May 2, 1989

ECONOMICS TECHNICAL NOTE NO. N10
200-VI

SUBJECT: ECN - ECONOMICS - USING - CARE TO EVALUATE PROJECT
ACTIVITIES

Purpose. To transmit the above named Technical Note.

Effective Date. When received.

Background. The enclosed technical note provides guidance
for state economists in using the CARE software program in
economic analysis of PL-566, RC&D and other project work.
It was developed in draft form for interim use. Call the
NENTC ESSE staff at 215-499-3926 if you have further
questions.

Filing Instructions. File in Technical Note binder -
Economics Section.

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Enclosure

DIST: N, T, NE-C

Using CARE to Evaluate Project Activites

The computer program CARE (Cost and Return Estimator) was recently released, and is currently being used with CO-01 non-project work involving farm budget generation for individual producers. CARE can also be easily adapted for use on PL-566, RC&D, or other project work.

For project work, cost and return estimates are generally analyzed on a per acre basis. CARE generates per acre total costs but does not generate ownership, operating or labor costs on a per acre basis. This is because CARE computes cost and return information on a "field" acreage basis; e.g., the field size is forty acres; ownership, operating and labor costs are given over the forty acres.

CARE can be easily modified to generate all costs on a per acre basis. After all data has been input for a particular field, make the following three changes :

  1) Set the field size to one acre In the "field" section.

  2) Set the land charge to one acre in the "field" section.

  3) Set the field size to one acre In the "budget" section.

Remember to save these changes (using the F10 key). Returning to the analysis section of CARE and running the budget generator will produce all costs (Including ownership, operating and labor) in per acre values.