

IMPACT OF GOVERNMENT PROGRAMS ON SEEDLING DEMAND IN THE SOUTH

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ABSTRACT: History has shown that government cost share programs have a very significant effect on number of seedlings planted. Programs such as the Soil Bank Program of the late 50's and early 60's, and the current Conservation Reserve program affect seedling demand very abruptly with sudden increases and just as sudden **decreases at the termination of the program.**

The first great reforestation effort in the South was in the Civilian Conservation Corps (CCC) era, 1935-42. Many acres were planted on both private and public lands during this period. This was followed by an abrupt slowdown during the peak war years 1943 and 1944. After the Second World War tree planting resumed. The Agricultural Conservation Program boosted tree planting on Private lands.

The second great reforestation effort in the South was due to the Soil Bank Program of 1956-61 which was responsible for the planting of 1,922,604 acres to trees on small private ownerships in the South. There was a sudden drop off after the Soil Bank Program on private lands, but still a significant amount of planting being done. The Forest Renewal Program (FIP) started an upward trend in 1975. ACP was a significant factor at the time.

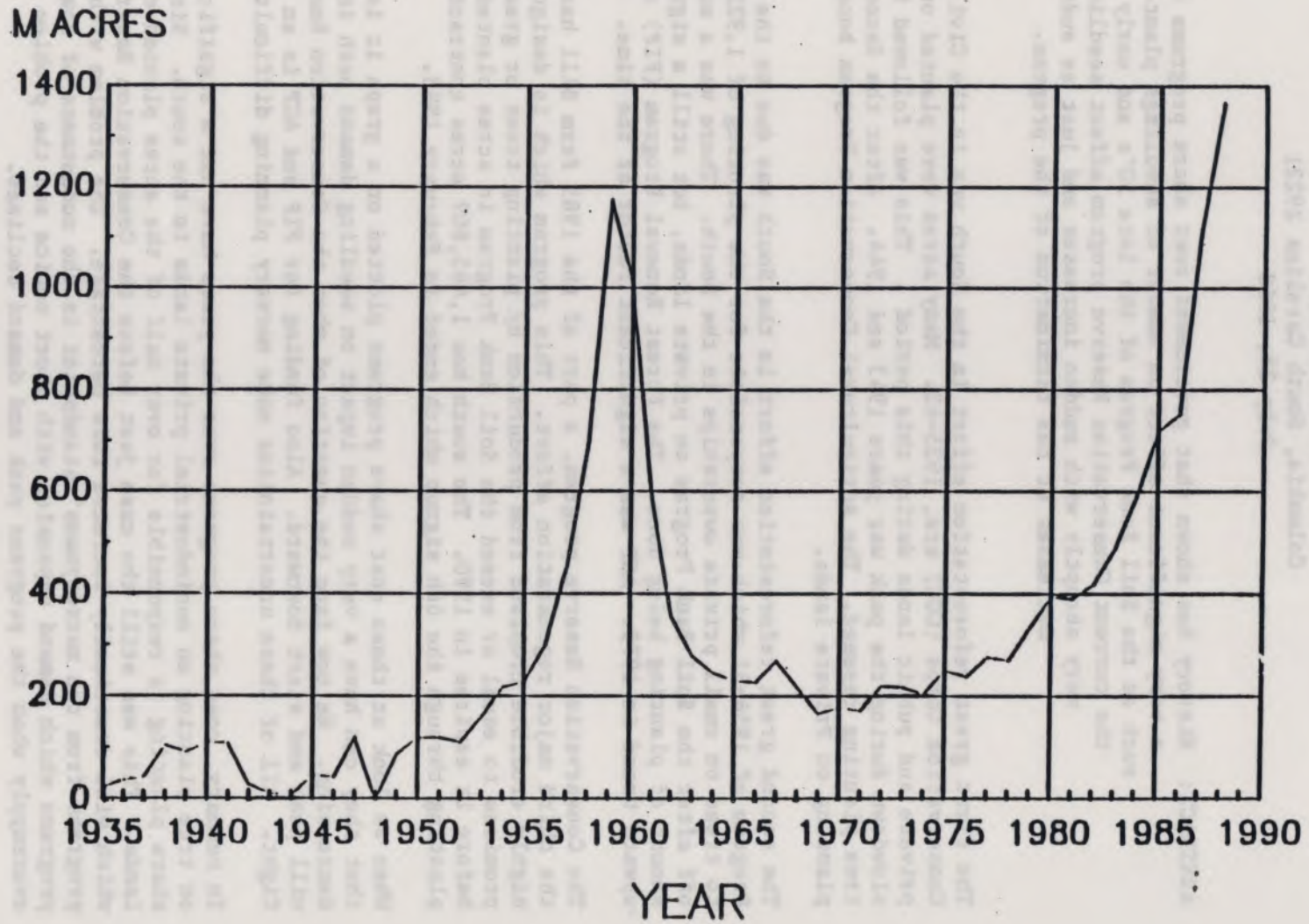
The Conservation Reserve program, a part of the 1985 Farm Bill has stimulated the third major regeneration effort. This program which is designed to remove highly erodible cropland from production by planting trees or grasses, promises to equal or exceed the Soil Bank Program in acres planted to trees before it expires in 1990. The south has 1,465,809 acres contracted for tree planting through the 6th sign-up which ended in February 1988.

When we look at these cost share programs plotted on a graph it is obvious that they can have a very sudden impact on seedling demand both increasing and decreasing. We now face the question of when the Conservation Reserve Program will peak and start downward. Also funding for FIP and ACP is an annual fight. All of these uncertainties make nursery planning difficult.

In summary, cost share programs over the years have had a significant impact on tree planting on nonindustrial private lands in the south. Since 1925 cost share planting is responsible for over half of the acres planted on NIPF lands. This was still the case just before the Conservation Reserve Program which will drastically increase this percentage. The problem with cost share programs from the nurseryman's standpoint is the suddenness of some of these programs which demand expansion with short notice and the problem of oversupply when the programs peak and demand declines.

FOREST PLANTING AND SEEDING IN THE SOUTH

Non—Industrial Private Landowners



ACRES PLANTED ON NIPF LANDS

YEAR	FIP	ACP	STATE PROG•	CRP	NON-COST SHARE	TOTAL
1985-86	158,766	69,861	127,956	-	396,555	753,13E
1986-87	133,904	101,113	121,189	369,629	390,162	1,115,997
'1987-88 (EST•)	133,904	101,113	121,189	620,926	390.162	1.367 294

ASSUME SAME LEVEL EXCEPT FOR CRP

ACRES PLANTED				
TOTAL	1925-87	-	15,374,227	
ACP	1925-87	-	4,145,728	27.0 %
FIP	1925-87	-	1,933,570	12.6 %
SOIL BANK	1925-87	-	1.922.631	<u>12.5 %</u>
				52.1 %

CRP THROUGH 6TH SIGNUP 1,465,809