

Abstract

AN EVALUTATION OF RANCH AND FARM OPERATOR ATTITUDES TOWARDS
EMERGING ECOSYSTEM MARKETS IN CALIFORNIA AND EASTERN NORTH
CAROLINA

By

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This master's project adds to the body of research on potential participation in emerging markets for ecosystem services. In particular, it addresses two questions: 1) Are ranch and farm-operators interested in new payments for ecosystem service (PES) programs in California? 2) Are there differences in rancher and farm-operator attitudes between California and North Carolina? To answer these questions, a survey with 156 responses was analyzed to examine the similarities and differences in attitudes towards past, current, and future payments for ecosystem service programs in California. The survey examined the potential use of market-based incentives to encourage greater conservation efforts by private landowners. The results of this survey were then compared to the results from a similar survey in North Carolina.

The results show that ranch and farm operators are interested in potential payments for ecosystem service programs and that they will be more likely to participate in programs with *shorter* contract lengths and *higher* payment levels. Specifically, for every year added to the contracts \$.81/acre should be provided in additional compensation. The conservation organization was the preferred program administrator in California, followed by a private company, a federal agency, and a state agency. In North Carolina, the preferences for contract length and payments were similar, but the preference for program administrator was the exact *opposite*, with the state agency being the preferred administrator. The best predictors of potential participation in new PES programs in both states were age and total number of programs currently enrolled in. Young ranchers and farmers who are already enrolled in conservation programs are most likely to participate in future programs.

These results highlight the importance of understanding the preferences of potential participants before implementing new PES programs. In addition, preferences for PES programs may differ by state, and preferences for administrators may differ depending on local relationships. Lastly, outreach needs to be a significant component of payments for ecosystem service programs so that potential participants know *what* programs are available and *how* to enroll in them.

Approved

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