

What's New in Economics?

May/June 2006

Who Participates in Conservation?

The Economic Research Service (ERS) recently published an article discussing conservation-compatible practices and programs and the reasons why producers participate in conservation programs. The analysis suggests that farm size, the types of crops grown on the operation, and operator motivation all impact producers' decisions to participate in conservation programs.

The authors concluded that larger farms where operators consider farming their primary occupation are more likely to apply for working-land conservations programs, such as the Environmental Quality Incentives Program (EQIP). Furthermore, they concluded that smaller farmers, identifying themselves as "retired" or "lifestyle," are more likely to participate in land retirement programs. The entire report is located at <http://www.ers.usda.gov/Publications/err14/>.

Water Quality Trading What is it and will it work?

Water quality trading is an innovative approach to achieve water quality goals more efficiently. Trading is based on the fact that sources in a watershed can face very different costs to control the same pollutant. Trading programs allow facilities facing higher pollution control costs to meet their regulatory obligations by purchasing environmentally equivalent (or superior) pollution reductions from another source at lower cost.

NRCS State Economists Leah Duzy and Allan Sommer will be traveling to Pittsburg, PA to attend The Second National Water Quality Trading Conference May 23-25. Topics to be covered include program design, implementation, and the role of government. Look for reports on the conference and applicability to Minnesota in future issues of "What's New in Economics?"

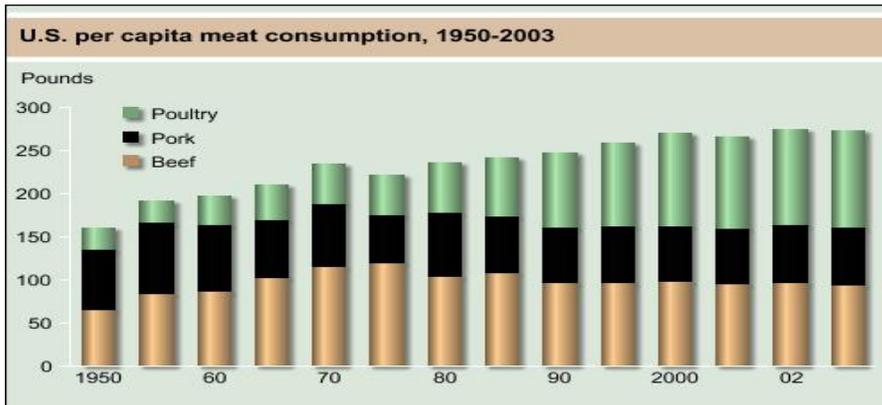
Useful Websites –

There are a number of useful economics websites offering information regarding agriculture and conservation. Here is just one example:

- <http://www.ers.usda.gov>
 - The Economic Research Service has a number of publications covering a range of topics, from conservation to marketing. They also publish a magazine, *Amber Waves*, which is available on their website.

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Reference:
Economic Research Service (ERS), *Amber Waves*, February, 2006, <http://www.ers.usda.gov/AmberWaves/February06/Indicators/>

State Fact Sheets

In addition to the the Economic Research Service (ERS) study on conservation referenced above, quick and easy to use fact sheets on state economic characteristics have been added to their site.

These fact sheets contain frequently requested data for each state and for the total United States. These include current data on population, per-capita income, earnings per job, poverty rates, employment, unemployment, farm and farm-related jobs, farm characteristics, farm financial characteristics, top agricultural commodities, top export commodities, and the top counties in agricultural sales.

<http://www.ers.usda.gov/StateFacts/>

“We abuse land because we regard it as a commodity belonging to us. When we see land as a community to which we belong, we may begin to use it with love and respect.”

~Aldo Leopold, *A Sand County Almanac*

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Location of “What’s New In Economics?”:

<http://www.mn.nrcs.usda.gov/technical/ecs/economics/economics.html>