

Appendix 1: Model parameters for the agent-based model of farmer adoption of conservation practices

The following sections present the model used in this study following the ODD (Overview, Design concepts and Details) protocol (Grimm et al. 2006; Grimm et al., 2010).

Purpose

This model is designed to investigate the impact of alternative policy approaches and changing land tenure dynamics on farmer adoption of conservation practices intended to increase the water quality.

State variables and scales

The modeled environment consists of a two-dimensional grid space representing the abstract agricultural landscape of the Sandusky watershed. The ABM is coupled with a water quality model; therefore the specifics of the water quality model are taken into consideration during the setup phase of the ABM. For a better match with the water quality model, there are 351 farmers in the ABM. The model is run for annual steps of 41 years (1970-2010). Figure 1-1 shows the class diagram of the model.

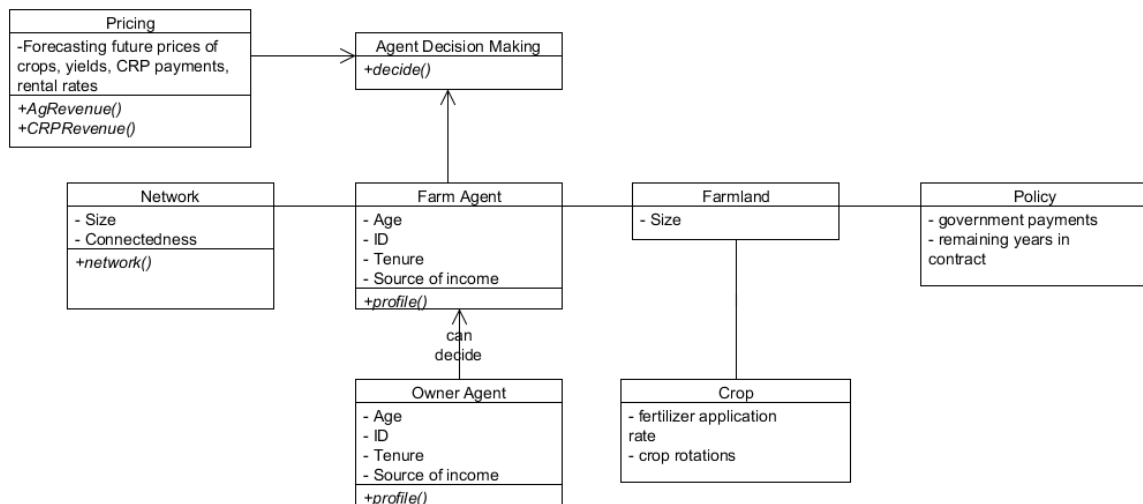
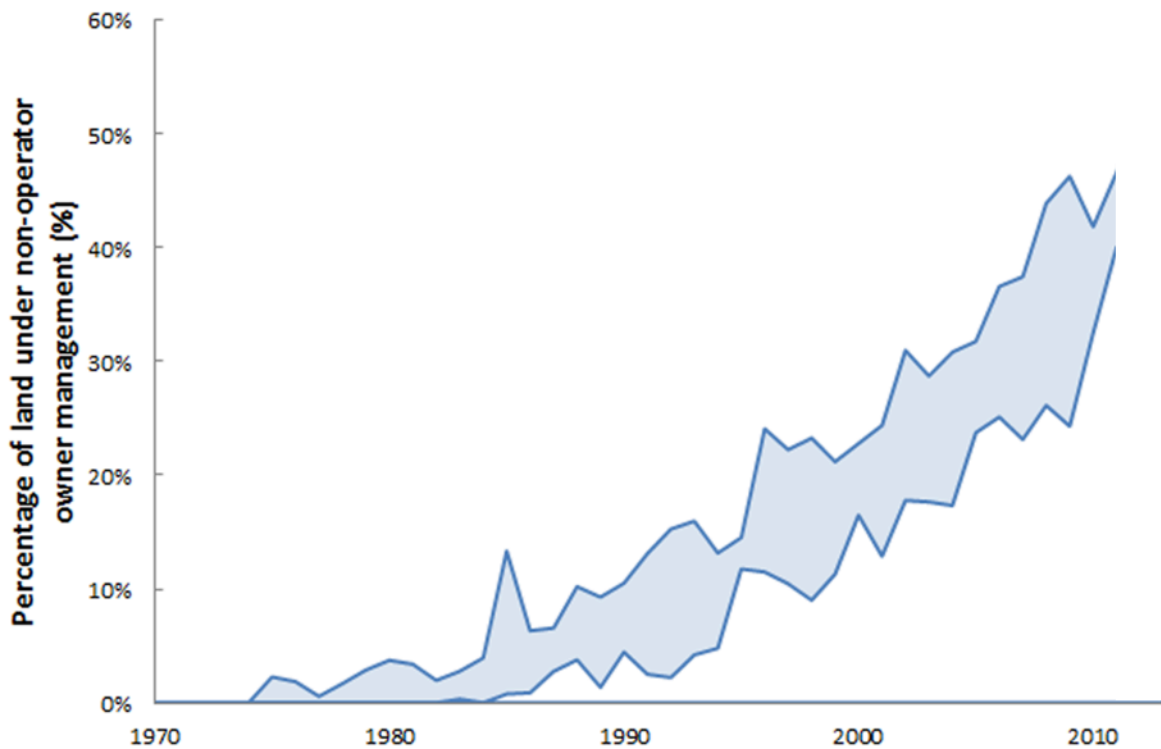


Figure 1-1: Class diagram of the ABM model

In the model, every farmer owns a farm and each has utility functions with bounded rationality. The farmers specialize in cash-crops such as corn, soybean or winter wheat. They have cash earnings from crop production or from enrollment in government programs. The

24 farmers have different land areas, crop yields, and future crop price and yield expectations. The
 25 farmers also maintain network connections to other farmers and government agencies with
 26 varying strengths. In most ABMs, agents are defined by their spatial location (Brown et al.
 27 2005); however, in this model the farmer agents do not change their location as time progresses.
 28 A farmer's location on the grid determines the spatial neighbors of that farmer. Some of the
 29 farmer attributes do not change during the simulations, such as the percentage of income derived
 30 from farming and connectedness to the network. However, as farmers age in every simulation
 31 run, some of them change their types. For example, after age 65 some of the traditional farmers
 32 leave the farming business and switch to be non-operator owners, or sell/rent their land to
 33 business-oriented or supplementary farmers. We assume supplementary and business-oriented
 34 farmers to not change their types as they age. This obviously also leads to an increase in the
 35 percentage of non-operator owners among the farmer population (Figure 3B, main text), as well
 36 as production area under their control (Figure 1-2).



