

# **Economic Analysis of Containment Programs, Damages, and Production Losses From Noxious Weeds in Oregon**



**Oregon Department of Agriculture  
Plant Division, Noxious Weed Control Program**

**November 2000**



# **Economic Analysis of Containment Programs, Damages, and Production Losses From Noxious Weeds in Oregon**

Prepared by:

The Research Group,  
P.O. Box 813  
Corvallis, Oregon 97339  
(541)758-1432

Prepared for:

Oregon Department of Agriculture  
Plant Division, Noxious Weed Control Program

November 2000



## PREFACE

The 70th Oregon Legislative Assembly in 1999 passed House Bill 2118 which instructed the Oregon Department of Agriculture to develop a strategic plan to address the growing problem of invasive noxious weeds. As part of the legislative directive and the strategic planning process, the Oregon Department of Agriculture and Oregon State University through the Oregon Agriculture Research Foundation, implemented an economic study to assess the impacts of 21 of the 99 Oregon State listed noxious weeds. This economic study quantifies the existing impacts of several identified noxious weeds to the state's resources and demonstrates the need to prevent the introduction and expansion of additional invasive plant species.

Hans D. Radtke and Shannon W. Davis of The Research Group are the primary authors of the report, with assistance from James C. Cornelius and JunJie Wu, Professor and Assistant Professor of Agricultural and Resource Economics at Oregon State University. Guidance and data was also provided by Tom Forney and Tim Butler of the Noxious Weed Control Program, Oregon Department of Agriculture, and Dennis Isaacson, Corvallis Oregon. While these individuals and others provided information and comments, the authors take sole responsibility for describing project results.

Authorization is granted for the project report contents to be quoted either orally or in written form without the prior consent of the authors. Customary reference to authorship, however, is requested.

Hans D. Radtke  
Shannon W. Davis



## TABLE OF CONTENTS

	<u>Page</u>
Preface.....	i
Table of Contents .....	iii
Executive Summary .....	vii
I. INTRODUCTION.....	1
A. Study Purpose.....	1
B. Problem Statement .....	2
1. Public Involvement .....	2
2. Public Costs of Noxious Weeds .....	4
3. Research Procedures .....	7
II. ECONOMIC ANALYSIS MODELING PROCEDURES .....	11
A. Economic Definitions.....	11
B. Economic Impact Modeling .....	11
1. The Basic Input-Output Model .....	11
2. The IMPLAN Model and Database .....	13
3. Input-Output as a Basis for Disaggregated Industry Models .....	13
4. Model Specification .....	14
III. ECONOMIC MODELING APPROACH.....	15
A. Identified Noxious Weeds.....	15
B. Economic Loss Measurement .....	15
1. Rangelands Affected .....	16
2. Rangelands and Farmlands Affected.....	16
3. Forestlands Affected .....	16
4. Wetlands Affected.....	17
IV. ECONOMIC EVALUATION RESULTS .....	18
A. Geographic Scope .....	18
B. Foregone Economic Benefits .....	18
V. RISK AND UNCERTAINTY.....	23
A. Data .....	23
B. Economic Data .....	24

## TABLE OF CONTENTS (CONT.)

	<u>Page</u>
VI. POLICY IMPLICATIONS .....	29
A. Oregon State Weed Control Policy .....	29
B. Exploring Options for Adjustments to Weed Control Policy .....	30
C. Benefit-Cost Analyses of Oregon Weed Control Programs.....	31
D. Evaluation of Three Possible Programs .....	32
1. Biological Control.....	32
2. Future Threats .....	32
3. Scotch Broom.....	33
VII. BIBLIOGRAPHY .....	37

