct farm support payments cost the federal government far more than the CRP. Thus, respondents feel that the government is actually saving money by taking the land out of production.

Respondents from the Southern and Eastern Districts are more likely to discount the cost of the CRP, 53 percent and 56 percent respectively. Respondents from the Southern and Eastern Districts respond more to government policies in general. They place a high priority on being able to extend their current CRP contracts and the level of government support. Since the respondents wish to extend their contracts at the current rate, they do not view paying for these contracts as a serious problem.

Naturally, fifty-five percent of those who would extend their CRP contract say the cost of the program is not a serious problem. Only 28 percent of the respondents who would not extend their contracts believe the costs are not a serious problem. This difference is to be expected, because respondents who wish to keep the program have an incentive to downplay any potential problems.

[Table 32]

The direct cost of the program to the federal government is comprised of several costs. A concern for many rural communities occurs when the CRP changes the spending patterns of participants in the program. Participants disinvest in machinery and other inputs for the production process and invest more in consumer goods. Rural businesses must adjust the goods and services they offer to meet the changing demand.

Respondents rated rural community viability as not very important in planning the future of agricultural operations. Only 25 percent of the respondents suggest that rural community viability is very important (Table 33). By comparison, 56 percent of the respondents suggest it is somewhat or slightly important.

[Table 33]

Significant differences occur between the preferences of the respondents depending on age and gross sales level. Younger respondents are more concerned with the viability of the community than the older respondents. Thirty-one percent of the respondents under 35 indicate that rural community viability is a very important concern in planning the future of their farming operations (Table 34). A much smaller 19 percent of the respondents over 65 report that rural community viability is an important concern.

[Table 34]

The other group that responds more to rural community viability are those with gross sales greater than $250,000. Thirty percent of the respondents with gross sales over $250,000 suggest that rural community viability is important in planning their future (Table 35). The differences in preferences between the respondents from varying categories of gross sales levels is not large in percentage terms but is significant.

[Table 35]

Respondents do not draw an association between their work and the rural communities in which they live. Not surprisingly, respondents claim that the CRP does not affect local businesses and communities. Only 7 percent of the respondents view the CRP as hurting local businesses and communities because of reduced farming related purchases (Table 36). Of those who would extend their current CRP contracts, 71 percent view the local business affect as only slightly serious. A much smaller 52 percent of those who would not extend their current contracts see the reduced trade as at most, slightly serious.

[Table 36]

The potential also exists for rural communities to be hurt by the administration of the CRP program. Respondents are asked how serious they see unfair administration (similar land being paid differing rental rates) of the CRP program among counties and states as a problem with the CRP. Only 10 percent consider this a serious problem (Table 37).

A significant difference exists between the responses of those who would extend their contracts for the next ten years at the current rate and those who would not extend their contracts. Those who would extend their contracts do not consider unfair administration of the CRP a serious problem, only 7 percent. Those who do not intend on extending their contracts suggest this is a more serious problem, 22 percent.

[Table 37]

Reduced Overall Production - Agricultural prices and profits are very important to producers. One way of achieving higher prices and profits is to reduce production and supply. Respondents were asked about the importance of the CRP in reducing acreage that can produce crops. This is a particular concern when the land produces program commodities, such as wheat and barley, where excess supply is viewed as a problem.

Taking land out of production for ten years, however, is an extensive length of time. Conditions could change, where there are other opportunities for using the land. Opportunities include nonagricultural or agricultural uses of the land. Respondents were asked how important urban encroachment is in the planning of their future operations.

Fifty-six percent of the respondents suggest that reducing crop acreage is a very important benefit of the CRP (Table 38). Responses vary somewhat by district and extensively by whether or not the respondent would extend his/her current contract. In the Southern and Eastern Districts, there is a greater dependency on grain crops. Reducing acreage is very important to the respondents in these districts, 58 and 61 percent respectively.

The responses of those who would extend their contracts at the current rate are significantly different than those who would not. Sixty percent of those who will extend their contracts indicate that reduced acreage is a very important benefit of the CRP. The importance of acreage reduction to these respondents is far greater than those who will not extend their current CRP contract.

[Table 38]

Since urban encroachment is a very slow process with the exception of certain "hot spots" in Idaho, it has a small effect on producers' plans for future agricultural operations. Twenty

percent of the respondents, however, view land use and urban encroachment as very important in the planning of their future operations (Table 39). Urban encroachment is not important to 44 percent of the respondents that extend their CRP contracts. Fewer respondents, 28 percent, who do not wish to extend their contracts view urban encroachment as not important.

[Table 39]

Reducing the number of acres producing crops is important to the respondents as one of the benefits of the CRP. This feature of the CRP is particularly important to grain producers and to those who wish to extend their current contracts. One fifth of the respondents consider land use and urban encroachment an important consideration in their plans for the future of their agricultural operations.

Food Safety - Respondents suggest that many factors are very important in planning the future of their farming operations. One such question centers around the importance of food safety in planning the future of the participants agricultural operation.

Thirty-five percent of the respondents suggest that food safety is very important in planning the future of their agricultural operations (Table 40). Responses vary marginally from district to district, by age, by income, and by whether or not the respondent would extend the current CRP contract. Food safety concerns all respondents. Furthermore, it is more important to respondents than rural community viability, endangered species listings, and land use and urban encroachment.

[Table 40]

Water Quality - Respondents suggest that the CRP provides a constant income to the contract holder, reduces acreage for production, improves water quality, enhances environmental quality and improves the land for future production. The two benefits that respondents suggest

are very important most often are: 1) it provides a constant income for the contract holder and 2) it improves the water quality.

Water quality and quantity and income are important to contractors in planning future agricultural operations. Farm prices and profitability are very important in planning the future to eighty-one percent of the respondents. Both water availability and ground and surface water quality are very important in agricultural operation plans to 50 and 47 percent of the respondents respectively. A key factor in the respondents decision making process is crop rotation. Fifty-three percent of the respondents suggest crop rotation is very important to their agricultural operation plans.

The respondents suggest the CRP does not create serious problems such as increasing weed and harmful insect populations and hurting local businesses and communities. None of these factors is cited as a serious problem by more than 11 percent of the respondents. The least of their interests is that the CRP is hurting local businesses and communities, while their major concern is increased weed problems.

