

2010 Explanatory Notes

Office of the Chief Economist
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EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

Purpose Statement

The Office of the Chief Economist (OCE) was created by the Secretary of Agriculture on October 20, 1994, under the authority of the Department of Agriculture Reorganization Act of 1994, Public Law 103-354.

OCE advises the Secretary of Agriculture on the economic implications of Department policies, programs and proposed legislation. OCE serves as the focal point for the Nation's agricultural economic intelligence and projections; risk analysis; climate change issues; cost-benefit analysis related to domestic and international food and agriculture; provides policy analysis for the Department's renewable energy, bioenergy, and biobased product programs; and is responsible for coordination, review and clearance of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

Activities include: policy and program analysis; regulatory reviews; information dissemination; market surveillance; coordination of assessments of international and domestic agricultural developments; improvement of forecasting techniques; coordination of weather, climate and remote sensing activities; coordination of sustainable development activities; coordination of global climate change research and issues; energy policy analysis and coordination of energy research and issues; and analysis of issues and developments affecting agricultural labor.

OCE produces, on a daily, weekly, and monthly basis, regularly scheduled information releases to advise the Secretary and the public on developments affecting agricultural markets and the rural economy. The office coordinates interagency development of forecasts and projections by drawing together a variety of experts to assure objective and sound analysis. The office uses memos and briefings to advise the Secretary of the consequences of market developments, program changes, and legislative proposals. The office provides economic analysis of Department policy positions to the Congress and the public. The office participates in the development of reviews, and clears all regulatory impact and risk analyses of Departmental significant, economically significant, and major rules to ensure they are based on objective, appropriate, and sound economic and risk analyses. The office coordinates USDA's global climate change research program; conducts policy analysis on global climate change issues; coordinates activities with other Federal agencies; represents USDA on U.S. delegations to international climate change discussions; and facilitates communication and outreach to producers and agricultural interest groups.

OCE Headquarters is located in Washington, D.C. OCE has one field unit located in Stoneville, Mississippi for weather data collection and analysis. As of September 30, 2008, there were 52 full-time permanent employees, of which 51 were stationed in Washington, DC and one in Mississippi.

OCE did not have any Office of Inspector General or Government Accountability Office evaluation reports during the past year.

EXECUTIVE OPERATIONS
OFFICE OF THE CHIEF ECONOMIST

Available Funds and Staff Years

2008 Actual and Estimated 2009 and 2010

<u>Item</u>	2008 Actual		2009 Estimate		2010 Estimate	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Office of the Chief Economist.....	\$10,487,000	51	\$10,651,000	54	\$15,032,000	72
Rescission.....	-73,409	--	--	--	--	--
Transfer from Agricultural Research Service for Pest Mgmt Policy and Biotech Activities	--	--	--	--	1,700,000	10
Transfer to Departmental Administration for BioPreferred Activities	--	--	-810,000	--	--	--
Total, Agriculture Appropriations	10,413,591	51	9,841,000	54	16,732,000	82
<u>Obligations under other</u>						
<u>USDA appropriations:</u>						
Transfer from Commodity Credit Corporation for Biodiesel Fuel Education Program	1,000,000	--	1,000,000	--	1,000,000	--
Transfer from Commodity Credit Corporation for BioPreferred Program..	1,000,000	--	--	--	--	--
Global Change Program Office	916,817	3	956,000	3	--	--
Annual Outlook Forum.....	95,563	--	98,000	--	102,000	--
Total, Other USDA Appropriations.....	3,012,380	3	2,054,000	3	1,102,000	--
Total, Office of the Chief Economist ..	13,425,971	54	11,895,000	57	17,834,000	82