37

38 **Figure 1-2: Percentage of land under non-operator owners' control increases. 25 ABM**
 39 **simulation runs fall between two lines of the same color.**

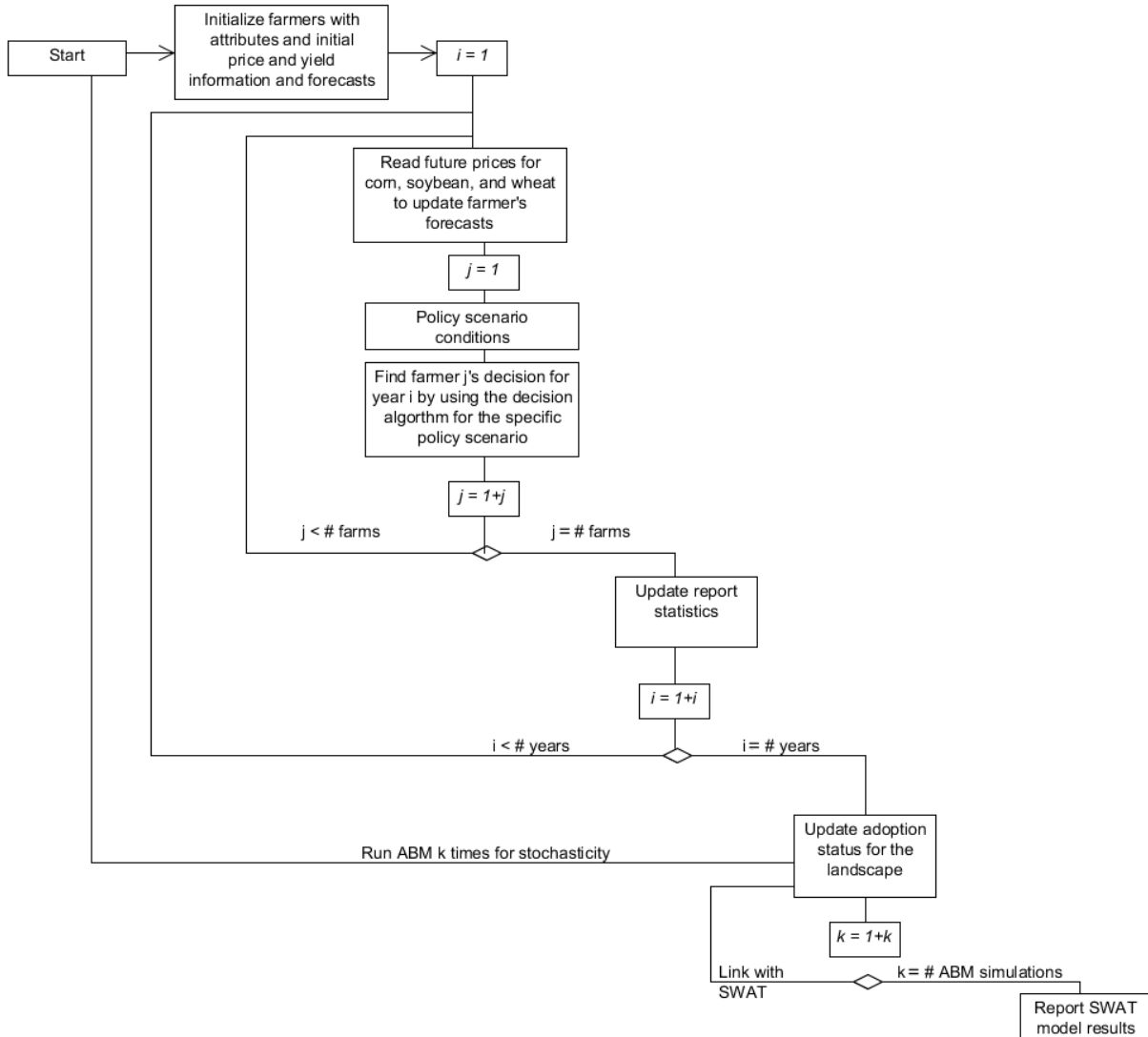
40

41 **Process overview and scheduling**

42 The diagram in Figure 1-3 gives the process overview and scheduling of the model. For each
 43 simulation, farmers annually update their adoption decisions under the influence of agricultural
 44 policy, changing land tenure dynamics, their preferences, and their neighbors' decisions. The

45 agent loop is equally important as the landscape update, which is the key mechanism that affects
 46 the water quality component of the coupled system (Figure 1-3).

47
 48 During the simulation phase, each farmer agent is provided with a behavioral model that
 49 guides the decision-making process. With the behavioral model and farmer attributes, the farmer
 50 agents decide whether to adopt a specific conservation practice or not. The results from the
 51 farmer agent decision update the management landscape.



52

53

Figure 1-3: Process overview and scheduling for a model run.

54 The decision-making algorithm consists of inputs from profit generated from the agricultural
 55 activity, enrollment in government programs, the farmer preferences for conservation practices
 56 depending on farmer type, and sometimes information from their spatial neighbors and other
 57 farmers in their social network. Every agent in the model uses the same decision algorithm with
 58 different parameters due to the heterogeneity of agents' preferences. Depending on their tenure

59 arrangements, decision makers could either be the owner or the tenant. Because of this
60 flexibility, this model is also used to investigate the possible impact of growing proportions of
61 farmland owned by non-operator owners and their influence on conservation decisions.