Generally, the fact that 85 percent of the respondents desire to keep the current program plays a major role in their evaluation of the benefits and the costs of the program. Those who wish to extend their current contracts have an incentive to view the benefits as important and the costs not serious. Since 85 percent of the respondents report their preferences consistent with this set of incentives, the preference distribution is likely a product of this set of incentives.

Farm Programs

The last part of this section looks at the respondents preferences, but this time they are preferences for agricultural programs and specific types of conservation programs. Furthermore,

it analyzes whether respondents feel that an issue involving waterways should be a producer compensated part of the CRP.

Agricultural Program Spending Cuts - The first part of this section is an analysis of the question: "If agriculture spending limits are further reduced, which area would you favor receiving the largest cuts?" Respondents are asked to give their preferences for direct farm support payments, soil and water conservation cost share programs, CRP contract payments, foreign market development funding, and export enhancement payments.

Respondents are most in favor of cutting export enhancement payments and foreign market development funding. Respectively, 32 and 31 percent of respondents indicate that these programs should receive the largest cuts. Respondents are least in favor of cutting the CRP contract payments. Moreover, they favor conservation programs.

Respondents are most in favor of cutting the export enhancement payments. Thirty-two percent of the respondents prefer export enhancement programs receive the largest cuts (Table 41). Northern District respondents are slightly more in favor of cutting export enhancement subsidies than Western District respondents, 34 to 27 percent.

[Table 41]

A significant difference is found between the responses from different income levels. Respondents with gross sales under $40,000 favor cutting export enhancement payments over those whose gross sales topping $250,000, 37 percent and 14 percent respectively (Table 42). Export enhancement payments increase the quantity of goods demanded, which may benefit producers. Respondents that earn less than $40,000 may no longer be producing; thus, this is less of a concern.

Respondents also favor cutting foreign market development funding. Thirty-one percent of the respondents favor this type of spending cut (Table 43). Northern, Eastern, and Southern District respondents all rate the foreign market developments funding as the area that could receive the largest cuts.

[Table 43]

Responses differ when considering the gross sales levels of the respondents. Of the respondents with gross sales over $250,000, 18 percent favor foreign market development funding receiving the largest cuts (Table 44). Respondents making less than $40,000 in gross sales more strongly prefer a cut in funding, 36 percent. Again, the respondents with a large dollar value of gross sales are more aware of international issues and the relationship between their interests and international interests.

[Table 44]

Respondents favor cutting foreign market programs over domestic programs, but there is a fairly strong sentiment to cut direct farm support payments. Overall, 23 percent of the respondents prefer the direct farm support programs receive large cuts (Table 45).

This particular response, however, varies widely from district to district. Northern District respondents prefer more direct farm program spending cuts than Southern District respondents, 31 and 16 percent respectively.

Although respondents wishing to extend their contracts will likely grow wheat and feed grains, they support cutting farm program expenditures. Forty-five percent of those who would not extend their current CRP contract think direct farm support programs should receive the largest cuts. By comparison, only 19 percent of those who would extend their contracts are in

favor of direct farm support programs being cut. Differences between the responses of these two groups are significant at the 1 percent level.

[Table 45]

Respondents with lower levels of gross sales for agricultural products also prefer reducing agricultural spending by reducing direct farm support payments. Respondents with gross sales over $250,000 are less in favor of cutting direct farm support spending, 14 percent, than those with under $40,000 in gross sales, 27 percent (Table 46). Respondents with higher levels of gross sales are more likely to be in agriculture for strictly business purposes than those who earn less than $40,000. Thus, these respondents realize that without direct farm support their operations are likely to have lower incomes.

[Table 46]

Respondents are generally less inclined to prefer cutting the conservation programs. Only 16 percent indicate that large cuts should be given to soil and water conservation cost share programs (Table 47). Little variation occurs among the responses.

[Table 47]

Respondents are generally in favor of conservation programs, but there are a few differences in responses according to their gross sales levels. Twenty-five percent of those respondents with gross sales greater than $250,000 are in favor of cutting soil and water conservation cost share programs (Table 48). This is a much higher percent than respondents with less than $40,000 in gross sales, 12 percent. Rural residences often earn less than $40,000. Rural residence respondents may place a higher value on preserving the natural habitat than other respondents, since they often make the choice to live in the country for aesthetic reasons.

[Table 48]

The program in which respondents are least willing to favor cuts is, not surprisingly, the CRP. Only 11 percent of the respondents prefer to make large cuts in the CRP (Table 49). This response varies some from district to district, with Northern District respondents favoring cuts over the Southern District by 15 percent to 8 percent. Moreover, respondents who wish to extend their current contracts are much less supportive of CRP cuts than those who wish not to extend, 9 percent and 24 percent respectively.

[Table 49]

Respondents favor cutting foreign market development and export enhancement programs over the domestic programs. Furthermore, they are more willing to cut spending to direct farm support than to conservation programs. Not surprisingly, they are least willing to cut spending on the CRP program.

Conservation Reserve Program - The CRP is an important program for agriculture. It is anticipated, however, that the CRP will at least change, if not be eliminated. In fact, President Clinton's farm budget plan calls for no extension of the Conservation Reserve Program.[14] The funding issue is probably best posed by Richard Rominger, USDA Deputy Secretary of Agriculture, "it is a cruel reality we all must accept and acknowledge. To believe and act otherwise will only cause us to lose credibility in the farm bill debate and to put forward proposals that could therefore be ignored."[15]

Policy makers must face the reality that the public favors conservation programs, but does not desire the cost of these programs. CRP contract holders, as well as conservationists and environmentalists, wish to keep the current program. The question posed to contract holders is,

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[14]Neil Meyer, "Bill's Budget as Revised by Congress," Inland Farmer, October 1993: 38.
[15]"The Future of the Conservation Reserve Program," Doane's Focus Report. (Washington, D.C.: GPO March 18, 1994), Vol.57, No. 11-5.

"What should be the policy when these contracts begin to expire on September 30, 1995?" The policy options are: 1) offer to extend all contracts for several more years at the current payment rate per acre, 2) offer to extend some contracts on the most highly erodible land with new bids, 3) replace the CRP with water quality and conservation incentive payments, 4) offer to extend the contract with a reduced payment rate, and 5) offer to extend contract with incentives for haying, base protection, grazing, or other.