## LIST OF TABLES

Table E1: Status of 16 Groups of Oregon Noxious Weeds and Their Impact on Range, Forests, and Wetlands .....	ix
Table 1: Status of 16 Groups of Oregon Noxious Weeds and Their Impact on Range, Forests, and Wetlands .....	8
Table 2: Economic Evaluation of Existing and Potential Noxious Weed Infestation.....	20
Table 3: Observations on Initial and Final Weed Infestation Sizes .....	25
Table 4: Biological Control of Tansy Ragwort in Western Oregon, 1974-1992 Cumulative Discounted Costs and Benefits by Year .....	33
Table 5: Biological Control of Tansy Ragwort in Western Oregon, 1974-1992: Benefit- Cost Evaluation .....	34
Table 6: Potential Benefit-Cost Ratio of a Biological Control Program for Knapweeds in Oregon.....	34
Table 7: Potential Costs to the State of Oregon in Damage to Oregon's Natural Resources of Identified Noxious Weeds .....	35

## LIST OF FIGURES

Figure E1: Economic Impact of Existing and Potential Noxious Weed Infestation .....	xii
Figure E2: Net Economic Value of Existing and Potential Noxious Weed Infestation.....	xiii
Figure 1: Spotted Knapweed Spread in Oregon Between 1982 and 1999.....	6
Figure 2: Economic Analysis Modeling Procedures .....	12
Figure 3: Economic Impact of Existing and Potential Noxious Weed Infestation .....	21
Figure 4: Impacts of Spartina on Pacific Estuaries.....	22
Figure 5: Phases in the Population Increase of a Weed.....	24
Figure 6: Establishment and Spread of Gorse in Western Oregon .....	26

## TABLE OF CONTENTS (CONT.)

	<u>Page</u>
Figure 7: Status of Six Oregon Noxious Weeds Selected for Evaluation of Potential Economic Impact.....	26

## APPENDICES

- A: Descriptions by Species
- B: Past Studies by Species and Affected Land Type
- C: Economic Evaluation Models



## EXECUTIVE SUMMARY

In 1999 the 70th Oregon Legislative Assembly passed House Bill 2118, which instructed the Oregon Department of Agriculture (ODA) to develop a strategic plan to address the growing problem of invasive noxious weeds. As part of the strategic planning process, ODA and Oregon State University (OSU), through the Oregon Agriculture Research Foundation, conducted an economic study to assess the impacts of 21 of the 99 weeds listed in Oregon as noxious. This study focused on two aspects of concern: the existing impacts on Oregon's resources of several noxious weeds, and the potential impacts caused by continuing invasion and expansion of noxious weeds. This analysis was a reconnaissance study that identifies the scope of the problem of noxious/invasive weeds in Oregon. The results may be used to educate resource managers and the public of the seriousness of the weed problem.

All of Oregon's listed noxious weeds, with perhaps two minor exceptions, are alien plant species, introduced here from other parts of the world. This is true, generally, of Oregon's neighboring states also, and the invasion of foreign plant species is an ongoing phenomenon. Some noxious weeds were introduced long ago and have since spread as widely as they might be expected to, but the majority have not yet reached their full potential, either in range or in their ultimate impact.

The impacts of noxious weeds on Oregon's economy and natural resources are many and varied. They can poison livestock and pets, increase fire hazard, compete with desirable plants, require investment of effort and resources for control, reduce the suitability of wildlife habitats, and change the nature and composition of plant communities. Because the impacts are so diverse, estimating and quantifying them is a challenge, and this study is therefore limited. We used existing data and, in estimating productivity losses, have limited the scope of the study to 14 species affecting rangelands, two species affecting both rangeland and farmland, two species affecting forests and three species affecting wetlands.

These 21 species, identified by the ODA staff for evaluation, presently reduce Oregon's total personal income by about \$83 million (Table E1 and Figure E1). This is equivalent to 3,329 annual jobs lost to Oregon's economy from the production foregone by the presence of these noxious weeds. The potential impacts of continued invasion and spread of noxious weed species was evaluated through examination of six identified species (Table E1). The invasive growth of these six identified species alone could reduce Oregon's personal income another \$54 million and reduce annual jobs by another 2,143.

In terms of economic value, both the existing and potential invasive weeds are costing Oregon citizens a total of about \$100 million per year (Figure E2). This is equivalent to an asset value of about one billion dollars. This means that the value of Oregon's resources may be reduced by as much as one billion dollars from these noxious weeds. This evaluation includes 21 of the 99 species classified as noxious weeds by the ODA. The economic effect of all 99 noxious weeds is expected to be significantly greater than that of the 21 identified species.

