How CBEAR Works

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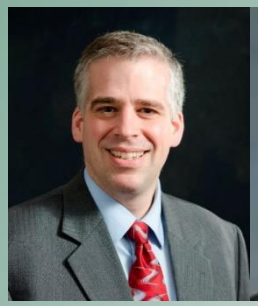

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What does CBEAR do?

- CBEAR was selected through a national competition and was funded by USDA's Economic Research in October 2014.

- CBEAR applies behavioral science and tests with experimental design to understand the values and decision-making process of farmers, ranchers, and landowners (**USDA's customers**).

- CBEAR works with agri-environmental program administrators to improve program design and environmental outcomes … *all while reducing program costs.*

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Project Flow

Program Design Question

Randomized Controlled Trials

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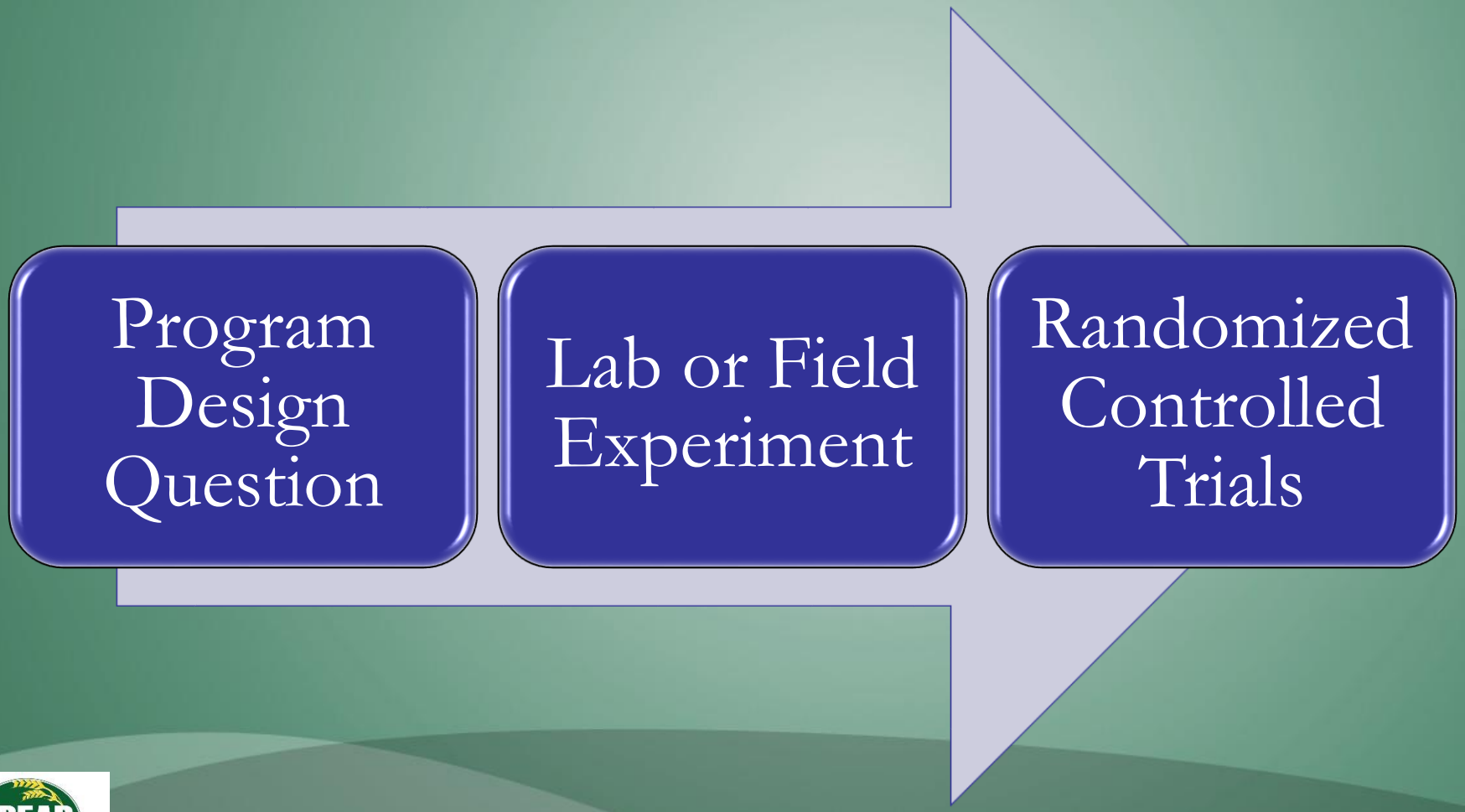
Project Flow



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Ongoing CBEAR projects

1. Cost-share in nutrient management programs in Delaware and Texas
   - Defaults <u>increased</u> the cost share that farmer's were willing to pay by 9 percentage points.
   - Social comparisons increased the likelihood of submitting a bid by 40.4%.