62 **Design Concepts**

- 63 • **Emergence:** The agricultural landscape of conservation practices emerges from the
64 individual decisions of farmers, which are informed by their economic activities, social
65 and spatial networks, preferences, and policies that they follow.
- 66 • **Adaptation:** Farmers adapt and update their decisions depending on price and yield
67 expectations for future years. Depending on their types, farmers have differing network
68 connectivity, which influences their conservation decisions. Farmers update their
69 conservation practice adoption decisions by interacting and observing other farmers and
70 due to changes in the agri-environmental policies and markets.
- 71 • **Prediction:** Farmers have expectations for future yields, crop prices, and rental rates
72 offered for land retirement programs by using the historic information. Farmers use these
73 forecasts for their adoption decisions every year.
- 74 • **Sensing:** Farmers know their production yields every year and their profit from that
75 year's production. Farmers also know whether their neighbors, both in their spatial and
76 social networks, adopted a practice.
- 77 • **Interaction:** Farmers interact to exchange information on adoption of conservation
78 practices. Every farmer type has varying network strength and connectivity.
- 79 • **Stochasticity:** The model has stochasticity built in several ways. Conservation practice
80 selection decision is stochastic, as the farmers are most likely to select the highest ranked
81 practice. However, as the farmers are not modeled as purely rational decision makers, the
82 highest ranking conservation practice is not always chosen. Moreover, to better represent
83 the decision environment, the submodels also have stochastic parameters to represent the
84 uncertainty and variability observed in nature. By using the agent decision-making
85 algorithm over the model run of 41 years, each agent has a sequence of conservation
86 practices adopted and resultant landscape changes.
- 87 • **Collectives:** Farmers are connected in two ways. In the spatial networks, farmers are
88 connected to their immediate spatial neighbors. In social networks, farmers are connected
89 to other farmers with varying strengths and connectivity. Network connections allow
90 farmers to observe whether other farmers in their network have adopted a conservation
91 practice.
- 92 • **Observation:** The model produces the conservation adoption patterns at the end of each
93 simulation.
- 94 • **Learning:** Bayesian inference used for updating price and yield expectations of farmers
95 is a form of learning.

96 **Initialization**

97 At the beginning of each model simulation, 351 farmers are created to represent the total of
98 approximately 7500 farmers in the Sandusky watershed. Because the ABM is linked to SWAT,
99 properties of SWAT are decisive. In SWAT, there are 351 agricultural HRUs, smallest
100 computation components; therefore in ABM we have 351 agents. The initial agent characteristics
101 are given in Table 1-1. The farmer typology built in Daloğlu et al. (2014) informs the farmer
102 preferences for conservation practices typologically.

103
104
105
106
107
108
109

The agricultural structure of the study area is defined by the number of farmers and their production areas. The parameters defining each farmer such as age, ownership of the land, percentage of income generated by agricultural activity, and land tenure arrangements are assigned from a normal distribution within a range that is informed by regional statistics provided by National Agricultural Statistics Service (NASS). Then, each farmer agent is associated with its appropriate type (Table 1-2).

110

Property	Meaning	The Model
Reactive	Responds to changes in the environment	Yes
Autonomous	Have control over its own actions	Yes
Temporally continuous	Continuous agent behavior	Yes
Communicative	Communicates with other agents	Yes
Mobile	Changes location from one to another	No
Flexible/Learning	Actions are not scripted, can change	Yes
Character	Believable personality with emotions	No
Interactive physically	Decisions affect other agents	Yes
Interactive socially	Decisions affect other agents	Yes
Goal oriented	Responsive to the environment	Yes

111

Table 1-1: Farmer agent properties*Farmer types*

<i>Policy-relevant farmer characteristics</i>	Traditional	Supplement ary	Business -oriented	Non- operator owners
Land Tenure	Full owner	Full/Part owner	Part owner	Non- operator owner
Farm Size	Small	Small	Medium to Large	N/A
Primary Source of Income	On-farm	Off-farm	On-farm	Off-farm
Information Networks	Moderately connected	Moderately connected	Most connected	Least connected

Table 1-2: Farmer types constructed by using policy-relevant farmer characteristics.**Input**

In every simulation run, the model reflects changes in the political and economic environment such as changes in agricultural policy and crop prices.

Submodels

Farmers are autonomous decision makers regarding conservation practice adoption. Below are the sub-model explanations that control farmers' adoption decisions. The algorithm includes subcomponents that model the profitability of the farm business, influence of farmer preferences, and connectedness of the farmers, both socially and spatially. A special attention is given to agricultural profit calculations and the social connectedness of the agents, as they play significant roles in agents' decision-making.

123

124 At each time step, which can be interpreted as a year, every farmer makes decisions
 125 regarding conservation practice adoption. Farmers can choose to adopt none or a combination of
 126 the practices. The practices available to farmers tackle the non-point source pollution by
 127 controlling the pollution source (nutrient management), trapping the soil particles before they
 128 reach water bodies (structural practices, i.e, filter strips), promoting long-term conservation
 129 covers (land retirement, CRP), and reducing soil disturbance (non-structural practices, i.e.,
 130 conservation tillage and no-till systems) (Table 1-3).

131
 132 Farmers’ adoption decisions have temporal consequences. That is, if a farmer enrolls in land
 133 retirement programs and signs a CRP contract, the commitment is a multi-year commitment,
 134 where in case of contract breach a penalty has to be paid. Similarly, adoption of structural
 135 practices such as filter strips requires a multi-year commitment as well because farmers receive
 136 economic incentives from the government. Adoption decisions of non-structural practices and
 137 nutrient management plans, however, are made on a yearly basis, and do not entail a penalty. In
 138 this model, we assume every farmer to be eligible for land retirement enrollment and every
 139 farmer who adopts structural practices to be eligible for 50% cost share incentive provided by the
 140 government.

141
 142 Adoption of structural and non-structural practices, land retirement enrollment, and
 143 participation in nutrient management plans are voluntary decisions. Each farmer determines
 144 whether to enroll in land retirement programs (such as CRP), to adopt certain conservation
 145 practices, or choose not to adopt any practice, depending on their farm’s overall objective. The
 146 overall objective is a combination of multiple objectives that include the profitability of the
 147 business, attitudes towards different conservation practices depending on farmer type, and
 148 influences of the spatial and social network. These objectives, each represented by a specific
 149 function, are combined in a single function that represents the overall utility of the farmer
 150 (Equation 1.1).

