

Economic Aspects of Establishing Wildlife Habitat
on Private Farmland in East-Central Illinois

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Strategies for preserving or establishing wildlife habitat on private farmland in Illinois must account for the economic "facts of life" associated with farming. The size of the economic farm unit has increased in recent decades to the point that few such enterprises are owned and operated by one individual. The typical farm operator owns some land, is buying additional land, and/or is renting land from one or more landlords. Hence, farm management decisions usually reflect the combined perspectives of the operator, landlords, and lending institutions. Lending institutions are not alone in seeking maximum returns for their investments; most operators require maximum income to repay large capital investment mortgages, and many landlords depend upon rent from relatively small parcels of land for retirement incomes.

These economic factors and advances in agricultural technology have resulted in increasingly intensive land use practices. Row crops are now planted on nearly every tillable acre, and livestock in the Midwest are produced almost exclusively in confinement. Consequently, the monetary incentives necessary to divert land from row crop production to wildlife habitat have increased dramatically in recent years.

Table 1 depicts the estimated cost of removing an acre of farmland from row crop production, assuming a corn/soybean rotation. The \$236 net cost (per acre) represents the approximate sum an owner/operator would

require to devote tillable farmland to uses other than row crop production without loss of income. An owner who no longer operates his farm would probably receive \$125-150/acre cash rent for comparable land. However, because many tenants are family members or manage the land for absentee owners, the amount of land which could be diverted through cash rent leases would be limited.

This presentation emphasizes cost factors for diverting farmland; the mechanisms of leasing and specific management practices are not considered. Land use to benefit wildlife is not "free"--even for the farmer. Given the fact that wildlife is benefitted only so long as habitat remains, then costs are of a continuing nature. Hence, it is not surprising that little progress has been made in convincing private land owners to consider wildlife as a primary factor in land use planning.

The IDC has recognized these economic factors by emphasizing the Roadsides For Wildlife and Acres For Wildlife programs as the most effective direct management options. With increasing interest in wildlife by an urban population having limited knowledge of agricultural economics and land use, however, the challenge of the future may be to maintain support for habitat development programs from a largely non-hunting public. This can best be accomplished by documenting the effect of land use practices on wildlife abundance, and communicating to the public the nature of this relationship and the economic basis for land use decisions.

Table 1. Estimated costs for converting east-central Illinois farmland from row crop production to wildlife habitat.

A.) Gross Income/Acre: $\frac{1}{}$		120 bu. Corn
		<u>40 bu. Soybeans</u>
		Average= \$338
B.) Deductable Costs/Acre: $\frac{2}{}$	Seed	\$14.65
	Fertilizer	27.45
	Lime	6.00
	Herbicide	16.50
	Fuel	6.00
	Drying & Storage	19.40
	Machinery Repair	6.00
	Hail Insurance	6.00
	Total	= \$ <u>102.00</u> / Acre
C.) Net After Deductable Costs/Acre:		
	Gross Income	\$ 338.00
	Costs	-102.00
	Net	= \$ <u>236.00</u> / Acre

$\frac{1}{}$ Yield figures from Livingston County; commodity prices as of 1 March, 1981. Computed for equal acreages (rotation) of corn/soybeans.

$\frac{2}{}$ Additional expenses such as depreciation & interest payments, and taxes would continue regardless of land use.