2. Developing cost-effective framing and nudges for voluntary water use reporting in Georgia.

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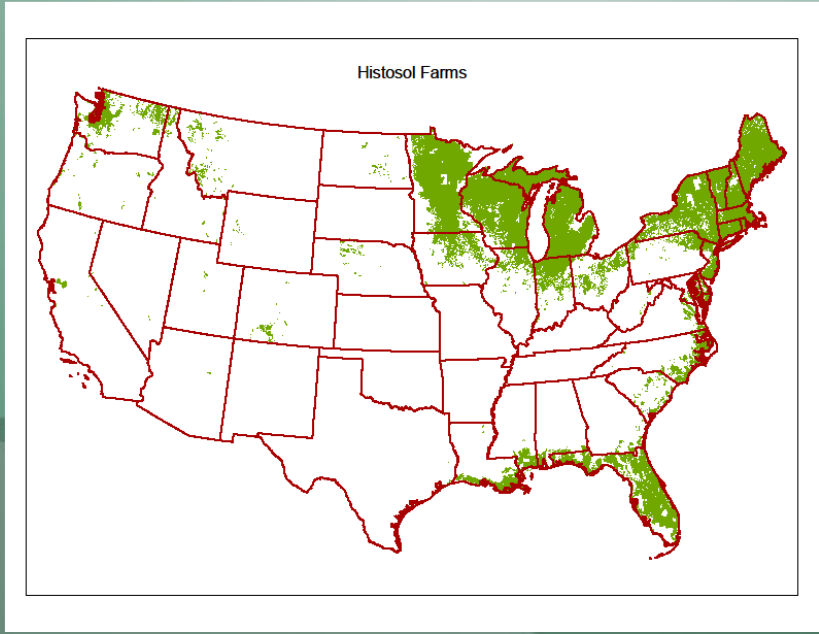
Ongoing CBEAR projects

3. Working with FSA and NRCS on a national effort to enroll farmers with histosol soils (high GHG emissions) in conservation programs.

4. Use of 'reverse' auctions and other cost-effective techniques to deliver more conservation for the same cost in county, state, and federal programs.



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Ongoing CBEAR projects

5. Benefits and challenge of using food labels related to agri-environmental production processes.

6. Increasing consumer demand in response to food products that have positive environmental externalities in the Chesapeake and Delaware Bays.

CAST Issue Paper Number 56 October 2015

Process Labeling of Food: Consumer Behavior, the Agricultural Sector, and Policy Recommendations

Process labels can effectively bridge the informational gap between producers and consumers, but such labeling often has serious unintentional consequences. (Background image from Joshua Rainey Photography/Shutterstock; Foreground image from Matthew Cole/Shutterstock [adapted].)

ABSTRACT

The simple phrase "You are what you eat" is commonly taught to children and then repeated throughout one's life. This phrase speaks to the intimate connection between individuals' food choices and their health—and even their personal identity. Yet most modern consumers rarely grow their own food, which means that what people "are" is a bit out of their control. Given today's predominantly global food supply chain, consumers have little ability to observe directly the production process that created the food they eat.

Consumers are frequently exposed to labels communicating specific processing aspects of food production, such as Certified Organic, Rainforest Alliance Certified, rbST free, Fair Trade, and Free of Genetically Modified Organisms. At the root of this phenomenon are the desires for individual control and a diffuse distrust in the safety and health of the food produced by modern agriculture. These desires are paired with concerns about the ethical, social, and environmental consequences of food production. Under appropriate third-party or governmental oversight, these "process labels" can effectively bridge the informational gap between producers and consumers, satisfy consumer demand for broader and more stringent quality assurance criteria, and ultimately create value for both consumers and producers. Despite these potential benefits, process labeling often has serious unintentional consequences. For instance, labeling the benefits of a process for a

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Ongoing CBEAR projects

7. Letters and social comparison to farmers encouraging CRP renewal.
   - If best message sent to all eligible farmers with expiring CRP contracts, an **additional 187,300 acres would enroll** in the CRP at a **cost of $0.15 per additional acre.**

8. How to effectively display water quality information to improve agri-environmental outcomes in Vermont, Rhode Island, and Delaware.

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How Can CBEAR Help You?

- What problems are you facing?
  - Low program participation?
  - Need to reach out to new constituents?
  - Resistance to a new program or initiative?
  - Challenges with program application process?
  - Adding an innovative evaluation piece for a RCPP proposal.
  - What technical assistance techniques work best.
  - OMB's call for "Evidence of Success"

- We can work together to improve program design <u>and measure the impacts</u>.

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How Much Does CBEAR Cost?

- USDA-ERS already has provided financial support for the time for CBEAR to develop designs.
  - I'm currently on part-time leave from UD to serve as Senior Scholar and advisor on behavioral science for USDA.
- Projects are developed in coordination with existing programs, thus program covers the payments to landowners as part of its normal operations.
- CBEAR gives priority to promising projects that have the necessary internal support, and data available to make the project come to fruition.