Previous work completed for the ODA on specific weed management programs concluded that the biological control of tansy ragwort produced a 13:1 benefit-cost ratio for the State of Oregon. The present analysis included an evaluation of three potential biological control and containment programs, and provided a perspective from which to extrapolate for programs aimed at other Oregon noxious weeds. A biological control program to control knapweeds may provide a benefit-cost ratio of 7.8. A program to exclude six identified potential invaders from Oregon may produce a benefit-cost ratio of 34:1. A program aimed at producing a biological agent to contain and reduce Scotch broom infestation by 10 percent may produce a benefit-cost ratio of 4.7 annually. These evaluations were completed with very limited information and data. Much more detailed analysis should be performed on potentially troublesome weeds where exclusion, containment, and eradication programs can be identified.

Table E1  
Status of 16 Groups of Oregon Noxious Weeds and Their Impact on Range Forests, and Wetlands

Oregon Dept. of Agriculture	CAST present status and ODA	Estimated Affected Acres in U.S.	Species is Native From	ODA Policy	ODA Method and Industry Affected	Resource Negative Impacts	Potential Future Impacts	Beneficial Use	Geographic Distribution in Oregon	Economic Loss Measurement
Affected Lands/Noxious Weed Names /1	(ODA) Listing /3	/4	/5	/6	/6	/8	/8	/8	/6	/9
A. Rangeland	(2) Yellow Starthistle ( <i>Centaurea solstitialis</i> )	B	Western States	8 million	Mediterranean Region of Europe	Biocontrol and Containment	Agriculture/ Range, Wildlife, and Range; Disease especially horses; Range, and Range and habitat degradation; and Displacement of desirable species.	Livestock injury (chewing disease) especially horses; Oregon. Currently at 40% of biological potential. This could affect 2.5 million additional acres in Oregon.	Widespread forage for pre-spring stage. Nectar for honey bees.	Cattle losses 10% of Tansy ragwort, 7.3 acres per AUM (Douglas, Josephine, and Jackson) cattle and wildlife. Some sites in Morrow and Umatilla. Some sites in Eastern Oregon and the Willamette Valley.
	(3) Difflay Thistle ( <i>Carduus lanatus</i> )	A	X	California	No estimate	Mediterranean area.	Eradication and Chemical, Containment			Southern Oregon
	(5) Knapweeds	B	U.S.	8 million	Mediterranean Region of Europe and Africa, Central Europe and Asia	Biocontrol and Containment	Agriculture/ Range, Wildlife, and Recreation	Squarrose to spread in S.E. Oregon. Currently at 40% of biological potential. This could affect 2.5 million acres in Oregon	Forage for deer and bighorn sheep. Nectar and pollen for bees. Some grazing by livestock and sheep.	Cattle losses 10% of Tansy ragwort, 4 acres per AUM (Douglas and Josephine) cattle and wildlife.
	Difflay Knapweed ( <i>Centaurea diffusa</i> )									
	Spotted Knapweed ( <i>Centaurea maculosa</i> )	B								
	Russian Knapweed ( <i>Centaurea repens</i> )	B								
	Squarrose Knapweed ( <i>Centaurea virgata</i> )	A								
	(7) Leafy Spurge ( <i>Euphorbia esula</i> )	B	X	Western U.S.	3 million	Europe and Asia	Biocontrol and Containment	Agriculture/ Range and Wildlife	Forage for deer and bighorn sheep. Nectar and pollen for bees. Some grazing by livestock and sheep.	Rangelands at 7.3 acres per AUM. Wildlife
	(10) White Top and Perennial Pepperweed ( <i>Cardaria draba</i> and <i>Lepidium latifolium</i> )	B	Expanding in the West	No estimate	Asia	Containment/ Control	Chemical and Manual	Ribarian degradation, range degradation and livestock health problems. Displaces desirable species. Cattle will not graze in 10% infected areas.	Forage for deer and bighorn sheep. Nectar and pollen for bees. Some grazing by livestock and sheep.	Rangelands at 7.3 acres per AUM. Wildlife
	(11) Scotch Thistle ( <i>Onopordum acanthium</i> )	B	Western U.S.	No estimate	Europe and Asia	Containment/ Control	Chemical and Manual	Highly competitive, displaces desirable species, pasture, competes with other species, may be toxic to livestock.	Provide nectar for honeybees	Small scattered sites in Central and Eastern Oregon. Few sites in Jackson County.
	(12) Mediterranean Sage ( <i>Salvia aethiops</i> )	B	Expanding in Western States	1.3 million	Northern and Eastern Mediterranean Area	Biocontrol, Chemical, Manual	Agriculture/ Range and Wildlife	Potential for additional impacts to pasture and range. Potential invader in croplands.	Small infestations found throughout Central and Eastern Oregon	Cattle losses 10% of Tansy ragwort, 2 acres per AUM grazing and wildlife.
	(13) Purple Starthistle ( <i>Centaurea calcitrapa</i> )	A	X	Expanding in the West, especially in California	No estimate	Mediterranean area	Eradication	Chemical and Manual	Unpalatable to grazing animals.	Range grazing at 7.3 acres per AUM
	(14) Hawkweeds	B								
	Orange Hawkweed ( <i>Hieracium aurantiacum</i> )	A	X	Expanding in the Pacific N.W.	No estimate	Europe	Eradication	Highly competitive in natural meadows, pasture, and forest openings. Expands rapidly.	One site in Clackamas County declining under eradication program. One site eradicated in Sherman County in 1991.	Range grazing at 7.3 acres per AUM
	Yellow Hawkweed ( <i>Hieracium floribundum</i> )									