Two thirds of the respondents strongly favor the government offering to extend all contracts for several more years at the current rate, and 90 percent think the government probably should (Table 50). Responses vary little by district or by gross sales of the producer.

However, seventy-six percent of those who wish to extend their CRP contracts favor current contract extensions versus 22 percent of those who do not want to extend their contracts. Probably more revealing is that 26 percent of those who will not extend their contracts are in favor of the government not extending contracts. Clearly, some respondents do not feel that the CRP is a productive program.

[Table 50]

The age of the respondent also affects their preferences. Older respondents are much more likely to favor the government extending current contracts. Only 59 percent of the respondents under 35 have strong feelings about the government extending the current contract versus 73 percent of those over 65 (Table 51).

[Table 51]

An alternative to extending contracts on all land is offering to extend contracts on the most highly erodible land with new bids. Fewer respondents, 50 percent, are in strong agreement with this option, but there is a much more homogeneous agreement (Table 52). There are no

significant differences in the responses among age groups, districts, gross sales levels, or those who wish to extend their contracts versus those who do not. This type of response suggests that there is strong support for government protection of the most highly erodible land.

[Table 52]

One option is to offer an alternative CRP; another option is to offer an alternative conservation program to the CRP. Respondents were asked to state their preferences on whether the government should offer to replace the CRP with water quality and conservation incentive payments. Most responses are in the "probably should" to "probably should not" range, 36 and 28 percent respectively (Table 53). Perhaps the respondents feel uncomfortable with this idea, because they know little about the proposed program.

[Table 53]

Younger respondents are more cautious than older respondents. Sixty-one percent say the government probably should replace the CRP with water quality and conservation incentive payments (Table 54). The responses from those over 65 are quite different. Fifteen percent strongly agreed with this proposal, but only 31 percent think the government "probably should." Younger respondents view the alternative as probably positive overall, but less of the younger respondents are likely to strongly support the program. Younger respondents would be more likely to live with an alternative program for a long period of time.

[Table 54]

Another alternative that solves the cost of the program problem without changing the CRP is to offer to extend the contract with a reduced payment rate. Only 12 percent of the respondents support this idea (Table 55). This alternative is likely to capture the least productive land, but not necessarily the most erosive.

Those who wish to extend their current contracts have different preferences than those who do not. Sixty-four percent of those who will not extend their current contracts think that the government definitely should not offer to extend the contract with a reduced payment. Only 37 percent of the respondents from the group who would extend their contracts prefer not offering reduced rate payments. These responses suggest that respondents who wish to keep the current program are willing to enroll their CRP land into a contract for less than what they are currently receiving.

[Table 55]

The final option is to offer to extend contracts with incentives for haying, base protection, grazing, or other use. Seventy-three percent of the respondents at least somewhat favor this option (Table 56). Those who do not wish to extend their current contracts favor of this option more than those who wish to extend their contracts. The respondents that do not wish to extend their contracts are more likely to report that they will hay and graze the land as opposed to producing small grains or more intensively cultivated crops. This response suggests the additional income from grazing the land would allow the contractor to increase his income. In addition, the land is kept in compliance with conservation practices.

[Table 56]

Younger respondents are more in favor of this conservation policy option than older respondents, 65 to 37 percent respectively (Table 57). Younger respondents are more equipped with labor and capital to take on the tasks of using the land for producing cattle or hay than older respondents. This is particularly true when the respondent is actively involved in production agriculture. One of the most attractive features of the CRP to older respondents is that they are

paid a rental value for the land. Where land is less productive they could also bid in a labor wage for themselves.

[Table 57]

The CRP strives to protect highly erodible land with permanent vegitative cover. The question of what should be done with the CRP is a difficult one. The public is very supportive of conservation practices, but the price of protecting highly erodible land is rising. Respondents are highly in favor of the government offering to extend all contracts for several more years at the current payment rate. Sixty-seven percent say the government definitely should.

Respondents favor providing the program for the most highly erodible land with new bids. These preferences arise from both the popularity of the program and the improvements to the program. Despite the popularity of the CRP, the program has been criticized for its cost ineffectiveness in providing program goals. Studies are showing, however, that the 1990 CRP is out performing the 1985 CRP in achieving these goals.[16]

Respondents from all income groups, ages, districts, and contract extension preferences are willing to see CRP contracts extended on highly erodible land only. The responses suggest that the program is cost effective in providing the goals of the program at a reasonable return to the respondent in some cases.

The other options are not as favored by respondents in general, but are typically favored by one group or another. Younger respondents prefer that the government offer to extend contracts with incentives for haying, base protection, grazing, or other uses. Older respondents would be at a disadvantage in this type of program. These respondents are more likely to lack the labor and capital to take advantage of the incentive system.

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[16]Douglas Young, Amos Bechtel, and Roger Coupal, "Comparing Performance of the 1985 and the 1990 Conservation Reserve Programs in the West," Journal of Soil and Water Conservation 18 (July 1994): 336.

Respondents that have only slightly erodible, but unproductive, land have more of an incentive to vote for extending the CRP at a reduced payment rate. Even though they may not be eligible for as high a payment, the payment may still be their highest valued use of the land.

Those who have very erodible land may wish to replace the CRP with water quality and conservation incentive payment programs. These programs may be more profitable for the owners of highly erodible land because they are based on conservation, not productive capability. Incentive programs could actually achieve the goals of improving water quality and soil conservation more cost effectively.

Soil Conservation Practices - The last question deals more with the current concern of water quality. Most of the CRP land is dubbed erodible not because of water erosion, but because of wind erosion. One concern is that water quality is not being improved by the current CRP program.

The question asks respondents if producers should be compensated for planting grass protective strips along stream banks and in waterways as part of the CRP program. The respondents are highly in favor of compensation for protecting stream banks and waterways by planting grass protective strips. Overall, eighty-one percent of the respondents are in favor of implementing this practice with compensation (Table 58).

[Table 58]

Younger respondents are more likely to agree or strongly agree that they should be compensated for planting grass protective strips. Eighty-six percent respond in agreement versus 77 percent of those 65 years of age or older (Table 59). The difference may be explained by how susceptible the respondent is to future conservation demands imposed on them without compensation.

