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Integrated Survey Data: CEAP-ARMS and Beyond (?)

By

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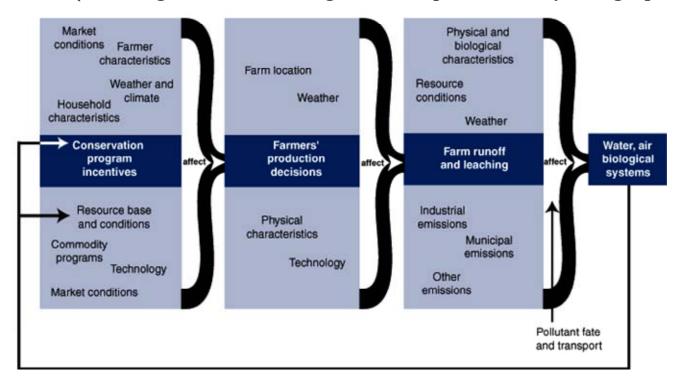
Resource and Rural Economics Division, ERS

A presentation at the ERS/Farm Foundation workshop: *Data Needs for Agri-Environmental Policy Modeling and Analysis*, Economic Research Service, Washington, DC, October 15, 2007.

CEAP-ARMS

Conservation Effects Assessment Project – Agricultural Resource Management Survey

- A joint data integration effort by USDA's NRCS, ERS, and NASS.
- CEAP-ARMS recognizes that producers do not make production practice decisions in a policy vacuum.
 - Numerous factors affect agricultural-induced environmental quality (including behavioral, biological, atmospheric, and hydrologic processes)



Source: Smith and Weinberg, Amber Waves, ERS-USDA, Special Issue, July 2006.

CEAP ---- ARMS ---- NRI

CEAP: Conservation Effects Assessment Project

- (<u>In General</u>): A field-level survey of conservation practices and program participation for the crop(s) on a field identified at a randomly selected National Resource Inventory (NRI) point, and integrated with NRI environmental data.
- Conducted annually by USDA's Natural Resources Conservation Service (NRCS) from 2003-06.

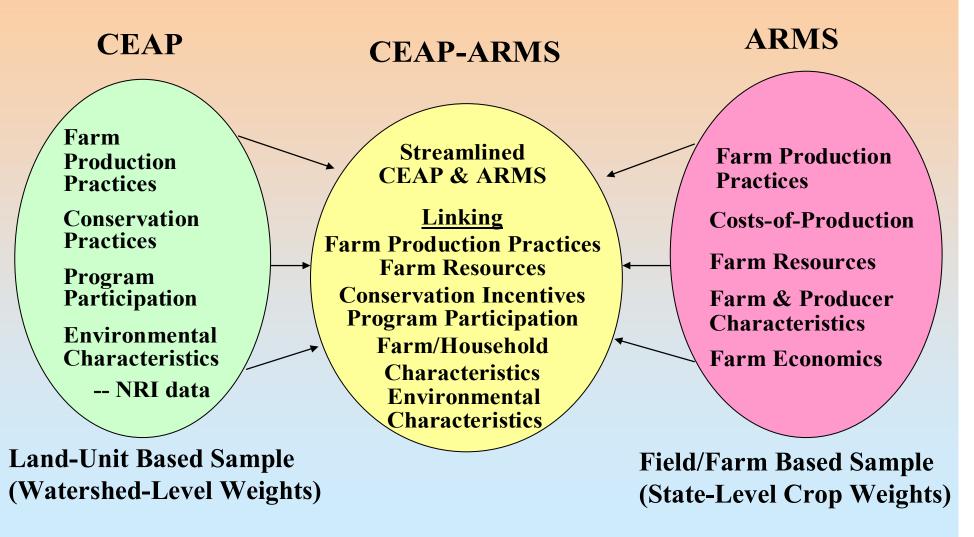
ARMS: Agricultural Resource Management Survey

- A crop-specific, field/farm-level survey of farm production practices, costs-of-production, farm finances, and farm resource and operator characteristics.
- Conducted annually by USDA's Economic Research Service (ERS) for selected crops. [Phase I sample design/planning; Phase II field-level questionnaire; Phase III farm-level questionnaire.]