Table E1 (Continued)

Oregon Dept. of Agriculture Potential (ODA) Listing	CAST present status and ODA Threat	Estimated Affected Acres in U.S.	Species is Native From	ODA Policy	Resource Method and Industry Affected	Potential Future Impacts	Beneficial Use	Geographic Distribution in Oregon	Economic Loss Measurement
<u>Affected Lands/Mostous Weed Names 1</u>									
B. Rangeland and Farmland		/2	/3	/4	/5	/6	/6		
(1) Tansy Ragwort ( <i>Senecio jacobaea</i> )	B	Pacific N.W. (Eastern Oregon)	3 million	Europe and Asia	Biocontrol in Western Oregon and Eradication in Eastern Oregon	Biocontrol, Chemical, Manual	Agriculture/ Range and Wildlife	Livestock injury (liver damage); Rangeland and habitat degradation; and Displacement of desirable species	Widespread in Western Oregon. Limited in Eastern Oregon.
(8) Rush Skeletonweed ( <i>Chondrilla juncea</i> )	B	Expanding in the West	6.2 million	Asia and Mediterranean Region	Biocontrol	Biocontrol, Chemical, Manual	Agriculture/ Range and Wildlife	Reduces wheat production. Range degradation. Reduces forage available for livestock and wildlife.	Grazing and wildlife at 2 acres per AUM. 50% loss of wheat production.
C. Forestland	(4) Scotch Broom ( <i>Cytisus scoparius</i> )	B	Pacific Coast	Europe	Biocontrol	Biocontrol, Chemical, Manual	Forestry; Agriculture/ Range; and Wildlife	Highly competitive shrub. Limits access; forestry production, pasture and habitat degradation. Right of Way maintenance problems.	Used as an attractive nursery to a few sites in Central Oregon. 2 Acres per AUM.
(6) Gorse ( <i>Ulex europaeus</i> )	B	Isolated in Pacific Coast	No estimate	Europe	Biocontrol and Containment	Biocontrol, Chemical, Manual	Forestry; Agriculture/ Range; and Wildlife; and Recreation	Highly competitive shrub. Limits access; forestry production, pasture and habitat degradation. Right of Way maintenance; access; and recreation. Is a fire hazard. May close access to recreation at coastal parks.	Once established the economics of control are questionable. Central and Eastern Oregon forests are at risk.
D. Wetlands	(9) Purple Loosestrife ( <i>Lythrum salicaria</i> )	B	Found throughout the U.S.	No estimate	Europe	Biocontrol and Containment	Biocontrol, Chemical, Manual	Recreation areas/Wetland; Agriculture/R waterfowl habitat.	Once established the economics of control are questionable.
(15) Spartina ( <i>Spartina spp.</i> )	A	X	Expanding in the Pacific N.W. in Washington and California	No estimate	East Coast	Eradication (Eradicated in 1999)	Chemical and Manual	Ecosystem alteration/habitat modification (mudflat to salt marsh). Impacts to shore and to migratory birds, fish, crustaceans and mollusks.	In Washington infestations have grown from 4.5 acres in Oregon. 1994 to 3,600 acres in 1999. Washington spends \$1 million per year for control. Potential affected gross acres in Oregon is 64,000. Net acre potential is 20% of gross acreage or 12,800 acres.
(16) Brazilian Elodea ( <i>Egeria densa</i> )	B	Widespread in several regions in the U.S.	No estimate	South America	Containment	Chemical and Aquatic Manual	Impacts native plants; Organisms and fish; Lakes; and Recreation.	Exists in most coastal lakes. Has potential to expand to 54,000 acres in Oregon.	Riparian acres. Wildlife, shellfish production and wildlife viewing.
									One site in Stuslaw Estuary eradicated. Monitoring and detection efforts in other Oregon estuaries.
									Widely established in many if not all coastal lakes. One lake has lost 3000 boating days.
									Recreational boating, wildlife viewing.