[Table 59]

Table 1: Age Characteristics of Idaho Respondents.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current			
	Response	Response	Response	Response	Response	Yes	No	Resid[1]	Non-Resid
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Under 35	5	7	5	5	3	4	11	2	5
35 to 49	21	23	26	19	19	20	25	24	20
50 to 65	32	32	35	34	29	33	27	32	32
Over 65	43	38	35	42	49	43	37	42	4

Table 2: Idaho Respondent Preferences Toward Extending Their CRP Contract for 10 More Years at Their Current Contract Rate.

	Overall	Northern District	Western District	Eastern District	Southern District		
	Response	Response	Response	Response	Response	Resident	NonResident
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Extend	85	79	80	91	89	85	86
Do Not Extend	15	22	20	9	11	15	14

Table 3: Average Acres of Idaho Respondents.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		Residency		Age	
	Response	Responses	Responses	Responses	Responses	yes	no	yes	no	<66	>65
Mean	375	118	371	547	478	403	227	388	308	422	314
Median	187	74	217	320	280	200	128	200	133	210	166

[1]Residents are considered those people that live in the district where they own agricultural land. Residents make up 85 percent of the respondents.

Table 4: Average Net CRP Return Per Acre Required by the Idaho Respondent.

	Overall	Northern District	Western District	Eastern District	Southern District
	Response	Response	Response	Response	Response
Mean[2]	46	55	46	43	42
Median	45	60	48	45	43

Table 5: The Price of Wheat Required by the Respondent Versus the Respondents Characteristics.

			Extend at Current		Conventional Till	
			Yes	No	Yes	No
	Mean Acres	Median Acres	(%)	(%)	(%)	(%)
$0 - $2.99	454	210	3	3	3	3
$3 - $3.49	564	300	10	10	11	6
$3.50 - $3.99	374	225	10	14	11	10
$4 - $4.49	422	233	31	37	33	28
$4.50 - $4.99	505	320	10	9	15	14
$5 - $5.49	421	187	24	20	18	24
$5.50+	494	210	13	7	16	24

Table 6: Idaho Respondent Preferences to Allowing Grazing on CRP Land.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Likely	41	42	50	42	36	38	57	46
Somewhat Likely	26	22	30	30	25	26	19	25
Slightly Likely	12	9	8	11	15	13	5	11
Not Likely	22	27	12	18	24	23	19	18

[2]Although responses over $100 could be reasonable if there are urban development possibilities or high value crop production possibilities, the few observations strongly impact the mean. Thus, these few observations are omitted for explanatory purposes.

Table 7: Idaho Respondent Preferences to Allowing Forestry on CRP Land.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Likely	8	17	1	3	5	6	13	9
Somewhat Likely	13	28	4	10	6	13	16	14
Slightly Likely	10	12	4	8	10	10	9	11
Not Likely	70	42	90	79	79	72	62	66

Table 8: Idaho Respondent Preferences to Type of Crop Produced on CRP Land.

	Small					
	Grains	Hay	Pulses	Vegetables	Oilseed	Trees
	(%)	(%)	(%)	(%)	(%)	(%)
Yes	93	37	16	8	5	1
No	7	63	84	92	95	99

Table 9: Idaho Respondent Preferences to Type of Cultivation Method for CRP Land at the Contract Expiration.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Grazing	20	21	22	17	19	17	28	20
Hay	20	26	28	18	15	17	35	22
No Till	5	8	3	7	2	5	5	6
Reduced Till	28	34	27	29	23	26	33	29
Conventional Till	63	52	64	63	71	66	46	64

Table 10: Idaho Respondents Preferences to How Important Permanent Cover Benefits Are to Producers

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	44	36	37	45	52	47	33	39
Somewhat Important	26	25	31	27	26	26	31	29
Limited Importance	19	21	24	21	16	18	25	22
Not Important	10	18	8	7	7	10	12	11

Table 11: Idaho Respondent Preferences to How Important the CRP is in Reducing Off-Site Damage

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	54	53	39	45	60	57	41	51
Somewhat Important	31	31	31	28	29	29	35	34
Limited Importance	11	11	21	18	8	10	14	12
Not Important	4	4	9	9	4	3	11	4

Table 12: Idaho Respondent Preferences to How Important the CRP is in Improving Water Quality.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	66	69	51	58	67	69	52	64
Somewhat Important	23	20	29	25	23	22	24	24
Limited Importance	8	8	17	14	8	7	16	10
Not Important	3	3	4	3	3	2	9	3

Table 13: Idaho Respondent Preferences to the Importance of Water Quality on Their Future Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	45	47	36	48	44	46	42	45
Somewhat Important	34	37	35	30	34	33	41	39
Slightly Important	11	10	20	10	10	11	10	10
Not Important	10	6	10	12	12	11	8	7

Table 14: Idaho Respondent Preferences to the Importance of Water Quality on Their Future Agricultural Operations by Age.

	Under 35	35 to 49	50 to 65	Over 65
	(%)	(%)	(%)	(%)
Very Important	44	44	45	44
Somewhat Important	50	43	34	29
Slightly Important	6	8	11	14
Not Important	0	6	9	14

Table 15: Idaho Respondent Preferences to How Important the CRP is in Improving the Wildlife Habitat.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	48	50	42	58	50	50	37	47
Somewhat Important	28	30	27	25	27	27	30	30
Limited Importance	16	14	24	14	15	15	20	18
Not Important	8	7	8	3	9	7	13	6

Table 16: Idaho Respondent Preferences to the Importance of Endangered Species Listings on Their Future Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	17	17	17	17	16	16	19	18
Somewhat Important	19	23	22	15	18	18	20	18
Slightly Important	21	20	15	23	23	23	20	24
Not Important	43	40	47	45	43	44	40	40

Table 17: Idaho Respondent Preferences to How Important the CRP is in Being a Host Site for Beneficial Insects.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	24	23	15	24	28	25	23	22
Somewhat Important	31	32	28	30	33	32	28	31
Limited Importance	29	29	42	29	25	29	27	30
Not Important	16	16	16	18	14	14	22	17

Table 18: Idaho Respondent Preferences to Whether CRP Land is a Host Site for Harmful Insects.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Serious	10	6	13	11	13	8	17	11
Somewhat Serious	20	21	26	17	24	20	23	21
Slightly Serious	24	25	21	18	25	24	25	23
Not Serious	47	48	41	54	37	48	36	45

Table 19: Idaho Respondent Preferences to Whether CRP Land Is a Host Site for Harmful Insects by Gross Sales Per Year.