NRI: National Resource Inventory

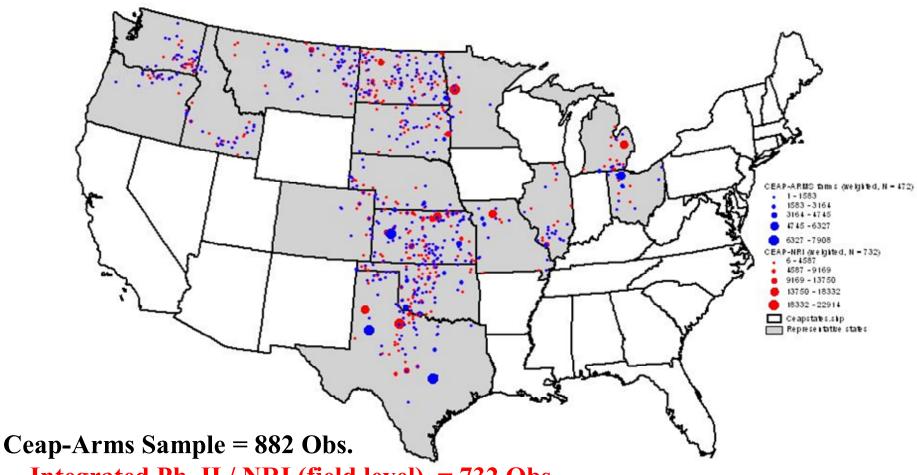
- The NRI is a scientifically based, longitudinal panel survey of the Nation's soil, water, and related resources, designed to assess conditions and trends on non-Federal lands.
- Conducted by USDA's Natural Resources Conservation Service (NRCS) in cooperation with Iowa State University's Center for Survey Statistics and Methodology. (Annual survey drawn from a population of 800,000 potential primary sample points.)

CEAP-ARMS: Common Ground



Economic Research Service, USDA Roots in Agriculture, Future in the World

CEAP-ARMS survey farms **2004** Wheat (16 States)

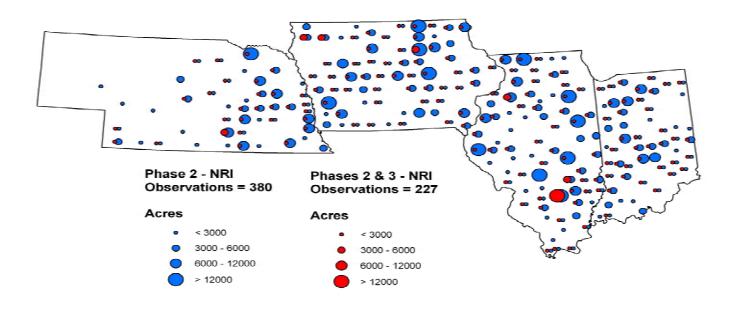


Integrated Ph. II / NRI (field level) = 732 Obs.

Integrated Ph. II / NRI / Ph. III (field/farm level) = 472 Obs.

Economic Research Service, USDA Roots in Agriculture, Future in the World

Spatial Distribution of the 2005 CEAP-ARMS for Corn Sample (Weighted Planted Acres)



States: IN, IL, IA, and NE

Ceap-Arms Sample = 382 Obs.

Integrated Ph. II / NRI (field level) = 380 Obs.

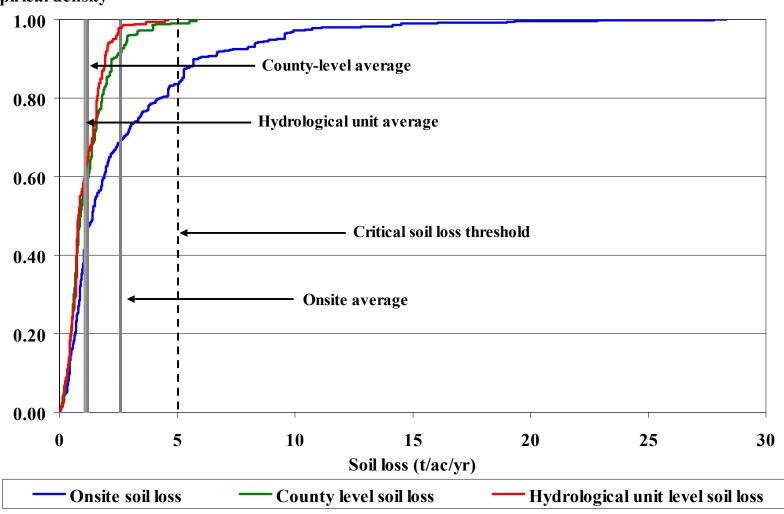
Integrated Ph. II / NRI / Ph. III (field/farm level) = 227 Obs.