EXECUTIVE OPERATIONS
OFFICE OF THE CHIEF ECONOMIST

Permanent Positions By Grade and Staff Year Summary

2008 Actual and Estimated 2009 and 2010

Grade	2008			2009			2010		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
ES.....	5	--	5	5	--	5	8	--	8
GS-15.....	26	--	26	26	--	26	35	1	36
GS-14.....	8	--	8	7	--	7	11	--	11
GS-13.....	6	--	6	3	--	3	8	--	8
GS-12.....	1	--	1	1	--	1	1	--	1
GS-11.....	2	--	2	2	--	2	2	--	2
GS-10.....	2	--	2	2	--	2	3	--	3
GS-9.....	4	1	5	4	1	5	6	1	7
GS-7.....	3	--	3	3	--	3	3	--	3
GS-6.....	2	--	2	2	--	2	2	--	2
GS-3.....	1	--	1	1	--	1	1	--	1
Total Permanent Positions.....	60	1	61	56	1	57	80	2	82
Unfilled Positions End-of-Year.....	-9	--	-9	--	--	--	--	--	--
Total, Permanent Full -Time Employment, End-of-Year.....	51	1	52	56	1	57	80	2	82
Staff Year Estimate.....	53	1	54	56	1	57	80	2	82

Note: Positions shown are appropriated and reimbursed.

EXECUTIVE OPERATIONS
OFFICE OF THE CHIEF ECONOMIST

Appropriation Language

For necessary expenses of the Office of the Chief Economist, [\$10,561,000] \$16,732,000.

Lead-Off Tabular Statement

Appropriations Act, 2009	\$10,651,000
Budget Estimate, 2010.....	<u>16,732,000</u>
Increase in Appropriation	<u>+6,081,000</u>

Adjustments in 2009:

Appropriations Act, 2009	\$10,651,000
Transfer of BioPreferred Program to Departmental Administration	<u>-810,000</u>

Adjusted base for 2009	9,841,000
Budget Estimate, 2010.....	<u>16,732,000</u>
Increase over adjusted 2009	<u>+6,891,000</u>

Summary of Increases and Decreases
(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>2009 Estimated</u>	<u>Pay Costs</u>	<u>Program Changes</u>	<u>2010 Estimated</u>
Office of the Chief Economist.....	\$9,841,000	+\$191,000	+\$6,700,00	\$16,732,000

EXECUTIVE OPERATIONS
OFFICE OF THE CHIEF ECONOMIST

PROJECT STATEMENT
(On basis of appropriation)

	<u>2008 Actual</u>		<u>2009 Estimated</u>		Increase or <u>Decrease</u>	<u>2010 Estimated</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>		<u>Amount</u>	<u>Staff Years</u>
Office of the Chief Economist.....	\$10,266,233	51	\$9,841,000	54	+\$6,891,000	\$16,732,000	82
Unobligated Balance.....	147,358	--	--	--	--	--	--
Total Available or Estimate.....	10,413,591	51	9,841,000	54	+6,891,000	16,732,000	82
Rescission.....	73,409	--	--	--			
Transfer to Departmental Administration.....	--	--	810,000	--			
Total, Appropriation	10,487,000	51	10,651,000	54			

EXECUTIVE OPERATIONS
OFFICE OF THE CHIEF ECONOMIST

Justification for Increases and Decreases

An increase of \$6,891,000 for the Office of the Chief Economist (OCE) consisting of:

- (a) An increase of \$191,000 to fund increased pay costs.

This increase is needed to maintain the current level of staffing to ensure that OCE can carry out its full range of responsibilities and agency goals. OCE would be adversely affected in its ability to execute its mission without the pay cost increase. OCE is a small staff office with nearly three-quarters of its budget used for salaries and benefits. OCE cannot continue to reduce non-salary expenses to absorb rising salary and benefit costs and maintain existing service levels.

- (b) An increase of \$5,000,000 and 18 staff years to fund the Office of Energy and Climate Change.

This increase would allow for the creation of the Office of Energy and Climate Change (OECC) to provide leadership and centralized coordination of the USDA's energy and climate change-related activities. This office is necessary as the Department focuses additional attention on increasing economic opportunities for farmers, ranchers, and rural communities through the production of renewable energy, the development of ecosystem services markets, and the establishment of a bioeconomy. Such opportunities will create new sources of income for American agriculture and expanded options for preserving and protecting the Nation's environmental resources. These income sources may include benefits from emerging markets for environmental services, such as carbon sequestration, renewable energy production, and providing clean air, clean water, and wildlife habitat.

