

Part 610 – Natural Resource Economics Handbook

Subpart B – Benefits and Costs of Conservation

Figure B-1 “T” Chart Example for Conservation Treatment Effects

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| CONSERVATION TREATMENTS: Crop Residue Management – No-Till | RESOURCE PROBLEMS: Sheet & Rill Soil Erosion |
| BENEFITS | COSTS |
| <p>Reduced Costs:</p> <p>Reduced passes over the field</p> <p style="padding-left: 40px;">Reduced labor, fuel, machinery</p> <p style="padding-left: 40px;">5 Passes x \$15/Pass = \$75/Ac/Yr</p> <p>Increased Revenue:</p> <p>Wheat yield increase</p> <p style="padding-left: 40px;">2 Bushel* \$6.00/Bushel = \$12/Ac/Yr</p> <p>Other:</p> <p>Assist meeting environmental goals</p> <p>Improved soil & water quality</p> <p>Wildlife recreation opportunities</p> <p>Additional time to pursue other activities</p> <p>Total Dollar Benefits = \$87/Ac/Yr</p> | <p>Increased Costs:</p> <p>Residue Management</p> <p style="padding-left: 40px;">Purchase no-till equipment \$259,000</p> <p style="padding-left: 40px;">6%, 20 Years, 500 Acres = \$45/Ac/Yr</p> <p style="padding-left: 40px;">(Possible wildlife management costs)</p> <p>Reduced Revenue:</p> <p>None</p> <p>Other:</p> <p>Increased risk with new crop management</p> <p>Increase in trespassing to view wildlife</p> <p>Total Dollar Costs = \$45/Ac/Yr</p> |

Note: The conservation management unit is a small grain cropland. The field is located on a major migratory waterfowl flyway. Before any conservation treatment, the field is being cultivated under a conventional wheat-fallow crop rotation and management.