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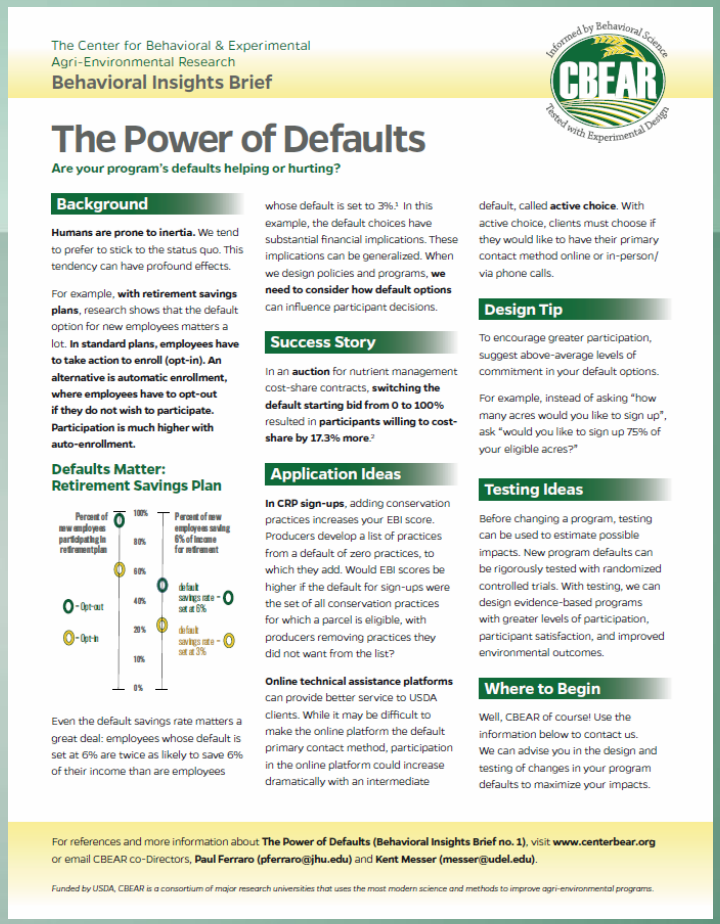
Learn More and Get Started

- Behavioral Insight Briefs
- Podcasts - "Nudges in the Right Direction"
  - Hosted by Michael McGrath
- Lunch & Learn sessions in DC
  - Webinars
- Call for collaborations
- Talk with us
  - Kent (302-831-1316)
  - Paul (410-516-5127)



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Behavioral Insights Brief

Informed by Behavioral Science · CBEAR · Tested with Experimental Design

The Power of Defaults

Are your program's defaults helping or hurting?

Background

Humans are prone to inertia. We tend to prefer to stick to the status quo. This tendency can have profound effects.

For example, **with retirement savings plans**, research shows that the default option for new employees matters a lot. **In standard plans, employees have to take action to enroll (opt-in). An alternative is automatic enrollment, where employees have to opt-out if they do not wish to participate. Participation is much higher with auto-enrollment.**

Defaults Matter: Retirement Savings Plan

Even the default savings rate matters a great deal: employees whose default is set at 6% are twice as likely to save 6% of their income than are employees whose default is set to 3%.[1] In this example, the default choices have substantial financial implications. These implications can be generalized. When we design policies and programs, **we need to consider how default options** can influence participant decisions.

Success Story

In an **auction** for nutrient management cost-share contracts, **switching the default starting bid from 0 to 100%** resulted in **participants willing to cost-share by 17.3% more.**[2]

Application Ideas

In CRP sign-ups, adding conservation practices increases your EBI score. Producers develop a list of practices from a default of zero practices, to which they add. Would EBI scores be higher if the default for sign-ups were the set of all conservation practices for which a parcel is eligible, with producers removing practices they did not want from the list?

Online technical assistance platforms can provide better service to USDA clients. While it may be difficult to make the online platform the default primary contact method, participation in the online platform could increase dramatically with an intermediate default, called **active choice**. With active choice, clients must choose if they would like to have their primary contact method online or in-person/ via phone calls.

Design Tip

To encourage greater participation, suggest above-average levels of commitment in your default options.

For example, instead of asking "how many acres would you like to sign up", ask "would you like to sign up 75% of your eligible acres?"

Testing Ideas

Before changing a program, testing can be used to estimate possible impacts. New program defaults can be rigorously tested with randomized controlled trials. With testing, we can design evidence-based programs with greater levels of participation, participant satisfaction, and improved environmental outcomes.

Where to Begin

Well, CBEAR of course! Use the information below to contact us. We can advise you in the design and testing of changes in your program defaults to maximize your impacts.

For references and more information about **The Power of Defaults (Behavioral Insights Brief no. 1)**, visit **www.centerbear.org** or email CBEAR co-Directors, **Paul Ferraro (pferraro@jhu.edu)** and **Kent Messer (messer@udel.edu)**.

Funded by USDA, CBEAR is a consortium of major research universities that uses the most modern science and methods to improve agri-environmental programs.

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For more information go to: www.centerbear.org

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