

V(A). Planned Program (Summary)

Program # 4

1. Name of the Planned Program

Economics, Marketing and Policy

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	20%		18%	
602	Business Management, Finance, and Taxation	20%		12%	
603	Market Economics	20%		7%	
604	Marketing and Distribution Practices	5%		5%	
605	Natural Resource and Environmental Economics	10%		16%	
606	International Trade and Development	0%		11%	
608	Community Resource Planning and Development	20%		10%	
609	Economic Theory and Methods	0%		10%	
610	Domestic Policy Analysis	5%		6%	
611	Foreign Policy and Programs	0%		5%	
	Total	100%		100%	

V(C). Planned Program (Inputs)

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

Year: 2010	Extension		Research	
	1862	1890	1862	1890
Plan	36.0	0.0	11.0	0.0
Actual	25.6	0.0	5.0	0.0

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

Extension		Research	
Smith-Lever 3b & 3c	1890 Extension	Hatch	Evans-Allen
1197618	0	419111	0
1862 Matching	1890 Matching	1862 Matching	1890 Matching
1197618	0	418704	0
1862 All Other	1890 All Other	1862 All Other	1890 All Other
0	0	3399275	0

V(D). Planned Program (Activity)

1. Brief description of the Activity

Research program activities to:

- Identify current and emerging key public policy issues on trade, environmental, agricultural and food issues important to Michigan and analyze responses.
- Conduct research and education to improve the operations, business and financial management skills of Michigan producers so they can make decisions that are more sound financially and environmentally.
- Evaluate the competitiveness and marketing strategies of Michigan farm markets, greenhouses and other green industry retailers.
- Identify and evaluate human resources management practices in Michigan agricultural and green industries.
- Develop a framework to understand and analyze domestic and international trade policies and assess their impact on Michigan.
- Evaluate how Michigan citizens use the Internet when searching for information about a vacation destination or planning a vacation.
- Determine rationale for farmland preservation choices and how changes will affect the Michigan tax base.
- Develop models to estimate the demand for and value of recreational fisheries and wildlife resources.
- Identify and evaluate the policy, technology and marketing issues faced by Michigan organic growers and develop responses.

Extension program activities to:

- Teach financial management skills, business organization, estate planning, management information systems, strategic management, alternative sustainable production and marketing systems to agriculture and natural resources producers and businesses.
- Assist agencies, organizations, local governmental units and individuals in pursuing a cultural economic development strategy.
- Offer business retention and expansion support.
- Help people recognize, understand and appreciate multicultural differences.
- Provide entrepreneurship education to a broad audience, including individuals, business owners, youth and communities.
- Offer communities consultative, diagnostic and educational assistance in planning and zoning to meet community land-use goals.

2. Brief description of the target audience

Agriculture and natural resources producers and industry representatives, tourism industry representatives, risk assessors, regulatory agency representatives, local, state and federal elected officials and policymakers, other researchers and academics, and the interested public.

V(E). Planned Program (Outputs)

1. Standard output measures

2010	Direct Contacts Adults	Indirect Contacts Adults	Direct Contacts Youth	Indirect Contacts Youth
Plan	5410	10800	0	0
Actual	3982	7964	0	0

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

Patent Applications Submitted

Year: 2010
 Plan: 1
 Actual: 0

Patents listed

No patent applications submitted for this reporting period.

3. Publications (Standard General Output Measure)

Number of Peer Reviewed Publications

2010	Extension	Research	Total
Plan	0	30	
Actual	0	30	30

V(F). State Defined Outputs

Output Target

Output #1

Output Measure

- Number of research programs on economics, marketing and policy.

Year	Target	Actual
2010	29	18

Output #2

Output Measure

- Number of adult participants trained in economics of agricultural production and farm management.

Year	Target	Actual
2010	800	507

Output #3

Output Measure

- Number of adult participants trained in business management, finance and taxation.

Year	Target	Actual
2010	1500	856

Output #4

Output Measure

- Number of adult participants trained in natural resource and environmental economics.

Year	Target	Actual
2010	1500	1031

Output #5

Output Measure

- Number of adult participants trained in community resource planning and development.

Year	Target	Actual
2010	1610	1588

Output #6

Output Measure

- Number of youth trained about starting businesses and entrepreneurship.

