

# Economic Systems

Economic Systems

## V(A). Planned Program (Summary)

### 1. Name of the Planned Program

Economic Systems

## V(B). Program Knowledge Area(s)

### 1. Program Knowledge Areas and Percentage

KA Code	Knowledge Area	%1862 Extension	%1890 Extension	%1862 Research	%1890 Research
601	Economics of Agricultural Production and Farm Management	30%	30%	30%	
602	Business Management, Finance, and Taxation	25%	25%	25%	
604	Marketing and Distribution Practices	5%	5%	5%	
605	Natural Resource and Environmental Economics	25%	25%	25%	
607	Consumer Economics	15%	15%	15%	
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

## V(C). Planned Program (Inputs)

### 1. Actual amount of professional FTE/SYs expended this Program

Year: 2008	Extension		Research	
	1862	1890	1862	1890
<b>Plan</b>	14.0	9.0	7.0	0.0
<b>Actual</b>	13.0	9.0	10.0	0.0

### 2. Actual dollars expended in this Program (includes Carryover Funds from previous years)

Extension		Research	
Smith-Lever 3b & 3c 389579	1890 Extension 273218	Hatch 307921	Evans-Allen 0
1862 Matching 984672	1890 Matching 273218	1862 Matching 3122382	1890 Matching 0
1862 All Other 139569	1890 All Other 145365	1862 All Other 1083849	1890 All Other 0

**V(D). Planned Program (Activity)****1. Brief description of the Activity**

We plan to conduct a multiplicity of educational programs and utilize applied research projects to enhance the knowledge base of targeted citizens in North Carolina and other designated areas. This will involve conducting programs that organize farm management schools, conduct meetings on topics such as risk management, net profit calculations, tax preparer schools, and conduct feasibility studies that examine the economics of alternative and traditional enterprises. We will conduct Research projects and Extension programs that provide economic decision support for sustainable agricultural commodities and products that feature changing and new technologies, evaluation of alternative incentive-based systems, risk aversion, public policy, rural communities and labor markets.

**2. Brief description of the target audience**

Agribusiness personnel, tax preparers, financial advisors, limited resource farmers (active, new and potential), farm managers, rural appraisers, supply chain operators, county agents, colleagues, and state department of agriculture specialists, and commodity association board members.

**V(E). Planned Program (Outputs)****1. Standard output measures****Target for the number of persons (contacts) reached through direct and indirect contact methods**

	<b>Direct Contacts Adults</b>	<b>Indirect Contacts Adults</b>	<b>Direct Contacts Youth</b>	<b>Indirect Contacts Youth</b>
<b>Year</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>Plan</b>	3000	4000	400	800
2008	3690	6530	620	775

**2. Number of Patent Applications Submitted (Standard Research Output)****Patent Applications Submitted**

**Year Target**

**Plan: 0**

2008: 0

**Patents listed****3. Publications (Standard General Output Measure)****Number of Peer Reviewed Publications**

	<b>Extension</b>	<b>Research</b>	<b>Total</b>
<b>Plan</b>	1	1	
2008	25	91	116

**V(F). State Defined Outputs**

**Output Target**

**Output #1**

**Output Measure**

Number of Non-degree credit activities

<b>Year</b>	<b>Target</b>	<b>Actual</b>
2008	80	50

**Output #2**

**Output Measure**

Number of county and area tax preparer schools

<b>Year</b>	<b>Target</b>	<b>Actual</b>
2008	24	26

**Output #3**

**Output Measure**

Registered attendees at estate planning, legal advice, and financial management schools

<b>Year</b>	<b>Target</b>	<b>Actual</b>
2008	300	1345

**Output #4**

**Output Measure**

Enrollees for the Natural Resource Leadership Institute year-long training

<b>Year</b>	<b>Target</b>	<b>Actual</b>
2008	15	27

**Output #5**

**Output Measure**

Integrated Research Projects Conducted

<b>Year</b>	<b>Target</b>	<b>Actual</b>
2008	6	7

**V(G). State Defined Outcomes**

<b>O No.</b>	<b>Outcome Name</b>
1	Tax preparers gain needed knowledge for return preparation by attending workshops conducted throughout North Carolina.
2	New organic and agritourism markets established by individual entrepreneurs
3	Growers Adopting Improved Business Management Practices

**Outcome #1**

**1. Outcome Measures**

*Not reporting on this Outcome for this Annual Report*

**2. Associated Institution Types**

**3a. Outcome Type:**

**3b. Quantitative Outcome**

Year	Quantitative Target	Actual
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**3c. Qualitative Outcome or Impact Statement**

**Issue (Who cares and Why)**

**What has been done**

**Results**

**4. Associated Knowledge Areas**

KA Code	Knowledge Area
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**V(H). Planned Program (External Factors)**

**External factors which affected outcomes**

- Natural Disasters (drought, weather extremes, etc.)
- Economy
- Appropriations changes
- Public Policy changes
- Government Regulations
- Competing Public priorities
- Populations changes (immigration, new cultural groupings, etc.)

**Brief Explanation**

An extreme drought throughout 2007 that continued into 2008 with a huge adverse impact on row, hay, and nursery crops coupled with the highly volatile commodities market, inputs costs, and economic downturn has required that every business management efficiency be exercised in record keeping, production, and financial management to meet the demanding challenges faced in the simple survival of farm units. Further, commodity prices that reached levels almost previously unknown has resulted in the need for highly informed decisions regarding enterprise mix and allocation of resources. Of course, ever advancing technologies has led to the need for increased computer competencies, as well as other technological innovations such as precision farming, and the resultant need for accurate decision making regarding the use of such technologies, and the exercise of keen marketing skills.

## **V(I). Planned Program (Evaluation Studies and Data Collection)**

### **1. Evaluation Studies Planned**

After Only (post program)

Retrospective (post program)

Before-After (before and after program)

During (during program)

Case Study

Comparisons between program participants (individuals,group,organizations) and non-participants

Comparisons between different groups of individuals or program participants experiencing different levels of program intensity.

Comparison between locales where the program operates and sites without program intervention

Other (economic impact of drought on agricultural income)

### **Evaluation Results**

Based on survey information provided by county agents, the unadjusted total economic loss of drought on North Carolina agriculture was \$500 million (last 6 months of 2007 and first 6 months of 2008). Long-term economic impacts were noted for the nursery industry, beef cattle, and dairy industries. Crop insurance premiums paid by growers was \$43 million (plus \$65 million in federal government insurance subsidies) resulted in a net economic loss due to drought of \$436 million. Using the standard economic income multiplier value of 1.5, then the economic loss from the drought was in excess of \$650 million over the period. Longer term, reduce water restrictions imposed by cities and towns will reduce demand for outside shrubs and woody ornamental plants so producers remain impacted by longer-term drought policies enacted by policymakers. Economic impact information about the drought was presented to members of the North Carolina General Assembly Drought Committee in 2008.

### **Key Items of Evaluation**

Note the long term effects of the NC drought that occurred in NC in 2007 and in some areas of the state in 2008 based on the above study.