151
 152 Every period, the overall utility to a farmer for every conservation practice adoption option
 153 (e.g., no conservation practice at all, single conservation practice adoption or a combination of
 154 conservation practices) is calculated. The list of conservation practices and their combinations
 155 are given in Table 1-3.

156

<i>i</i>	Conservation practice
0	None
1	Non-structural practices (no-till)
2	Structural practices (filter strips)
3	Land retirement programs (CRP)
4	Nutrient management plans
5	Non-structural practices (no-till) & Structural practices (filter strips)
6	Non-structural practices (no-till) & Nutrient management plans
7	Structural practices (filter strips) & Nutrient management plans
8	Non-structural practices (no-till) & Structural practices (filter strips) & Nutrient management plans

157 **Table 1-3: Available conservation practices and their combinations to farmers.**

158 The decision algorithm combines all of the available information to the farmer and integrates
 159 for the adoption decision. This mechanism includes the profit generated from agricultural
 160 production, availability of government programs and policies, influence of the farmers'
 161 neighbors and farmers' intrinsic attributes. These are all combined within a utility function,
 162 $F_{\text{decide}}(i,j)$ for the conservation practice combination i and farmer j , which is a combination of 4
 163 sub-functions (Equation 1.1).

164
 165 Once the farmer calculates utility of each conservation practice, the values of utility are
 166 transformed into choice probability using logit model. Logit framework allows us to incorporate
 167 both uncertainty in decision-making and the bounded rationality of the farmers as it assigns
 168 probabilities to different options, where the probability of an inferior option could be non-zero
 169 (Equation 1.2).

$$171 \quad F_{\text{decide}}(i,j) = b_1 F_{\text{econ}}(i,j) + b_2 F_{\text{profile}}(i,j) + b_3 F_{\text{social}}(i,j) + b_4 F_{\text{spatial}}(i,j) \quad (1.1)$$

$$172 \quad \text{Selection_probability}(i,j) = e^{F_{\text{decide}}(i,j)} / \sum e^{F_{\text{decide}}(i,j)} \quad (1.2)$$

173
 174
 175 In every period, for every farmer (j), $F_{\text{decide}}(i,j)$ is calculated for all possible combinations of
 176 the conservation practices (i). In this function $F_{\text{econ}}(i,j)$ represents the agricultural profit generated
 177 with production, $F_{\text{profile}}(i,j)$, the intrinsic attributes of the farmer towards the given conservation
 178 practice combination, which is determined by its type, $F_{\text{social}}(i,j)$, the influence of the farmer's
 179 social network and $F_{\text{spatial}}(i,j)$, the influence of the spatial network, i.e. the farmer's neighbors.
 180 $F_{\text{social}}(i,j)$ and $F_{\text{spatial}}(i,j)$ are also influenced by the farmer typology. The weights (b) for each
 181 component are informed by the farmer typology and determined using a matrix method
 182 (Appendix C). One of the important modeling choices that incorporate the differences between
 183 the different farmer types is the assignment of the weights (b). These weights are assigned in
 184 such a way that the farmer types whose income source is solely farming, and the types with
 185 profit maximizing mindset (i.e., business-oriented farmers) put more emphasis to $F_{\text{econ}}(i,j)$, while
 186 farmers with more connection to the landscape (i.e., traditional farmers) put more emphasis on
 187 $F_{\text{profile}}(i,j)$. Because non-operators do not live in the county in which they own land, or they do
 188 not have a farming background, they are not connected to the information networks have no b
 189 values for F_{spatial} and F_{social} . More details on each component of the $F_{\text{decide}}(i,j)$ function is given in
 190 subsequent sections.

191 192 *1. Agricultural Profit Dynamics, $F_{\text{econ}}(i,j)$*

193 Farmers generate revenue by enrolling in land retirement programs and allocating land to the
 194 CRP or by crop production. If the farmer enrolls in land retirement programs, a fixed payment
 195 depending on the farm size and CRP rental rate is paid at the beginning of each year the farmer
 196 allocates land for retirement programs. There will be no further agricultural revenue generated
 197 from production for the farmer in that case, and that payment will be equal to $F_{\text{econ}}(i)$. Otherwise,
 198 the farmer's expected earning is calculated using the farm size, the price and yield of the crop
 199 that the farmer expects to get, governmental support for enrolling agricultural programs, and
 200 costs associated with production and conservation practice adoption. Single period profit
 201 function of a farmer producing a single crop is written below in two forms representing policy
 202 scenarios of with crop revenue insurance and without crop revenue insurance. In our models, the
 203 commodity payments such as direct payments are not represented explicitly.

204 $F_{econ}(i,j) = p(A-F)Y(z) + gF + rA - c$ (1.3)
 205 without crop revenue insurance program

206
 207 $F_{econ}(i,j) = p(A-F)Y(l, z) + gF + rA - c - p(l)$ (1.4)
 208 with crop revenue insurance program

209
 210 where $F_{econ}(i,j)$ is profit, p is farmer's expected crop price (corn, soybean or winter wheat), A
 211 is the production area (acres), Y is the farm's expected effective yield per acre, g denotes per acre
 212 economic incentive associated with structural practice adoption, F is total land allocated for
 213 structural practices, r is the CRP per acre payment to the farmer, z is a measure of fertilizer input
 214 on the farm, c is the total cost of production including cost of conservation practice adoption, p is
 215 the per acre premium rate for crop revenue insurance, and l is the level of insurance purchased.
 216 In this model we assume 75% coverage level for revenue insurance.

217
 218 Agricultural crop production generates revenue (market price multiplied by production size
 219 and expected yield). Agricultural profit dynamics also include government payments (such as
 220 payments to incentivize structural practice adoption), insurance indemnities if enrolled in crop
 221 revenue insurance program, and cost production including maintenance, input, and labor costs as
 222 well. To represent the agricultural production cost, a current farm budgeting model developed by
 223 Ohio and Iowa State Universities is adopted and adjusted to previous years using historic
 224 consumer price index.

