Report and Recommendations

NORTHEAST MULTISTATE ACTIVITIES COMMITTEE MEETING

Via Teleconference

July 8, 2014 [Tuesday] - 11:00am to 12:00noon

Chair - Tim Phipps (WV)

In Attendance: Tim Phipps (WV), Cameron Faustman (CTS), Bill Hare (DC), Fred Servello (ME), Gary Thompson (PA) and Dan Rossi (NERA)

1. Request to approve the revised proposal, as per MAC's recommendations to include an economist and the additional objective as suggested by one of the peer reviewers. NE_TEMP2161: Environmental Impacts of Equine Operations, 10/2014-9/2019 [Renewal of NE1041]

   Technical Committee Response:

   Added Objective 6: Develop means of determining the impact of equine outreach programs, more specifically determination of BMP adoption rate.

   This will allow us to chart progress among producers who use extension services and/or implement BMP's with the assistance of extension or other service providers such as NRCS, state departments of agriculture, and etc. We will work with social scientists to determine adoption rates, what are the reasons for resistance to adoption, and how to develop programs to overcome this resistance. At our fall 2014 meeting we will discuss how we can begin to implement this objective.

   The following economists have joined the project team:

   Dr. Kenny Burdine
   Department of Agricultural Economics
   University of Kentucky

   Dr. Robin Brumfield
   Dept. of Agricultural, Food & Resource Economics
   Rutgers, The State University of New Jersey

   Action: MAC is pleased with the addition of the new objective and the two economists. MAC recommends approval of the proposal.

2. Request to approve the revised proposal, as per MAC's recommendation to include an economist.
NE_TEMP2144: Poultry Production Systems and Well-being: Sustainability for Tomorrow, 10/2014-9/2019 [Renewal of NE1042]

Technical Committee Response:

We have added the economic methodology to the proposal under item 3e and added 2 references, and an economist from North Carolina State University, Tom Vukina, had joined the project team.

3e. Economic implications of different production systems.

Where appropriate, production income and costs will be calculated and compared for research previously described. These analyses will assist producers when implementing the research knowledge generated from these studies.

The methodological approach frequently used in economics to evaluate projects or policy proposals is referred to as benefit-cost analysis. The approach relies on measuring benefits and costs of different scientific or engineering projects or regulation policy proposals, and if the benefits are larger than the costs, or if the so-called benefit-cost ratio is greater than 1, the project or policy passes the test and is recommended for adoption or approval.

The proposed methodology for conducting the benefit-cost analysis relies on the standard enterprise budgeting techniques (Boehlje and Eidman, 1984). A typical enterprise budget reflects two sides of the profitability equation: revenues and costs. The standard approach for estimating economic benefits (revenue side) is to look at the change in prices consumers would be willing to pay for the new or improved product or service. For example, the potential economic benefits associated with improved living conditions in confined animal production facilities would materialize if consumers' willingness to pay for this additional attribute would increase as the result of consumers' perception or as the result of some measurable product quality improvement. In most of the work in this project we will focus primarily only on the cost side of the profit equation, whereas the imputed values for total revenue will be calculated based on the break-even price, which implicitly assumes the zero-profit condition, for details see Vukina et al. (2014).

The cost estimation methodology typically involve three steps. In the first step, the baseline cost structure and the break-even price for the relevant commercial enterprise is established. In the second step, we analyze the impact of the new technologies or practices on the baseline cost structure. All aspects of the cost of production that could have an effect on the representative operation's baseline costs will be quantified to obtain the new cost structure and the new break-even price. The comparison of the new technology or practice and old (baseline) break-even prices will be expressed as a percentage increase or decrease in the break-even price relative to the baseline. In the third and final step, we try to calibrate the obtained results to capture possible economies of scale associated with different commercial sizes of targeted operations. To the extent that the analyzed project could have wider market implications, we rely on the partial equilibrium framework.

Action: MAC recommends approval of the proposal. The committee is pleased with the addition of the economist to analyze the cost effectiveness of new technologies and/or practices resulting from this multistate research collaboration.

3. Request to approve the proposal NE_TEMP2181: Adaptive Management for Improved Nutrient Management, 10/2014-9/2019 [Renewal of NEERA1002]

Note that the technical committee had changed the proposal title to "***Reporting Guidelines and Data Handling Protocols for Databases of Nitrogen Response Trials***".

Action: MAC recommends approval of the proposal with the modification to add "corn" in the title, i.e. "***Reporting Guidelines and Data Handling Protocols for Databases of Nitrogen Response Trials in Corn***". Tim Phipps is the Research Advisor. NEED will be requested to appoint an Extension Advisor.

4. Request to approve the proposal NE_TEMP2182: Biology, Ecology & Management of Emerging Disease Vectors, 10/2014-9/2019 [Renewal of NE1043]

   Action: MAC recommends conditional approval with the stipulation that the outreach component of the project be strengthened by providing more specifics on who the project is targeting. MAC is encouraging the technical committee to reach out and involve public medical professionals, veterinary entomologists and practitioners.

