

Overview of UW Economic Analysis

Deana Knuteson, Nutrient and Pest Management Program, UW-Madison
Horticulture

Paul D. Mitchell, Professor of Agriculture and Applied Economics, UW-
Madison

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Project Scope and Goals - DNR

- DNR will define areas and performance standard with focus on improving groundwater quality by reducing nitrate concentrations in groundwater.
 - May create limits on specific practices, timing restrictions, or forms of fertilizer that can no longer be used, or a crop rotation requirement.
 - Once the region and performance standard are established, then DATCP will develop ways for farmers to demonstrate compliance with the performance standard.

Project Scope and Goals – DNR/UW

- Before finalizing this performance standard, the DNR must complete an Economic Impact Analysis to see economic effect (compliance cost) of the proposed rule on business, local government, and the state's economy as a whole.
 - Include impacts on the net cost and partial budget analysis on farm impacts and may include: the net cost for the yield loss, additional practice costs, and fertilizer savings.
 - Legislatively mandated

Project Scope and Goals – UW

- University of Wisconsin - Madison will complete a comprehensive assessment of the economic impact of the proposed regulatory change.

- Look at costs and benefits in order to improve upon the mandated net cost analysis: A broader more comprehensive economic assessment
- “Publish” the analysis and conduct outreach for the results of the economic analysis with existing outreach programs
- Coordinate Focus Group discussions and give feedback on results to a variety of audiences, including the agricultural and environmental community and the general public.

Timeline and Activities

Current

Timing	Activity	Who
July to December 2020	<ul style="list-style-type: none">-Clarify project scope and meet and coordinate with DNR staff to refine fiscal economic analysis-Complete literature review and assemble relevant and existing data	UW - AAE and other grant staff
September 2020 to January 2021	<ul style="list-style-type: none">-Plan focus group logistics-Finalize questions, timing and candidates for structured interviews-Continue assembling relevant existing data	UW - AAE and other grant staff
Fall 2020	<ul style="list-style-type: none">-Define initial region(s) and performance standard(s) to evaluate	DNR

Timeline and Activities

Future

December 2020 to January 2021	-Finalize required Fiscal Estimate and Economic Impact Analysis to solicit public comments	DNR
December 2020 to Mar 2021	-Conduct focus groups, surveys -Summarize existing data	UW - AAE and other grant staff
April to May 2021	-Write 1 st draft of white paper	UW - AAE and other grant staff
May 13, 2021	-Hold public meetings on initial performance standards -Present finding on economic impacts	DNR
June to September 2021	-Write and finalize analysis and white paper	UW - AAE and other grant staff
September 2021	-Present to the Natural Resources Board (September)	DNR with UW - AAE staff
September to December 2021	-Revise final white paper if requested from DNR board	UW - AAE and other grant staff

Where are we with UW?

- Complete literature review and assemble relevant and existing data
 - Currently being done by UW - AAE and other grant staff
 - Working with students/specialists
 - Draft currently in progress looking a similar needs and options from MN and IA
 - Iowa Nutrient Reduction Strategy, Minnesota Nutrient Reduction Strategy

Where are we with UW?

- Plan focus group logistics – Ongoing

 - IRB submitted to start process (October 2020)
 - Final questions will be based on DNR performance standard, but open ended questions to engage focus groups
 - Proposed virtual focus groups (January to February 2021)
 - 24 growers and grower industry representatives for focus groups (8 per group, 3 total)
 - Feedback from DNR TAC committee welcomed

Where are we going?

- After focus group work completed:
 - Draft of white paper to be completed from lit review and focus group work – April 2021
 - Write and finalize analysis and white paper – June to September 2021
- Present to the Natural Resources Board – September 2021
- Revise final white paper as requested by DNR board – December 2021

Goal: Lit Review

- For lit-review work with students

- What practices are viable for region/cropping system?
- What solutions are found in other local states (IA and MN)?
- Are practices and approaches developed to “solve” or just “Band-Aid”?
- Which practices/options developed for standards are already commonplace?
- Which practices require actual changes and so would cost farmers money?
- What is the cost to implement these practices?
- Is the cost within the budget for rule making?

Goal: Focus Groups

Proposed Questions

- What are your thoughts about these proposed locations and why do you agree or disagree with them?
- Which practices would benefit your specific farming operations or systems?
- Do you think any of the proposed practices could negatively impact your farming operation or system?
- Could you describe the effect they would have?

- How would you determine if you would be willing to implement a suggested option for your operation?
- What types of factors would influence your decision to implement it or not?
- Would cost share dollars be valuable or would the cost to implement changes be too much to consider?
- How would you decide whether an option was helpful or harmful to your operation?

Goal: Final White Paper

- How do we identify practices that are practical and doable for growers?
- Which practices are already used?
 - Do we know adoption rates of these practices?
- What are the estimated average costs to implement these options?
- Are there solutions that are practically viable that will actually make a difference?

Questions? Comments? Discussion?

Deana Knuteson dknuteson@wisc.edu

Paul D. Mitchell pdmitchell@wisc.edu