225
 226 Practices that farmers adopt influence the size of the production area and expected yield;
 227 therefore they affect the expected agricultural profit. For example, when a farmer implements
 228 structural practices, the size of the filter strip is subtracted from the total size of the farm.
 229 Moreover, with nutrient management plans the expected yield decreases. Therefore, F_{econ} value
 230 for each conservation practice available in Table 1-3 is calculated separately.

231
 232 Expected Price and Yield: Expected prices and yield values heavily influence the resulting
 233 farm profit. These parameters are based on previous year's price and yield values and updated by
 234 each farmer influenced by their farmer type.

235
 236 In the model, for actual crop yields and prices historical values are used (available at
 237 <http://usda.mannlib.cornell.edu> and <http://www.farmdoc.illinois.edu>). In any given time, based
 238 on the actual previous crop yields and prices, farmers use Bayesian inference to form price and
 239 yield expectations. While a farmer's yield expectation is in the form of a point prediction, a
 240 probability distribution is formed for crop prices by taking the price expectation as the mean.
 241 Bayesian inference is a statistical approach used to update farmer's existing expectations against
 242 observed values of crop price and yield. The Bayesian inference allows farmers to be connected
 243 to agricultural markets and at the same time 'learn' with experience. Moreover, with Bayesian
 244 inference, we can represent the heterogeneity of farmers by setting different parameters for
 245 updating their priors for crop prices and yields depending on the farmer type. For example,
 246 traditional farmers are more anchored so that realization of outliers do not affect their
 247 expectations much while business-oriented farmers are better at following the fluctuations in the
 248 market.

249 Bayesian inference algorithm is run every year, hence farmers' perceptions for crop prices
250 and yields change annually. At the beginning of each year, farmers use publicly available price
251 and yield information from the previous year, their experiences and personalities to form future
252 price and yield expectations.

253

254 *2. Intrinsic typology attributes, $F_{profile}(i,j)$*

255 Farmer typology developed informs $F_{profile}$ values for each farmer type and conservation
256 practice (Daloğlu et al. 2014). $F_{profile}(i,j)$ lets farmers to adopt economically infeasible practices
257 because of their attitudes and preferences such as being a good citizen of the environment (Table
258 1-4). The synthesis of the adoption literature supports the $F_{profile}$ values, which change for every
259 practice and every farmer type. In other words, $F_{profile}$ is the variable representing the socio-
260 economic attributes of the agents including the source of income, impact of farm size and land
261 tenure arrangements in adoption decisions (Table 1-5).

Farmer Type	Land Management Attitudes
Traditional	<ul style="list-style-type: none"> - favor non-structural practices because of potential reduction in labor requirements → high $F_{profile}$ values - financial investment requirement leads to lower adoption rates for structural practices → low $F_{profile}$ values - secure income provided by land retirement programs is appealing → high $F_{profile}$ values
Supplementary	<ul style="list-style-type: none"> - favor non-structural practices because of potential reduction in labor requirements → high $F_{profile}$ values - substantial off-farm income leads to higher adoption rates for structural practices → high $F_{profile}$ values - secure income provided by land retirement programs is appealing → high $F_{profile}$ values
Business-oriented	<ul style="list-style-type: none"> - favor non-structural practices because of potential reduction in labor requirements → high $F_{profile}$ values - long-term plans and dependence on soil quality leads to higher structural practice adoption → high $F_{profile}$ values - focused on profitability, leading to low enrollment rates in land retirement programs → low $F_{profile}$ values
<p data-bbox="248 1331 529 1362">Non-operator owner</p> <p data-bbox="188 1367 583 1507"><i>Absentee landowners</i>: own the land but do not reside on or operate it (Petrzelka et al., 2011)</p> <p data-bbox="188 1512 583 1614"><i>Investors</i>: describe themselves as never having farmed (Nassauer et al., 2011).</p> <p data-bbox="196 1619 574 1654">Mutually exclusive subtypes.</p>	<ul style="list-style-type: none"> - favor non-structural and structural practices because of potential contribution to increased water quality → high $F_{profile}$ values - absentee landowners favor land retirement programs → high $F_{profile}$ values - investors have lower enrollment rates for land retirement programs → low $F_{profile}$ values

Table 1-4: Farmer typology and its influence on $F_{profile}$ values (adapted from Daloğlu et al. 2014)

266 The F_{profile} value for each farmer type and conservation practice is determined using
 267 prioritization matrix method and the synthesis of the adoption literature (Table 1-4, Daloğlu et al.
 268 2014). The prioritization matrix, also known as criteria matrix, provides a way of sorting a
 269 diverse set of items into an order of importance. It also enables their relative importance to be
 270 identified deriving a numerical value of the importance of each variable.
 271

i	F_{profile}				
	Traditional	Supplementary	Business-oriented	Investor	Absentee Landowner
0	0.90	0.36	0.28	0.00	0.00
1	0.68	0.49	0.74	1.00	1.00
2	0.00	0.06	0.20	0.37	0.60
3	1.00	1.00	0.00	0.48	0.17
4	0.43	0.17	0.43	0.13	0.12
5	0.10	0.22	0.36	0.55	0.72
6	0.51	0.17	1.00	0.30	0.31
7	0.08	0.17	0.28	0.55	0.62
8	0.07	0	0.31	0.86	0.63

272 **Table 1-5: F_{profile} values**

273 *3. Social and spatial network, $F_{\text{social}}(i,j)$ and $F_{\text{spatial}}(i,j)$*

274 To represent interactions between agents, there are several artificial social network structures
 275 such as lattice, small-world, scale-free and random networks. As little to no data is available for
 276 the historical and current social network structure of the farmers we chose to rely on artificial
 277 network structures. After a comparison of widely used social network structures, Hamill and
 278 Gilbert (2009) suggest a simple but at the same time sociologically realistic network structure.
 279 To represent the varying network connectedness of agents displayed in the farmer typology, this
 280 social network is suitable.