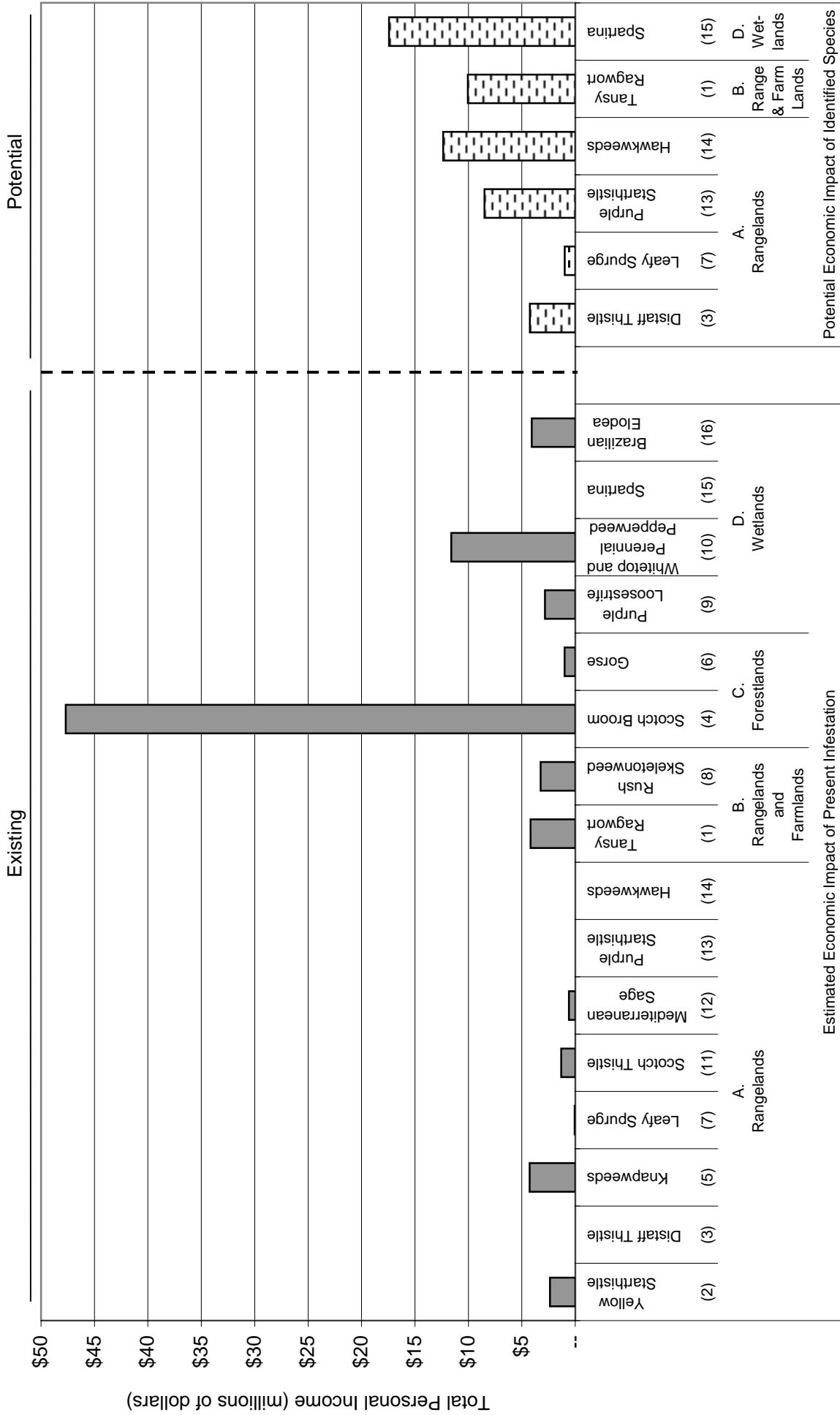
Table E1 (continued)