Year	Target	Actual
2010	{No Data Entered}	35

V(G). State Defined Outcomes

V. State Defined Outcomes Table of Content

O. No.	OUTCOME NAME
1	Number of adult participants trained in economics of agricultural production and farm management.
2	Number of adult participants trained in business management, finance and taxation.
3	Number of adult participants trained in natural resource and environmental economics.
4	Number of adult participants trained in community resource planning and development.
5	Number of research programs to identify current and emerging key public policy issues on trade, environmental, agricultural and food issues important to Michigan and analyze responses.
6	Number of research programs to improve the operations, business and financial management skills for Michigan producers so they can make decisions that are more sound financially and environmentally.
7	Number of research programs to evaluate the competitiveness and marketing strategies and human resources management practices of Michigan farm markets, greenhouses and other green industry retailers.
8	Number of research programs to develop a framework to understand and analyze domestic and international trade policies and assess their impact on Michigan.
9	Number of research programs to develop models to estimate the demand for and value of recreational fisheries and wildlife resources.
10	Number of research programs to identify and evaluate the policy, technology and marketing issues faced by Michigan organic growers and develop responses.
11	Number of youth that increase knowledge about business and entrepreneurship.

Outcome #1

1. Outcome Measures

Number of adult participants trained in economics of agricultural production and farm management.

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Quantitative Target	Actual
2010	700	456

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

One of the top priorities of the Five-year Issues Identification process was helping farmers become more profitable.

What has been done

One example, MSU Extension developed workshops that addressed best business practices for soy bean producers. Over 255 producers were trained.

Results

Summarized the more than 100 returned surveys. The results are listed below:

94% found the information contained in their reference notebooks to be beneficial to their businesses.

93% of the respondents utilized information or implemented new management practices they learned from

the presentations given at the programs

55% indicated that the information or practices they implemented actually saved or earned them additional money.

The average amount of money they actually earned or saved was \$14.71 per acre on 19,561 acres.

The actual financial impact of the 2008 and 2009 educational programs was \$287,722.00.

4. Associated Knowledge Areas

KA Code	Knowledge Area
601	Economics of Agricultural Production and Farm Management

602 Business Management, Finance, and Taxation

Outcome #2

1. Outcome Measures

Number of adult participants trained in business management, finance and taxation.

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Quantitative Target	Actual
2010	1275	1322

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Cash flow and income tax management is a primary need of agricultural producers as they are on the cash accounting system versus on the accrual, so they have much ability to manage their income taxes from year to year. Families and lenders need a good tax management and cash flow in order to allow the business to survive and prosper.

What has been done

MSUE provides training that assist individuals and firms to take control of input and output recordkeeping systems along with the supporting financial data to improve profitability.

Results

Evaluation of the Telfarm tax management training found producers saved on an average over \$10,000 per farm. As a result, the participants in 2010 gained approximately \$2,360,000 in delayed income tax. Producers learned the necessary management skills and strategies that can help them achieve their tax management goals. Many tax changes in the depreciation system allow for fast depreciation, enabling a significant reduction in the taxable income.

4. Associated Knowledge Areas

KA Code Knowledge Area

- 601 Economics of Agricultural Production and Farm Management
- 602 Business Management, Finance, and Taxation

Outcome #3

1. Outcome Measures

Number of adult participants trained in natural resource and environmental economics.

Not Reporting on this Outcome Measure

Outcome #4

1. Outcome Measures

Number of adult participants trained in community resource planning and development.

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Quantitative Target	Actual
2010	1368	1227

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

One example, The local need included assisting Hematite Township officials requesting assistance with coordinating business assistance that included bonding opportunities, grant requests, funding assistance, industrial development establishment, employee skill training and the coordination required to administer the project. Stakeholder input included establishing an Industrial Development within the Township of Hematite.

What has been done

MSU Extension assisted throughout the decision process of this business development.

Results

The impact of the project was the retention of 11-15 jobs in the community and creation of 30 additional jobs. Funding for this project included Private investment of \$8.2 Million for a new building and state of the art equipment. Michigan Economic Development Corporation assistance of \$600,000 toward a water line extension required for fire safety and business needs in the

sawmill. Michigan Department of Transportation road improvement of approximately \$160,000 submitted by the Iron County Road Commission with a local community match of \$40,000 to be provided by the Iron County Economic Development Corporation. USDA Rural Development assistance with water line extension funding in the form of low interest loans up to \$200,000 to Hematite Township. Escanaba Lake Superior, MDOT and Pine River Hardwoods, LLC rail improvements at approximately \$235,000.