281
 282 Hamill and Gilbert (2009) base their network structure on the analogy of social circles. In
 283 the social network, agents are permitted to have links with other agents who can reciprocate. The
 284 agent population is divided into two circles with small and large social reaches. This network
 285 structure allows representing individuals who are more connected than rest of the population by
 286 placing them in the social circle that has larger social reach. When the social reach is larger, the
 287 size of the personal network would be larger as well. In our model, business-oriented agents are
 288 located in a social circle that has larger social reach than supplementary and traditional farmer
 289 agents which results in increased number of connections for business-oriented farmers. This
 290 network structure also allows us to connect business-oriented farmers more to other business-
 291 oriented farmers. Non-operator owners (investors and absentee landowners) are initially not
 292 connected to the social network. However, to demonstrate the potential impacts of information
 293 networks on non-operator owner decision, we simulate a scenario that assumes absentee
 294 landowners connect to the social network whereas investors connect to both spatial and social
 295 networks as they live close to the farmland that they own. Through the information networks
 296 (spatial and social networks), farmers observe their neighbors' adoption decisions.

297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336

Both $F_{\text{spatial}}(i,j)$ and $F_{\text{social}}(i,j)$ are calculated for every farmer for every possible conservation practice given in Table 1-2. F_{spatial} represents the percentage of Moore neighbors (the eight cells surrounding a central cell on a two-dimensional square lattice) adopting a certain conservation practice. Moore neighbors of a farmer comprise the immediate eight spatial neighbors that every farmer has, except the farmers on the edge of two-dimension grid space.

$$F_{\text{spatial}}(i,j) = \text{Neighbors}(i,j) / \Sigma \text{Neighbors}(i,j) \quad (1.5)$$

where $\text{Neighbors}(i,j)$ is the number of Moore neighbors that adopted the conservation practice combination j . That is, $F_{\text{spatial}}(i)$ is a measure of popularity of conservation practice combination i in the immediate neighborhood of the given farmer. Higher the popularity of a conservation practice in spatial sense, higher the probability of the farmer adopting that conservation practice.

F_{social} represents the percentage of neighbors adopting a certain conservation practice. Similarly, F_{social} is calculated for every possible conservation practice listed in Table 1-3. Connectedness in the social network is not uniform among the farmers. The number of connections of a farmer depends on its type. Moreover, among the farmers of a given type, the number of connections may differ, representing the heterogeneity of the farmers within the same type. However, the variation in the number of connections among the farmers of the same type is smaller than the variation between farmers of different types. For example, business-oriented farmers have higher number of social connections than the other farmers on average, while the connections of the business-oriented farmers are mostly to other business-oriented farmers. Traditional and supplementary farmers have lower number of connections. In a similar manner as $F_{\text{spatial}}(i,j)$, $F_{\text{social}}(i,j)$ measures the popularity of the conservation practice combination i among the parts of the social network that are connected to the given farmer. $F_{\text{social}}(i,j)$ can be written as follows:

$$F_{\text{social}}(i,j) = \text{Network}(i,j) / \Sigma \text{Network}(i,j) \quad (1.6)$$

where $\text{Network}(i,j)$ is the number of farmers that selected the conservation practice adoption i within the farmer j 's social network.

Non-operator owners (investors and absentee landowners) are not initially connected to spatial and social networks. Therefore, initially they have no influence of information networks on their conservation adoption decisions. When increased involvement of non-operator owners in decision-making is simulated, absentee-landowners are only connected to the social network and investors are connected to both spatial and social networks. For non-operator owners, social networks are assumed to be NGOs and government agencies leading to a positive influence.

337 **Policy Scenarios**

338 We simulated four scenarios intended to form a bridge between the science of land
 339 management and policy development (Table 1-6). The primary goal of these plausible policy
 340 scenarios is to be prospective and informative rather than projective or prescriptive of the future
 341 (Nassauer and Corry, 2004).
 342

		NON-OPERATOR INVOLVEMENT	
		NO	YES
CROP REVENUE INSURANCE	NO	1 <i>Baseline</i> Simplified representation of existing land tenure and policy context	2 <i>Non-operator owners involvement</i> Increased non-operator involvement in land management decisions
	YES	3 <i>Crop revenue insurance</i> Only operators are decision makers and crop revenue insurance is available as a risk management tool	4 <i>Crop revenue insurance with non-operator owner involvement</i> Both operators and non-operators owners are decision makers and crop revenue insurance is available as a risk management tool

343 **Table 1-6: Land management strategies tested under different agricultural policy and**
 344 **structure scenarios**

345 The *Baseline scenario* (1) represents a simplified version of existing land tenure where operators
 346 (traditional, supplementary and business-oriented farmers) are responsible for conservation
 347 practice adoption decisions and non-operator owners have no involvement in production and
 348 conservation decisions. In this scenario existing crop insurance programs are not represented and
 349 crop revenue insurance is not offered in lieu of commodity payments.
 350

351 The *Non-operator owner involvement scenario* (2) simulates the potential impact of non-operator
 352 owners being more involved in decisions about conservation practice adoption. This premise
 353 follows recent research that demonstrated positive attitudes of non-operator owners for certain
 354 conservation practices (Petzelka et al., 2009; Nassauer et al., 2011). In this scenario, we assume
 355 natural resource agencies and NGOs reach out to non-operator owners and effectively inform
 356 them about existing and available conservation practices.
 357

358 The *Crop revenue insurance scenario* (3) follows the latest US Farm Bill discussions about
 359 providing federally subsidized crop revenue insurance rather than commodity production
 360 subsidies. This scenario does not assume that conservation compliance is required for land to be
 361 eligible for crop revenue insurance. In this scenario, only operators are decision makers and they
 362 purchase crop revenue insurance at 75% coverage level for all the land that they manage
 363 including the rented land. Crop revenue insurance provides an accessible risk management tool
 364 to operators and at the same time encourages an increased production area.
 365

366 The *Crop revenue insurance with non-operator owner involvement scenario* (4) presents the
 367 plausible changes both in land tenure and policy by assuming non-operators owners as active
 368 decision makers when crop revenue insurance is offered in lieu of commodity payments. Crop

369 revenue insurance provides a safety net and indirectly motivates both operators and non-operator
370 owners to increase their production area.

