



Dollars and Sense: Integrating Economics into WRAPS Projects

A WRAPS Economic Analysis can aid decision-makers by:

1. Analyzing the impact that watershed quality has on stakeholders
2. Estimating the benefits and costs of different best management practices (BMPs)
3. Identifying incentives available for BMP adoption
4. Developing cost-effective watershed management plans—biggest “Bang for the Buck”
5. Evaluating the effectiveness of the management plans—post-implementation

<p>As resources (soil, nutrients, etc.) leave the landscape, the quality of the watershed is impacted. The focus of a WRAPS Economic Analysis is on the:</p> <ul style="list-style-type: none"> ◆ Recreation impacts ◆ Water supply and quality impacts ◆ Property values impacts ◆ On-site productivity impacts ◆ Reservoir repair or replacement impacts 	<p>Assistance for Producers/Land Managers:</p> <ul style="list-style-type: none"> ◆ Decision-Assistance Tools to help decide which BMPs will work for their operation based on the economic benefits and costs of each BMP <ul style="list-style-type: none"> ◆ <i>K-State Vegetative Buffer Decision-Assistance Tool</i> will be released soon ◆ More to come down the line...
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One approach to cost-effective implementation of management practices: **BMP Auction**

- ◆ Producers compete by submitting bids to supply the buyer (e.g., state agency) with water quality (WQ) improvements
- ◆ Bids are ranked by amount of WQ improvements generated per dollar
- ◆ Producer who offers WQ improvements at lowest price is contracted with first
- ◆ Process repeated until a predetermined point is reached
- ◆ BMP Auction allows buyer to identify and purchase the most cost-effective WQ improvements for a specified budget

Take Home Message:

An Economic Analysis can provide watershed stakeholders with valuable information as they make management decisions which ultimately affect the quality of life within and around the watershed.

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