	Under $40,000	$40,000 to $249,999	$250,000 and Over
	(%)	(%)	(%)
Serious	5	14	19
Somewhat Serious	17	23	27
Slightly Serious	24	25	16
Not Serious	54	39	37

Table 20: Idaho Respondent Preferences to Whether CRP Land Contributes to Serious Weed Problems.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Serious	11	14	13	10	9	8	24	11
Somewhat Serious	23	27	26	17	25	21	30	23
Slightly Serious	21	20	21	18	31	22	13	23
Not Serious	45	39	41	55	35	48	33	43

Table 21: Idaho Respondent Preferences to the Importance of Water Availability on Their Future Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	50	35	68	57	51	50	57	54
Somewhat Important	20	26	19	14	19	19	22	19
Slightly Important	12	16	8	11	10	12	11	11
Not Important	18	23	6	18	20	20	10	17

Table 22: Idaho Respondent Preferences to the Importance of Water Availability in Their Future Agricultural Operations by Gross Sales Per Year.

	Under $40,000	$40,000 to $249,999	$250,000 and Over
	(%)	(%)	(%)
Very Important	47	50	72
Somewhat Important	20	23	12
Slightly Important	12	12	3
Not Important	21	16	13

Table 23: Idaho Respondent Preferences to the Importance of Crop Rotation in Their Future Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	53	53	57	56	49	52	51	53
Somewhat Important	33	31	30	34	35	33	33	33
Slightly Important	7	10	7	4	7	7	8	8
Not Important	8	7	6	7	10	8	9	6

Table 24: Idaho Respondent Preferences to the Importance of Crop Rotation in Their Future Agricultural Operations by Gross Sales Levels.

	Under $40,000	$40,000 to $249,999	Over $250,000
	(%)	(%)	(%)
Very Important	48	58	64
Somewhat Important	34	33	27
Slightly Important	8	5	5
Not Important	10	5	3

Table 25: Idaho Respondent Preferences to the Importance of Pesticide Use in Their Future Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	40	43	34	37	41	41	33	41
Somewhat Important	38	35	42	43	36	36	44	39
Slightly Important	14	13	17	13	15	14	16	15
Not Important	8	9	8	8	8	9	8	6

Table 26: Idaho Respondent Preferences to the Importance of Pesticide Use and Availability on Their FutureAgricultural Operations.

	Under $40,000	$40,000 to $249,999	Over $250,000
	(%)	(%)	(%)
Very Important	34	42	59
Somewhat Important	37	43	33
Slightly Important	18	10	7
Not Important	11	23	2

Table 27: Idaho Respondent Preferences to How Important the CRP is in Providing a Constant Income for the Contract Holder.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	66	58	55	72	73	70	50	59
Somewhat Important	24	28	31	22	19	22	29	27
Limited Importance	8	13	11	5	6	7	15	11
Not Important	2	2	3	1	2	1	6	2

Table 28: Idaho Respondent Preferences to How Important the CRP is in Providing a Constant Income for Producers by Gross Sales Per Year.

	Under $40,000	$40,000 to $249.999	Over $250,000
	(%)	(%)	(%)
Very Important	68	66	53
Somewhat Important	23	25	26
Limited Importance	7	8	19
Not Important	3	1	2

Table 29: Idaho Respondent Preferences to How Important the CRP is in Providing a Constant Income by Age.

	Under 35	35 to 49	50 to 65	Over 65
	(%)	(%)	(%)	(%)
Very Important	44	60	61	75
Somewhat Important	28	25	29	19
Limited Importance	22	13	8	5
Not Important	6	2	2	2

Table 30: Idaho Respondent Preferences to the Importance of Farm Prices and Profitability on Their Future Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Under
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	81	75	82	89	81	82	74	83
Somewhat Important	14	20	14	8	13	13	21	14
Slightly Important	2	2	2	1	1	2	3	1
Not Important	3	3	2	1	4	3	3	2

Table 31: Idaho Respondent Preferences to the Importance of the Level of Government Support on Their Future Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	47	40	39	56	50	51	33	46
Somewhat Important	35	42	26	31	36	33	41	37
Slightly Important	11	12	26	6	8	11	13	12
Not Important	6	6	10	7	5	5	14	6

Table 32: Idaho Respondent Preferences to Whether CRP Land Costs the Federal Government Too Much Money.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Serious	8	14	9	8	6	5	21	9
Somewhat Serious	17	27	20	20	13	15	26	15
Slightly Serious	25	20	24	19	25	25	25	26
Not Serious	51	39	48	53	56	55	28	50

Table 33: Idaho Respondent Preferences to the Importance of Rural Community Viability in Their Future Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	25	28	17	28	23	26	20	28
Somewhat Important	37	40	33	36	37	36	42	35
Slightly Important	19	16	26	15	20	19	18	21
Not Important	20	15	25	21	20	20	19	16

Table 34: Idaho Respondent Preferences to the Importance of Rural Community Viability in Their Future Agricultural Operations by Age.

	Under 35	35 to 49	50 to 65	Over 65
	(%)	(%)	(%)	(%)
Very Important	31	28	27	19
Somewhat Important	47	34	35	38
Slightly Important	8	27	18	17
Not Important	14	11	20	26

Table 35: Idaho Respondent Preferences to the Importance of Rural Community Viability in Their Future Agricultural Operations by Gross Sales Level.