5. Request to approve the following Requests to Write (both are attached):

   5.1. Sustainable Farm Energy Production, Use and Efficiency [10/2014-09/2019]

   Action: MAC finds the topic highly relevant, but the Request did not have sufficient information to warrant moving it forward. MAC requests that the submission be revised following the format for the Request to Write by addressing the following:
   • The need, as indicated by stakeholders.
   • The importance of the work, and what the consequences are if it is not done.
   • The technical feasibility of the research.
   • The advantages for doing the work as a multistate effort.
   • What the likely impacts will be from successfully completing the work.

   Two or more stations should support the Request. Mention what states in the region intend to collaborate.

   5.2. Informed Decision-Making Project [10/2015-09/2020]

   Action: MAC commends the detailed justification given in the Request and recommends approval as an ERA with both Research and Extension advisors, and encourages reaching out widely to Land-grant institutions, particularly in the Northeast. A number of universities are already engaged and doing work in their institutions. MAC suggests capturing these in the literature citation and/or invite these experts, including human ecologists, as participants. MAC felt that involvement of the regional rural development centers is important, especially the Northeast Regional Center for Rural Development. There is an expectation for a strong Extension component in this multistate activity. This should be clearly expounded in the proposal. MAC also suggests that the title be revised to better reflect the purpose of the project. Is it for agriculture in general, or to address environmental and natural resource issues? This project will need both Research and Extension advisors.

6. NRSP Review Committee Report [see attached minutes of the NRSPRC meeting]

   MAC Chair Tim Phipps attended the NRSP-RC Meeting held on June 17 at Denver, CO. He briefly reported on the recommendations and highlighted topics that may need further discussion at the NERA meeting:

- NRSP_TEMP301/NRSP7- A National Agricultural Program for Minor Use Animal Drugs will be approved for a one-year funding ($325K), but must demonstrate that they have secured new (not in-kind) funds that are equal to or more than 2x the off-the-top funding requested prior to submitting another renewal proposal. See suggested change in NRSP Guidelines, Section IV.B

- NRSP_TEMP321- Database Resources for Crop Genomics, Genetics and Breeding Research approval pending formal response to NRSP-RC questions about database platform selection and communication with the National Animal Genome Research Program (NRSP-8) database manager. Approval of new project's budget of $398,631will exceed cap of $2M for total NRSPs. See suggested change in NRSP Guidelines, Section III. A. Recommendation to invest up to 1% of Hatch will bring cap up to $2.4M.

- Changes to the NRSP Guidelines:
  - Section III. A. General: Change bullet four under delegated authority to "delegate authority to the NRSP-RC to invest up to 1% of total Hatch Funding in NRSPs."
  - Section IV. B Management and Business Plan: Add the following "For the multistate program, including NRSPs; leveraging shall mean funding brought to bear on the project objectives regardless of source, not including in-kind support from host institution(s)."

- NRSP1-NIMSS will likely be increased. NRSPRC did not have estimated costs for the re-design of NIMSS at their meeting in Denver. The NRSP1 Committee will submit a request for a one-time ***additional*** funding of $215K (FY15), and $107K (FY16-17) for each year to cover maintenance. The current NRSP1 expires in 2016. A one-year project approval will be sought for FY2017 to allow signing a 3-year project with Clemson University.

7. 2014 National Multistate Research Award – for info only

   The Science and Technology Committee met on May 27 to discuss the following nominations for the 2014 National Multistate Research Award for Excellence.

   NCERA197 - Agricultural Safety and Health Research and Extension
   NE9 - Conservation and Utilization of Plant Genetic Resources
   S1049 - Integrated Management of Pecan Arthropod Pests in the Southern U.S.
   W2128 - Microirrigation for Sustainable Water Use

   W2128 was selected as this year's winner.

8. 2014 Joint NEED-NERA Planning Grant [see attached Draft RFA]

   A small group of NEED and NERA directors met by teleconference on June 30. The draft RFA will be discussed at the Joint NEED-NERA Meeting in Madison, WI.

9. Other Business

- Advisors are needed for the new projects above:
    - Extension Advisor for NE_TEMP2181: *Reporting Guidelines and Data Handling Protocols for Databases of Nitrogen Response Trials in Corn* [10/2014-09/2019]
    - Research and Extension Advisors for *Sustainable Farm Energy Production, Use and Efficiency* [10/2014-09/2019]
    - Extension Advisor for *Informed Decision-Making Project* – Margaret Smith will be approached to serve as the Research Advisor [10/2015-09/2020]

- NECC1014- Nanotechnology Risk Assessment
    - The project will expire in 2016, and had not been productive. Advisor Fred Servello has set of recommendations that he would like to present and discuss with the directors.

Current MAC members:

Tim Phipps, WV (2013-2016) – Chair until end Sept. 2014
Gary Thompson, PA (2012-2015)
Fred Servello, ME (2012-2015)
Bob Schrader, MA-Extension (2011-2014)
Bill Hare, DC-Extension (2012-2015)
Cameron Faustman, CTS (2014-2017)