371
372 Certain model parameters are changed depending on the policy scenario being investigated.
373 Appendix 3 has initial model parameter values and how we change these values for different
374 scenarios.

375 **Verification and Validation**

376 ABMs are informative rather than predictive and useful in investigating plausible scenarios
377 and their potential consequences. Model verification and validation are important steps that
378 contribute to the validity of the developed ABM. Model verification is the process of
379 determining whether the software implementation correctly represent model processes (Ormerod
380 and Rosewell, 2009). As the ABMs are powerful in illustrating the phenomena of emergence, it
381 is particularly difficult to determine whether an unexpected result is due to an error in the model
382 implementation and execution (Galan et al., 2009). Therefore the verification stage of the model
383 is particularly important. For the verification of the model, where the general aim is to make sure
384 that the model does not have programming errors, we built the model in several levels with
385 increasing complexity following unit testing approach (Linck and Frohlick, 2003) (Figure 1-4).
386 The unit testing approach suggests writing some test code to exercise the program
387 simultaneously writing the complete model code. The purpose is to construct the model in small,
388 self-contained units and check the results and make sure they align with expected results.

Level 1 Isolated World
- Developer creates owners, operators, and farmland
1 a) Farmers give adoption decisions using only profit generated from agricultural production (F econ). 1 b) Farmers add the influence of policy relevant characteristics to their decisions (F profile).
Level 2 Information Networks
- Developer creates owners, operators, and farmland - Spatial and social networks
- Farmers give adoption decisions with the influence of profit generated from agricultural production (F econ) and policy-relevant farmer characteristics (F profile) 2 a) Influence of spatial networks is added (F spatial) 2 b) Influence of social networks is added (F social)
Level 3 Information Networks + Policy and Land Tenure Changes
- Developer creates owners, operators, and farmland - Spatial and social networks - Agricultural policy and land tenure dynamics change to represent plausible future scenarios
- Farmers give adoption decisions with the influence of profit generated from agricultural production (F econ), policy-relevant farmer characteristics (F profile), and information networks (F spatial and F social) 3 a) Non-operators are involved in the decision making process and are connected to information networks 3 b) Crop revenue insurance is offered as a risk management tool.