Integrated Survey Data Adds Value to Conservation Policy Analysis

- CEAP-ARMS was only a 2-year pilot project.
- CEAP-ARMS research results demonstrate significant "value added" associated with using onsite environmental data when evaluating producer conservation practice behavior.
- Use of aggregate environmental data (for example, soil loss information) will significantly over-estimate producer response.
- Not accounting for environmental decision factors results in either underor over-estimates of producer acreage response elasticities, and thereby, under- or over-estimates of conservation policy response.
- Lambert, D., G. D. Schaible, R. Johansson, and U. Vasavada. *The Value of Integrated CEAP-ARMS Survey Data in Conservation Program Analysis*, <u>Journal of Soil & Water Conservation</u>, Vol. 62, No. 1, 2007: 1-10.
- Schaible, G. D., D. M. Lambert, C. S. Kim, and S. Stefanova. Structural Conservation Practices in U.S. Wheat Production: A Cost-Function Technology Adoption Approach. WAEA and AAEA Selected Paper Presentations, and a journal paper under review (preliminary acceptance).

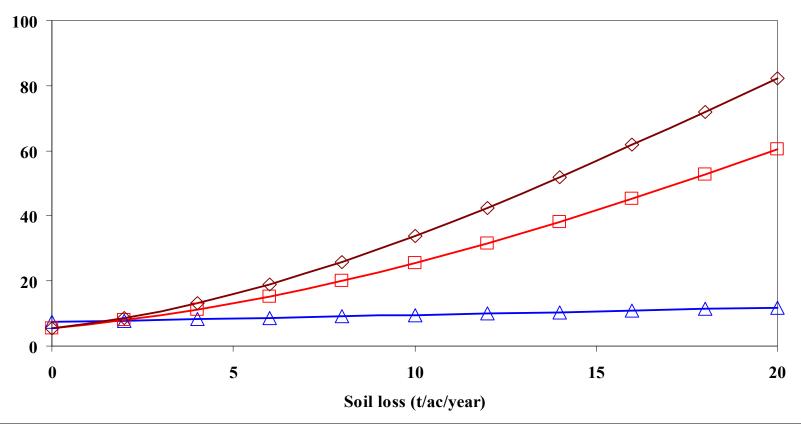
Empirical densities of aggregated and on-site field-specific 1997 NRI Universal Soil Loss Equation Readings

Empirical density



Model I values of predicted acres under vegetative conservation structures as influenced by USLE data resolution.

Predicted acres of conservation structure



— Onsite soil information — Hydrological unit soil information → County-level soil information

Schaible, G. D., D. M. Lambert, C. S. Kim, and S. Stefanova. Structural Conservation Practices in U.S. Wheat Production: A Cost-Function Technology Adoption Approach. WAEA and AAEA Selected Paper Presentations, and a journal paper under review (preliminary acceptance).

Results demonstrate:

• That conservation program participants and non-participants respond differently to alternative conservation structural practice options.

More Specifically:

- Program non-participants place greater emphasis on the adoption of infield structural practices, while program participants emphasize perimeter-field structural practices.
- Direct productivity/profitability benefits of infield structures seem to suffice for non-participants (i.e., adoption without program incentives), while perimeter-field structures seem to require a program incentive for adoption.
 - -- likely because benefits of perimeter structures are perceived as being mostly off-site.
- Not accounting for additional socio-environmental decision factors will result in under or over-estimates of conservation practice acreage response elasticities (depending upon the input/output price change), for both program participants and non-participants.

Beyond CEAP-ARMS

- Again, CEAP-ARMS was only a 2-year pilot project.
- Research will continue with CEAP-ARMS, but current research results demonstrate that the nexus between producer behavior, conservation programs, and reliably assessing producer response and likely environmental outcomes is integrated data.

Data Gaps

- No Integrated production practice, operator, program participation, farm resource and economic, and environmental data.
 - A revised/shortened version of CEAP-ARMS type data (revealed preference data)
 - with less emphasis on multi-year data, but with improved data that links: practices/costs/program vs. non-program participation/program payments/environmental data (NRI data).
- Monitoring the linkage (over time) between actual environmental outcomes to specific conservation practices or bundles of practices "in place" (for both program participants and non-participants). [Probably using a more regionally-tailored survey effort.]
- Integrating stated preference (contingent valuation) type data with survey-based revealed preference data.
 - i.e., producer "bid" data for alternative bundles of conservation practices consistent with regional environmental needs.

Thanks for the Opportunity

Forward Comments to:

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