4. Associated Knowledge Areas

KA Code	Knowledge Area
608	Community Resource Planning and Development

Outcome #5

1. Outcome Measures

Number of research programs to identify current and emerging key public policy issues on trade, environmental, agricultural and food issues important to Michigan and analyze responses.

2. Associated Institution Types

- 1862 Extension
- 1862 Research

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Quantitative Target	Actual
2010	6	4

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Public policy has taken on considerable importance to the future of agriculture. The farmer's historic struggle was with the forces of nature and the marketplace, and government policy played a minor role. Government policy at all levels now is a major player in agriculture, especially related to agriculture as an important economic asset -- the sustainability of a productive agricultural sector balanced with the preservation of environmental quality and the importance of prime farmland with respect to the continued viability of the rural economy and of rural lifestyles.

What has been done

Research to: identify current and emerging key public policies that address trade, environmental, agricultural and food issues of particular concern to policy makers, taxpayers, consumers, business persons and producers; develop and extend knowledge concerning the role of legal and economic analysis on environmental and natural resources management; develop, extend and apply economic and ecological theory to analyze economic and ecological tradeoffs associated

with ecological problems; and help understand what forces spark Michigan food system conflict and how these conflicts can be transformed into opportunities for citizenship.

Results

Research exploring how the media - as an agent of social influence - frames conflict around biofuels, found that the media constructed three distinct frames in their efforts to shape public discourse: economic development, environment and national security. Findings showed that, in their efforts to construct meaning around biofuels, the media draw on frames that are coded with symbolic meanings to leverage their positions/interpretations of biofuels' relative usefulness to society.

4. Associated Knowledge Areas

KA Code	Knowledge Area
601	Economics of Agricultural Production and Farm Management
605	Natural Resource and Environmental Economics
608	Community Resource Planning and Development
610	Domestic Policy Analysis

Outcome #6

1. Outcome Measures

Number of research programs to improve the operations, business and financial management skills for Michigan producers so they can make decisions that are more sound financially and environmentally.

2. Associated Institution Types

- 1862 Extension
- 1862 Research

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Quantitative Target	Actual
2010	7	6

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Research that enhances knowledge and informs risk analysis and management strategies and tactics related to the causes and effects of price, yield and revenue risk in productin agriculture and the costs of alternative strategies is critical to the long-term sustainability of the agrifood industry.

What has been done

Research to: analyze the ways in which social structures and processes influence the sustainability of animal agriculture and fisheries in Michigan; discern the relationship between entrepreneurship and innovation; examine the causes and consequences of Michigan state and local government fiscal challenges; analyze farm business and financial risk profile and performance in a rapidly changing environment; and identify strategies and policies to accelerate the adoption of entrepreneurial practices among Michigan agrifood stakeholders.

Results

A local government fiscal data web portal for the state of Michigan has just been completed. The site is designed so that researchers, policymakers and the interested public can use the site to obtain important local government information that will be used in assessment and decision making.

4. Associated Knowledge Areas

KA Code	Knowledge Area
601	Economics of Agricultural Production and Farm Management
602	Business Management, Finance, and Taxation
604	Marketing and Distribution Practices

Outcome #7

1. Outcome Measures

Number of research programs to evaluate the competitiveness and marketing strategies and human resources management practices of Michigan farm markets, greenhouses and other green industry retailers.

2. Associated Institution Types

- 1862 Extension
- 1862 Research

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Quantitative Target	Actual
2010	3	3

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Management of personnel and human resources has changed over the past three decades, partially due to increasing employment legislation, education issues, employee awareness, and

changes in demographics. As competitors strive to win the war for talent, effective human resource management is necessary to gain true competitive advantage in the marketplace.

What has been done

Research to: analyze human resource management practices in agriculture, including recruitment, selection, training, evaluation, motivation, compensation and benefit systems, etc.; and profile and characterize consumers and markets for eco-friendly products.

Results

The Stewardship Index for Specialty Crops was created to help develop valid sustainability measures for agricultural labor management. It compares labor-related measures introduced by sustainability initiatives and measures used by different certification agencies and other organizations.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation
603	Market Economics
604	Marketing and Distribution Practices
608	Community Resource Planning and Development
609	Economic Theory and Methods

Outcome #8

1. Outcome Measures

Number of research programs to develop a framework to understand and analyze domestic and international trade policies and assess their impact on Michigan.

