

ENVIRONMENTAL EFFECTS FOR CONSERVATION PLANS AND AREAWIDE CONSERVATION PLANS (NRCS-CPA-52)

ECONOMIC CONSIDERATIONS

The Natural Resources Conservation Service (NRCS) considers economics an essential component in all agency decision making. Economic principles must be applied in the planning, implementation, and evaluation of agency policies and program activities to provide the most cost-effective assistance to customers, cooperators, and partners for the sustained use of our natural resources.

Economic effects of all conservation practices should be provided to NRCS customers in order for them to make informed decisions. NRCS policy permits cost effectiveness analysis, partial budgeting, profitability analysis, and other appropriate analyses when requested by the client. NRCS policy prohibits obtaining any financial information beyond that volunteered by the client.

For consistency in the application of economics, the *General Manual, National Resource Economics Handbook, Economic Reference, Economic and Environmental Principles and Guidelines For Water and Related Land Resources Implementation Studies*, and other directives as issued will be used as guidance.

Economic principles and techniques should be used at all levels of the agency in order to satisfy the goal of maximizing benefits per dollar expended, as legislated.

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**ECONOMIC CONSIDERATIONS
KANSAS HELP SHEET**

In order to determine the economic effects, consider the following questions when filling out the NRCS-CPA-52. **If you answer NO to any of these questions, further review or explanation may be necessary before proceeding with the recommended conservation system.** When the answer is YES, no further data is needed, and the decision is noted in the planning support file.

| LAND USE | <u>YES</u> | <u>NO</u> |
|---|--------------------------|--------------------------|
| • Is the land available for the recommended production? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is base acreage for USDA programs adequately maintained? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Does the proposed system aid participation in USDA programs? | <input type="checkbox"/> | <input type="checkbox"/> |
| | | |
| CAPITAL | <u>YES</u> | <u>NO</u> |
| • Does the producer have the funds or ability to obtain the funds needed to implement the proposed conservation system? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are there adequate materials and/or equipment present or obtainable to operate and maintain the system? | <input type="checkbox"/> | <input type="checkbox"/> |
| | | |
| LABOR | <u>YES</u> | <u>NO</u> |
| • Is there adequate labor present or obtainable to operate and maintain the system? | <input type="checkbox"/> | <input type="checkbox"/> |
| | | |
| MANAGEMENT | <u>YES</u> | <u>NO</u> |
| • Does client understand the inputs needed to implement the system and his responsibility in obtaining these inputs? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Will the client able to maintain the system as implemented? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is there adequate management present or obtainable to operate and maintain the system | <input type="checkbox"/> | <input type="checkbox"/> |

| RISK | <u>YES</u> | <u>NO</u> |
|--|--------------------------|--------------------------|
| • Are there readily available markets for the operations products? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Are markets adequate to handle the production for the area? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is the producer willing to adopt new practices? | <input type="checkbox"/> | <input type="checkbox"/> |

| PROFITABILITY | <u>YES</u> | <u>NO</u> |
|---|--------------------------|--------------------------|
| • Do the benefits of improving the current operation outweigh the installation and maintenance costs (positive benefit/cost ratio)? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Will the producer be able to remain financially stable if the system is implemented? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Will normal farm/ranch operations sustain the financial viability of the operation? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Is there a reasonable expectation of long-term profitability for the operation if the system is implemented? | <input type="checkbox"/> | <input type="checkbox"/> |

If you answered NO to any question, enter explanations in the Effects Notes section of the NRCS-CPA-52 or at the bottom of this page and attach to the NRCS-CPA-52.