Title: *The Market Opportunity Costs of Retiring Cropland: a Case Study in Eastern Oregon*

Abstract:
With agri-environment programs in the United States like the Conservation Reserve Program (CRP), retiring environmentally sensitive cropland for annual payments is a possible land use choice for farmers. The financial viability of participating in CRP depends on the forgone crop profits. To determine the market opportunity costs of retiring cropland that a farmer, a static profit maximization model is constructed to determine optimal profits under simulated reductions in cropland. Using private data from a ranch in eastern Oregon, this research illustrates that the farmer face increasing opportunity costs as there is less cropland available to them. When the individual farmer’s market opportunity costs of retiring land are compared to the prevailing CRP rent payment, it also seems that retiring cropland is a profitable land use for the farm.

The Main Takeaway:
The aim of my research was to explore a model that determines the market opportunity costs of retiring cropland for individual farms. Data from a ranch in Eastern Oregon was applied and found that opportunity costs of retiring cropland increases as more land is retired.