	Under $40,000	$40,000 and $249,999	Over $250,000
	(%)	(%)	(%)
Very Important	22	26	30
Somewhat Important	38	33	40
Slightly Important	17	23	20
Not Important	24	18	10

Table 36: Idaho Respondent Preferences to Whether CRP Land Hurts Local Businesses and Communities Because of the Reduced Farming.Related Purchases.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Serious	7	7	8	10	6	7	12	9
Somewhat Serious	25	27	19	17	27	23	37	26
Slightly Serious	30	32	28	18	24	30	31	32
Not Serious	38	34	41	55	44	41	21	33

Table 37: Idaho Respondent Preferences to Whether the CRP is Unfairly Administrated Among States and Counties.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Serious	10	10	18	11	8	7	22	9
Somewhat Serious	23	26	18	17	21	21	27	21
Slightly Serious	24	23	16	18	25	25	24	27
Not Serious	43	42	47	55	46	47	26	43

Table 38: Idaho Respondent Preferences to the Importance of the CRP in Reducing Acreage Producing Crops.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	56	47	55	58	61	60	37	53
Somewhat Important	27	34	32	25	23	27	26	28
Limited Importance	13	14	8	14	12	10	23	14
Not Important	4	5	5	3	4	3	14	

Table 39: Idaho Respondent Preferences to the Importance of Land Use and Urban Encroachment on Their Future Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	20	27	14	21	16	19	21	21
Somewhat Important	22	29	16	32	15	21	28	25
Slightly Important	17	16	26	16	15	16	23	16
Not Important	42	29	44	31	55	44	28	39

Table 40: Idaho Respondent Preferences to the Importance of Food Safety in Their Future Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Important	35	31	31	40	36	35	30	35
Somewhat Important	30	34	27	28	30	29	38	34
Slightly Important	17	17	20	15	17	17	15	16
Not Important	18	19	23	17	17	19	17	15

Table 41: Idaho Respondent Preferences to Cutting Export Enhancement Subsidies to Reduce Agricultural Program Spending.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
Reduction	Response	Response	Response	Response	Response	Yes	No	Younger
Level	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Largest	32	34	27	30	32	32	28	28
Second Largest	19	20	23	20	16	18	20	19
Third Largest	19	13	18	24	23	20	16	20
Fourth Largest	12	12	18	9	12	12	14	14
Smallest	18	22	13	17	17	18	21	19

Table 42: Idaho Respondent Preferences to Cutting Export Enhancement Payments to Reduce Agricultural Program Spending by Gross Sales Levels.

Reduction	Under $40,000	$40,000 to $249,999	Over $250,000
Level	(%)	(%)	(%)
Largest	37	26	14
Second Largest	22	16	10
Third Largest	16	24	24
Fourth Largest	8	16	27
Smallest	17	18	25

Table 43: Idaho Respondent Preferences to Cutting Foreign Market Development Funding to Reduce Agricultural Program Spending.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
Reduction	Response	Response	Response	Response	Response	Yes	No	Younger
Level	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Largest	31	31	35	31	31	33	26	28
Second Largest	17	14	14	17	19	17	12	16
Third Largest	22	19	22	24	22	26	20	23
Fourth Largest	12	13	14	11	11	13	12	13
Smallest	19	22	16	18	18	23	18	19

Table 44: Idaho Respondent Preferences to Cutting Foreign Market Development Funding to Reduce Agricultural Program Spending by Gross Sales Levels.

Reduction	Under 40,000	$40,000 to $249,999	$250,000 and Over
Level	(%)	(%)	(%)
Largest	36	26	18
Second Largest	18	17	12
Third Largest	17	28	23
Fourth Largest	10	12	26
Smallest	19	17	21

Table 45: Idaho Respondent Preferences to Cutting Direct Farm Support Payments to Reduce Agricultural Program Spending.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
Reduction	Response	Response	Response	Response	Response	Yes	No	Younger
Level	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Largest	23	31	29	23	16	19	45	24
Second Largest	11	10	16	9	12	11	10	10
Third Largest	17	15	14	19	18	18	12	18
Fourth Largest	11	9	11	14	10	11	7	11
Smallest	38	36	30	36	45	41	26	37

Table 46: Idaho Respondent Preferences to Cutting Direct Farm Support Payments to Reduce Agricultural Program Spending by Gross Sales Levels.

Reduction	Under $40,000	$40,000 to $249,999	$250,000 and Over
Level	(%)	(%)	(%)
Largest	27	19	14
Second Largest	13	8	10
Third Largest	18	16	14
Fourth Largest	11	9	17
Smallest	30	49	45

Table 47: Idaho Respondent Preferences to Cutting Soil and Water Conservation Cost Share Programs to Reduce Agricultural Program Spending.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
Reduction	Response	Response	Response	Response	Response	Yes	No	Younger
Level	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Largest	16	16	18	15	15	16	14	17
Second Largest	16	19	17	17	12	15	22	16
Third Largest	25	24	23	28	26	27	18	26
Fourth Largest	17	16	16	14	19	17	17	17
Smallest	26	26	26	25	27	25	30	25

Table 48: Idaho Respondent Preferences to Cutting Soil and Water Conservation Cost Share Programs to Reduce Agricultural Program Spending by Gross Sales Levels.

Reduction	Under $40,000	$40,000 to $249,999	$250,000 and Over
Level	(%)	(%)	(%)
Largest	12	19	25
Second Largest	15	16	25
Third Largest	24	27	25
Fourth Largest	20	16	9
Smallest	31	23	16

Table 49: Idaho Respondent Preferences to Cutting CRP Contract Payments to Reduce Agricultural Program Spending.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
Reduction	Response	Response	Response	Response	Response	Yes	No	Younger
Level	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Largest	11	14	15	11	8	9	24	10
Second Largest	9	11	13	9	6	6	22	10
Third Largest	10	14	8	9	9	10	11	13
Fourth Largest	11	14	8	8	12	11	8	12
Smallest	59	48	56	62	66	63	36	56

Table 50: Idaho Respondent Preferences to CRP Policy Which Extends All Contracts at the Current Rate.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Definitely Should	67	75	61	72	58	76	22	62
Probably Should	23	17	22	21	29	19	35	25
Probably Should Not	6	5	8	5	6	3	17	7
Definitely Should Not	4	3	10	2	7	1	26	6

Table 51: Idaho Respondent Preferences to CRP Policy Which Extends All Contracts at the Current Rate by Age.