2. Associated Institution Types

- 1862 Extension
- 1862 Research

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Quantitative Target	Actual
2010	5	2

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

The ability to understand the economic, cultural and political factors of domestic and international trade policies in order to determine the likely changes in these policies and their consequent market impact is critical to a competitive, sustainable Michigan economy.

What has been done

Research to: provide economic analysis of agricultural production technologies and management practices related to the many agricultural enterprises important to farmers in Michigan; and better understand the entire supply chains of various horticultural products.

Results

Hedonic land valuation research comparing two methods for analyzing agricultural land sales data showed that recreational and water quality ecosystem services are the ones most highly valued through land prices, although certain other ecosystem services cannot properly be valued by this method.

Researchers developed a prototype math programming model of food and bioenergy crop choices in southern Michigan that predicts the quantities of biomass that profit-maximizing farmers would produce.

4. Associated Knowledge Areas

KA Code	Knowledge Area
601	Economics of Agricultural Production and Farm Management
605	Natural Resource and Environmental Economics
606	International Trade and Development
610	Domestic Policy Analysis
611	Foreign Policy and Programs

Outcome #9

1. Outcome Measures

Number of research programs to develop models to estimate the demand for and value of recreational fisheries and wildlife resources.

2. Associated Institution Types

- 1862 Extension
- 1862 Research

3a. Outcome Type:

Change in Action Outcome Measure

3b. Quantitative Outcome

Year	Quantitative Target	Actual
2010	2	3

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

The natural beauty and outstanding recreation opportunities provided by Michigan draw more than one million visitors a year. Improving ecological conditions and fisheries has the potential to enhance economic and recreational benefits. For this reason, it is important for natural resources and wildlife managers to understand the recreational demands and economic benefits stemming from these important resources in order to protect, sustain and market them.

What has been done

Research to: develop and extend economic models for estimating the demand for, and value of, recreational fisheries and wildlife resources; develop economic models and methods for estimating the public's preferences and values; apply economic models to resource management issues; and study issues related to the management of human resources in a commercial recreation and tourism context.

Results

A telephone survey of U.S. fisheries management agencies collecting human dimensions information from anglers revealed that, while most respondents ranked issues such as habitat degradation, access and facilities and declining angler participation as very or extremely important for their state's fishery, the majority of respondents ranked information on angler demographics, attitudes, opinions and motivations, and general public attitudes and opinions as only moderately important to current fisheries management decision making.

4. Associated Knowledge Areas

KA Code	Knowledge Area
603	Market Economics
605	Natural Resource and Environmental Economics

Outcome #10

1. Outcome Measures

Number of research programs to identify and evaluate the policy, technology and marketing issues faced by Michigan organic growers and develop responses.

Not Reporting on this Outcome Measure

Outcome #11

1. Outcome Measures

Number of youth that increase knowledge about business and entrepreneurship.

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Quantitative Target	Actual
2010	{No Data Entered}	35

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

With Michigan's economy in the challenging place where it is, there is a need across the state to prepare young people to be good money managers and prepared to be their own source of money (as an entrepreneur).

What has been done

MSUE developed program to increase the awareness & importance of financial and entrepreneurship education and empower youth to utilize the skills they learned to develop their own businesses in their local communities. Youth received financial education and entrepreneurship training through a small-group setting.

Results

Evaluation found that 75% of the youth learned about pricing products, 50% gained knowledge in how to use financial statements to make decisions, and 50% gained knowledge in how competitors impact a business, 62% gained knowledge about prototype development and break even points.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation

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
- Competing Programmatic Challenges
- Populations changes (immigration, new cultural groupings, etc.)

Brief Explanation

The economic challenges being faced by Michigan continue to affect these programs, particularly related to funding and staffing levels due to budget cuts, funding reallocations, appropriations changes and competing public priorities. Attrition and faculty departures have also had an impact on outcomes. For example, in the last reporting year, we have gone from 135 Hatch-funded faculty (representing 89.5 FTEs) to 108 Hatch-funded faculty (representing 77.1 FTEs). Further, because of the inclusion of the five new national priorities in this year's reporting, many of the projected numbers in our original planned programs had to be revised and, as a result, are skewed, significantly so in some cases. Five out of six of the original planned programs are included in the report, but a significant number (about 35 percent) were migrated into the new planned programs.

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

Evaluation Results

Key Items of Evaluation