- Notes:
1. As identified by Oregon Department of Agriculture staff.
  2. Refer to "Noxious Weed Policy and Classification System" Oregon Department of Agriculture - Noxious Weed Program. 2000. Noxious Weed Control Rating System.

Noxious Weed Rating System.

1. "A" designated weed - a weed of known economic importance which occurs in the state in small enough infestations to make eradication/containment possible; or is not known to occur, but its presence in neighboring states make future occurrence in Oregon seem imminent. Recommended Action: Infestations are subject to intensive control when and where found.
  2. "B" designated weed - a weed of economic importance which is regionally abundant, but which may have limited distribution in some counties. Where implementation of a fully-integrated statewide management plan is infeasible, biological control shall be the main control approach ("B" weeds for which biological control agents are available are identified with an asterisk). Recommended Action: Limited to intensive control at the state or county level as determined on a case-by-case basis.
3. Identified by staff of Oregon Department of Agriculture as real and expanding potential threat to Oregon's agriculture and natural resources.
  4. Council for Agricultural Science and Technology. Issue Paper. Invasive Plant Species Number 13. February 2000.
  5. Various sources that include Monographs and specialized weed publications.
  6. ODA Staff, personal communication, July 2000.
  7. Various articles in "Biology and Management of Noxious Rangeland Weeds." Edited by Roger L. Sheley and Janet K. Petroff. Oregon State University Press. Corvallis, Oregon. 1999.
  8. ODA Staff, personal communication, July 2000; and see note 7 - various articles. Also Pacific Northwest Extension Publications - various.
  9. Grazing capacity and agricultural land productivity is taken from Oregon State University Extension Service Enterprise Budgets and from discussion of ODA field staff. Wildlife are taken from "The Impact of Knapweed on Montana's Economy" Steven A Hirsch and Jay A. Leitch. Agricultural Economics Report No. 355. Department of Agricultural Economics. North Dakota State University. Fargo, N.D. July 1996. Timber production from Radtke, Hans D. and Shannon W. Davis, "Economic Consideration of Municipal Water Use: to Grow Timber or Water". Prepared for Oregon Natural Resources Council. April 1996. Tidal and estuary economic consideration taken from "Economic Impacts from Potential Management Plan Actions". Prepared for Lower Columbia River Estuary Program". Prepared by The Research Group. Corvallis, Oregon. April 1999.

**Figure E1**  
**Economic Impact of Existing and Potential Noxious Weed Infestation**



**Figure E2**  
**Net Economic Value of Existing and Potential Noxious Weed Infestation**