	Under 35	35 to 49	50 to 65	Over 65
	(%)	(%)	(%)	(%)
Definitely Should	59	61	64	73
Probably Should	18	24	27	20
Probably Should Not	15	7	6	4
Definitely Should Not	9	9	3	3

Table 52: Idaho Respondent Preferences to CRP Policy Which Extends Some Contracts on Most Highly Erodible Land.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Definitely Should	50	53	47	52	48	50	53	46
Probably Should	37	34	33	37	39	37	30	39
Probably Should Not	8	8	12	8	6	8	9	9
Definitely Should Not	6	5	8	3	7	6	8	7

Table 53: Idaho Respondent Preferences to CRP Policy Which Replaces the CRP with Water Quality and Conservation Incentive Payments.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Definitely Should	12	9	13	14	12	12	14	9
Probably Should	36	42	30	38	33	35	40	40
Probably Should Not	28	27	29	30	28	29	21	30
Definitely Should Not	24	22	28	20	27	25	25	21

Table 54: Idaho Respondent Preferences to CRP Policy Which Replaces the CRP with Water Quality and Conservation Incentive Payments.

	Under 35	35 to 49	50 to 65	65 and Over
	(%)	(%)	(%)	(%)
Definitely Should	3	12	9	15
Probably Should	61	45	33	31
Probably Should Not	21	25	34	26
Definitely Should Not	15	18	25	29

Table 55: Idaho Respondent Preferences to CRP Policy Which Extends the Contracts with a Reduced Payment Rate.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Definitely Should	12	8	9	7	12	13	5	10
Probably Should	36	16	22	30	33	27	10	25
Probably Should Not	28	25	26	21	28	24	21	27
Definitely Should Not	24	51	44	42	27	37	64	39

Table 56: Idaho Respondent Preferences to CRP Policy Which Offers to Extend Contracts with Incentives for Haying, Base Protection, Grazing, or Other Use.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Definitely Should	38	39	39	35	39	36	45	39
Probably Should	35	35	40	30	33	36	34	35
Probably Should Not	14	12	9	26	13	15	9	15
Definitely Should Not	13	15	12	9	15	13	12	12

Table 57: Idaho Respondent Preferences to CRP Policy Which Offers to Extend Contracts With Incentives for Haying, Base Protection, Grazing, of Other Use by Age.

	Under 35	35 to 49	50 to 65	Over 65
	(%)	(%)	(%)	(%)
Definitely Should	65	43	31	37
Probably Should	24	33	37	35
Probably Should Not	8	14	17	13
Definitely Should Not	3	10	15	15

Table 58: Idaho Respondent Preferences to Producer Compensation for Planting Grass Protective Strips Along Stream Banks and Waterways.

	Overall	Northern District	Western District	Eastern District	Southern District	65 and
	Responses	Responses	Responses	Responses	Responses	Younger
	(%)	(%)	(%)	(%)	(%)	(%)
Strongly Agree	42	45	37	44	40	45
Agree	39	40	45	33	40	40
Not Sure	12	9	8	15	13	8
Disagree	5	3	7	6	5	6
Strongly Disagree	2	3	4	1	2	2

Table 59: Idaho Respondent Preferences to Producer Compensation for Planting Grass Protective Strips Along Stream Banks and Waterways by Age.

	Under 35	35 to 49	50 to 65	Over 65
	(%)	(%)	(%)	(%)
Strongly Agree	49	52	39	37
Agree	37	34	44	40
Not Sure	9	5	10	17
Disagree	3	8	4	5
Strongly Disagree	3	2	2	2

Appendix A

PLEASE RETURN TO: IDAHO STATE ASCS OFFICE
3220 ELDER STREET
BOISE, IDAHO 83705

CONSERVATION RESERVE PROGRAM (CRP) TASK FORCE QUESTIONNAIRE:

PRODUCER SURVEY

FUTURE OF CONSERVATION RESERVE LANDS IN IDAHO

1. As a CRP contract holder, how many total acres do you currently have under CRP contract?
_____ acres.

2. What is the per acre contract rate? (Please check one) _____ under $10
_____ $10-$20 _____ $20-$30 _____ $30-$40 _____ $50-$60 _____ over $60

3. Do you own or rent the land currently under contract? _____ own _____ rent
_____both own and rent _____ percent owned

4. Would you extend the contract for 10 more years at the payment rate you are currently receiving?
_____ yes _____ no.
Comments: _____
_____
_____

5. What net return (return over cash costs) per acre do you feel is the minimum you need to keep land under CRP contract? _____ $/acre.

6. Please list what crop(s) you would expect to produce on the CRP land if it is returned to cultivation?
_____ _____ _____
_____ _____ _____

7. Cultivation method most likely to be used on land coming out of CRP?
_____ grazing _____ No-Till _____ Conventional Till
_____ haying _____ Reduced Till _____ Other _____

8. What price would cause you to till the land again?
Wheat $ _____/bu. Potatoes $ _____/cwt.
Barley $ _____/bu. Alfalfa hay $ _____/tn.
Other _____ $ _____/__

9. How important do you see each of the following as benefits to producers of the Conservation Reserve Program?

	Very Important 1	**Somewhat Important 2**	**Limited Importance 3**	**Not Important 4**
reduced acreage producing crop, therefore reducing supplies				
improved water quality because of less soil erosion associated with permanent cover				
improved wildlife habitat				
less off-site damage because of reduced soil erosion				
reduction in dust because of permanent cover				
host site for beneficial insects				
provides constant income for contract holder				
other _____ _____				

10. If it were allowed, how likely would you consider doing each of the following:

	Very	Somewhat	Slightly	Not Likely
grazing	1	2	3	4
forestry	1	2	3	4
fee hunting	1	2	3	4
recreation visit	1	2	3	4
other _____	1	2	3	4

11. The CRP was established in 1985 with 10 year contracts to protect highly erodible land with cover crops. What should be the policy when these contracts begin to expire on September 20, 1995?

	Definitely should continue 1	**Probably should continue 2**	**Probably should not continue 3**	**Definitely should not continue 4**
offer to extend all contracts for several more years at the current payment rate per acre				
offer to extend some contracts on the most highly erodible land with new bids				
replace the CRP with water quality and conservation incentive payments				
offer to extend the contract with a reduced payment rate				
offer to extend contract with incentives for haying, base protection, grazing, or other use _____ _____				

12. Producers should be compensated for planting grass protective strips along stream banks and in waterways as part of the CRP program.