389

390

Figure 1-4: Levels of ABM as a verification tool

391

392

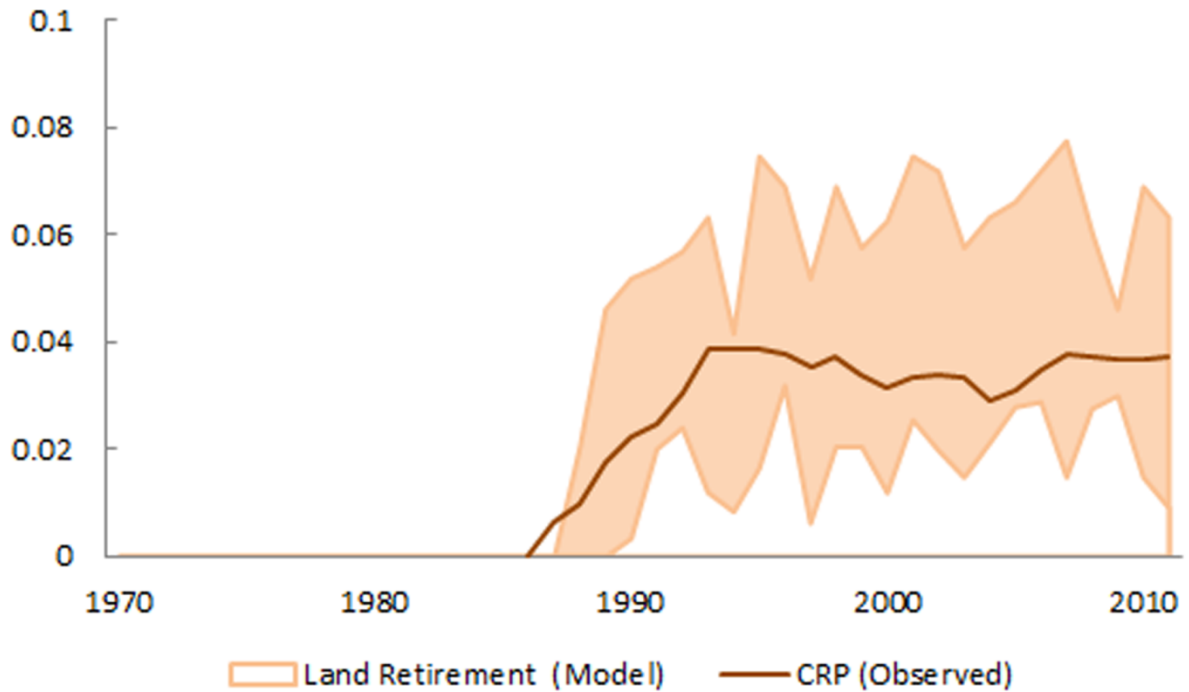
393

394

395

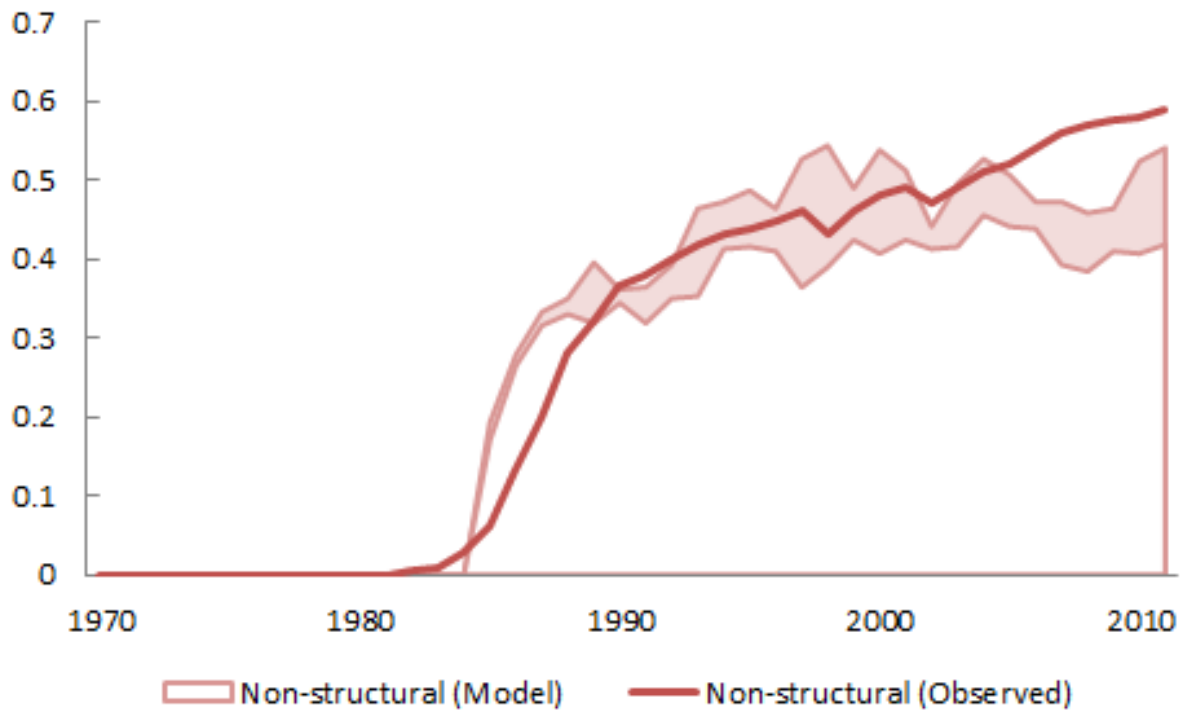
Model validation is the process of assessing the degree of which the model is accurately representing the real world interactions and dynamics (Ormerod and Rosewell, 2009). For the farmer typology, we synthesized the literature of conservation practice adoption (Daloğlu et al., 2014). Therefore, for model validation we used the documented trends in the Corn Belt. Synthesis of numerous studies conducted in the Corn Belt provides spatially and temporally

396 generalizable trends to compare and validate model results. Comparison of documented adoption
397 rates for non-structural practices (CTIC, 2012) and enrollment rates for land retirement programs
398 such as CRP (USDA, 2013) are within the simulated adoption rates (Figures 1-5 and 1-6). For
399 structural practices, we refer to empirical studies conducted in Ohio, which indicate 20-25%
400 adoption rates similar to ABM results (Napier et al., 2000; Napier and Bridges, 2003).



401

402 **Figure 1-5: Observed and simulated enrollment rates for land retirement programs**
403 **such as CRP in Sandusky watershed, OH (USDA, 2013). 25 ABM simulation runs fall**
404 **between two lines of the same color.**



405

406 **Figure 1-6: Observed and simulated adoption rates for non-structural practices such as**
 407 **conservation tillage and no-till in Sandusky watershed, OH (CTIC, 2012). 25 ABM**
 408 **simulation runs fall between two lines of the same color.**

409 **Literature Cited**

- 410 Brown, D.G., Riolo, R., Robinson, D.T., North, M., and Rand, W. 2005. Spatial process and data
411 models: Toward integration of agent-based models and GIS. *Journal of Geographical*
412 *Systems*. 7 (1): 25-47.
- 413 CTIC. 2012. The National Crop Residue Management Survey by Conservation Technology
414 Information Center (CTIC). Purdue University.
- 415 Daloglu, I., Nassauer, J.I., Riolo., R.L., Scavia, D. 2014. Development of a farmer typology of
416 agricultural conservation behavior in the American Corn Belt. *Agricultural Systems*.
417 DOI: 10.1016/j.agsy.2014.05.007
- 418 Galan, J. M., Izquierdo, L. R., Izquierdo, S. S., Santos, J. I., del, O. R., Lopez-Paredes, A., &
419 Edmonds, B. 2009. Errors and artefacts in agent-based modelling. *Journal of Artificial*
420 *Societies and Social Simulations*, 12, 1.
- 421 Grimm, V., Berger, U., Bastiansen, F., Eliassen, S., Ginot, V., Giske, J., Goss-Custard, J., Grand,
422 T., Heinz, S.K., Huse, G., Huth, A., Jepsen, J.U., Jorgensen, C., Mooij, W., Muller, B.,
423 Pe'er, G., Piou, C., Railsback, S.E., Robbins, A.M., Robbins, M.M., Rossmanith, E.,
424 Ruger, N., Strand, E., Souissi, S., Stillman, R.A., Vabo, R., Visser, U., DeAngelis, D. L.
425 2006. A standard protocol for describing individual-based and agent-based
426 models. *Ecological Modelling*, 198, 115-126.
- 427 Grimm, V., Berger, U., DeAngelis, D. L., Polhill, J. G., Giske, J., & Railsback, S. F. 2010. The
428 ODD protocol: A review and first update. *Ecological Modelling*, 221, 23, 2760-2768.
- 429 Hamill, L., & Gilbert, N. 2009. Social circles: A simple structure for agent-based social network
430 models. *Journal of Artificial Societies and Social Simulation*, 12, 2.
- 431 Link, J., & Frohlich, P. 2003. Unit testing in java: How tests drive the code. San Francisco:
432 Morgan Kaufmann.
- 433 Napier, T.L., Bridges, T., 2002. Adoption of conservation production systems in two Ohio
434 watersheds: A comparative study. *J Soil Water Conserv* 57, 229-235.
- 435 Napier, T. L., M. Tucker, and S. McCarter. 2000. Adoption of conservation production systems
436 in three Midwest watersheds. *Journal of Soil and Water Conservation* 55 (2):123-134.
- 437 Nassauer, J. I., & Corry, R. C. 2004. Using normative scenarios in landscape ecology. *Landscape*
438 *Ecology*, 19(4), 343-356.
- 439 Ormerod, P., & Rosewell, B. 2009. Validation and Verification of Agent-Based Models in the
440 Social Sciences. *Lecture Notes in Computer Science*, 5466, 130-140.
- 441 USDA. 2013. Conservation Programs, Statistics. Retrieved March 19, 2013, from
442 <http://www.fsa.usda.gov/FSA/>