_____ strongly agree _____ strongly disagree
_____ agree _____ not sure _____ disagree

13. How serious do you see each of the following as a problem with CRP program?

	Serious 1	**Somewhat 2**	**Slightly 3**	**Not Serious 4**
increased weed problems				
hurts local businesses and communities because of reduced farming related purchases				
costs the federal government too much money				
unfairly administered among states and counties				
host site for harmful insects				
other _____ _____				

14. How important are each of the following in planning your future farming operations?

	Very 1	**Somewhat 2**	**Slightly 3**	**Not serious 4**
land\use urban encroachment				
level of government support				
ground and surface water quality				
rural community viability				
food safety				
water availability				
endangered species listing				
farm prices/profitability				
pesticide use and availability				
crop rotation				
other _____ _____				

15. If agriculture spending limits are further reduced, which area would you favor receiving the largest cuts?

	Largest 1	<-> 2	<-> 3	<-> 4	Smallest 5
direct farm support payments, i.e. deficiency payments					
soil and water conservation cost share programs					
CRP contract payments					
foreign market development funding					
export enhancement payments					
other _____ _____					

Finally, we would like to ask some background questions to help in our statistical analysis.

16. What is your age:

_____ under 35 _____ 50-65
_____ 35-49 _____ over 65

17. What was your annual gross income before taxes and expenses (including government payments) from your farm in 1993?

_____ under $19,000 _____ $100,000 - $249,999
_____ $20,000 - $39,000 _____ $250,000 - $499,999
_____ $40,000 - $99,999 _____ over $500,000

18. What portion of your income is from production agriculture? (Include farm income, social security, non-farm investments, pensions and government agricultural payments)

_____ less than 20 percent _____ 60 to 79 percent
_____ 20 to 39 percent _____ 80 to 100 percent
_____ 40 to 59 percent

19. In which state and county do you live? _____ state
_____ county

Appendix B

Table 1: Annual Gross Sales from Agricultural Production by Age of Idaho Respondents.

	Under 35	35 to 49	50 to 65	Over 65
	(%)	(%)	(%)	(%)
Under $20,000	30	21	30	47
$20,000 to $39,999	24	13	20	26
$40,000 to $99,999	11	21	27	21
$100,000 to $249,999	8	31	15	4
$250,000 to $499,999	14	10	5	1
Over $500,000	14	5	4	1

Table 2: Characteristics by Age of Idaho Respondents.[3]

	Mean Number	Median Number	Net Return	Wheat	Barley	Alfalfa Hay	Potatoes
	of Acres	of Acres	Per Acre	$/bushel	$/bushel	$/ton	$/cwt
65 Years of Age and Less	422	210	46	4.19	3.29	69.68	5.71
Over 65	314	166	47	4.40	3.70	70.26	5.71

Table 3: Idaho Respondents Ownership of Land Currently Under CRP Contract.

	Overall	Northern District	Western District	Eastern District	Southern District
	Response	Response	Response	Response	Response
	(%)	(%)	(%)	(%)	(%)
Own Land	86	87	95	81	86
Rent Land	5	7	3	8	4
Own or Rent Land	9	6	2	12	11

[3]Some responses do not reflect the true opportunity cost of the respondent. These responses - over $6 per bushel for wheat or barley, over $90 per ton for hay and over $12 per hundredweight for potatoes - are omitted from the data set.

Table 4: Idaho Respondents Annual Gross Sales from Agricultural Operations.

	Overall	Northern District	Western District	Eastern District	Southern District
	Respons e	Respons e	Response	Response	Response
	(%)	(%)	(%)	(%)	(%)
Under $20,000	36	50	29	23	34
$20,000 to $39,999	22	20	21	23	22
$40,000 to $99,999	22	15	24	25	24
$100,000 to $249,999	13	11	15	17	13
$250,000 to $499,999	5	3	5	8	5
$500,000 and Over	3	2	6	3	3

Table 5: Idaho Respondent's Portion of Income Earned from Production Agriculture.

	Overall	Northern District	Western District	Eastern District	Southern District
	Responses	Responses	Responses	Responses	Responses
	(%)	(%)	(%)	(%)	(%)
Less than 20 percent	22	30	28	14	20
20 to 39 percent	15	16	11	15	17
40 to 59 percent	12	13	9	11	13
60 to 79 percent	11	10	9	11	13
80 to 100 percent	40	32	44	50	38

Table 6: Idaho Respondents Contract Rates.

	Overall	Northern District	Western District	Eastern District	Southern District
	Responses	Responses	Responses	Responses	Responses
	(%)	(%)	(%)	(%)	(%)
Less than $10	0	0	0	0	0
$10 to $20	0	0	0	0	2
$20 to $30	0	2	1	2	2
$30 to $40	12	2	8	14	19
$40 to $50	60	22	81	77	71
$50 to $60	24	68	10	6	6
$60 and Over	2	6	0	1	0

Table 7: Price at Which Idaho Respondents Would Till the Land Again.[4]

				Alfalfa
	Wheat	Barley	Potatoes	Hay
	$/Bushel	$/Bushel	$/cwt	$/ton
Mean	4.28	3.48	5.81	69.79
Median	4.00	3.00	6.00	70.00

[4]Some responses do not reflect the true opportunity cost of the respondent. These responses - over $6 per bushel for wheat or barley, over $90 per ton for hay and over $12 per hundredweight for potatoes - are omitted from the data set.

Table 8: Idaho Respondent Preferences to Allowing Fee Hunting on CRP Land.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Likely	5	2	7	7	6	6	2	6
Somewhat Likely	12	8	18	11	12	12	10	12
Slightly Likely	12	10	13	13	14	12	14	14
Not Likely	71	80	62	69	69	70	74	68

Table 9: Idaho Respondent to Allowing Recreation Use on CRP Land.

	Overall	Northern District	Western District	Eastern District	Southern District	Extend at Current		65 and
	Response	Response	Response	Response	Response	Yes	No	Younger
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Very Likely	4	5	3	5	4	5	2	4
Somewhat Likely	9	8	7	11	9	9	7	9
Slightly Likely	13	13	8	16	14	14	12	15
Not Likely	74	74	83	69	73	73	79	72

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