The OECC will comprise the Coordinating Office (CO), the Climate Change Program Office (CCPO), the Office of Ecosystem Services and Markets (OESM), and the Office of Energy Policy and New Uses (OEPNU). Included within the funding increase is \$1 million which would replace the need to fund CCPO and OESM through assessments of USDA agencies conducting climate change activities.

OECC-CO: A central coordinating office will be established to provide senior leadership and management to the three program offices within OECC.

CCPO: Within OECC, CCPO will serve to coordinate the Department's climate change activities, represent the Department with other Federal Departments and Agencies, and provide advice and analysis on issues related to climate change for the Department. USDA has a unique and critical role in the government's efforts to understand and adapt to climate change and to develop and implement technologies and practices to address green house emissions due to agriculture and forestry practices. CCPO will ensure the Department is a source of objective and accurate analytical assessments of the effects of climate change and proposed mitigation strategies on agriculture and forestry.

CCPO will provide technical support on issues related to climate change to the Department of State for use in international climate change meetings, such as the United Nations Framework Convention on Climate Change. The Director of CCPO will serve as the Chair of the USDA Global Change Taskforce.

CCPO will focus on climate change activities that require Department-wide coordination and input, including: 1) the US Climate Change Science Program; 2) compiling economic and policy analysis in support of Departmental climate change strategic planning; 3) assisting in the development of USDA contributions to periodic national climate change scientific assessments; and 4) integrating climate change considerations into research, planning, and decision-making processes of the Department.

OESM: Within OECC, OESM will be responsible for fulfilling the requirements for establishing technical guidelines and science-based methods to measure the environmental services benefits from conservation and land management activities as described in section 2709 of the Food, Conservation, and Energy Act of 2008 (Farm Bill). These guidelines are intended to facilitate farmer, rancher, and forest landowner participation in emerging environmental services markets by outlining science-based methods to measure benefits from conservation and land management activities.

OESM will be responsible for coordinating its activities with other Federal Departments and Agencies and State governments to ensure that the new guidelines are broadly adopted. This coordination will be essential as the development of such guidelines may benefit those programs carried out by other government entities. This coordination is also important to achieve the development of a uniform set of guidelines for use in the agriculture and forestry sectors.

OESM will also carry out consultation activities with other nongovernmental stakeholders, such as: farm, ranch, and forestry producers; financial institutions involved with environmental services trading; institutions of higher education with relevant expertise; and nongovernmental organizations and private sector representatives with relevant experience and expertise. This consultation will allow the Department to benefit from the knowledge of individuals and institutions that have been working on quantifying environmental services and will open the process to be more transparent and participatory for the public.

OEPNU: Within OECC, OEPNU will be responsible for coordinating the Department's energy activities and research, as well as providing economic policy analysis and advice to the Office of the Secretary on issues related to energy use in agriculture, including renewable energy, bioenergy, and biobased products and markets. OEPNU will also be responsible for implementing the USDA Biodiesel Education Program funded under section 9006 of the Food, Conservation, and Energy Act of 2008 (Farm Bill). OEPNU, currently an office in OCE funded through the annual OCE base appropriation, will be moved under OECC.

(c) An increase of \$1,700,000 and 10 staff years to conduct pest management policy and biotechnology activities.

The funding and staff years to support the Office of Pest Management Policy (OPMP) in the Agricultural Research Service (ARS) will be transferred to OCE. OCE will assume the responsibilities of the OPMP to promote development of commodity-by-commodity risk mitigation and transition plans to reduce both the risk from and the reliance on organophosphate and carbamate pesticides. The office will coordinate the Department's role in the pesticide regulatory process and related interagency affairs, primarily with the EPA, while developing alternative pest management tools necessary due to regulatory change. In addition, the staff years and funding associated with biotechnology policy development in ARS will be transferred to OCE, allowing USDA to better coordinate the conduct of quantitative analyses and studies needed to support increasingly complex compliance activities associated with the use of biotechnology, especially with regard to potential expansion into international markets.

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

Geographic Breakdown of Obligations and Staff Years
2008 Actual and Estimated 2009 and 2010

	2008		2009		2010	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
District of Columbia.....	\$10,187,540	50	\$9,760,025	53	\$16,485,014	80
Stoneville, Mississippi.....	78,693	1	80,975	1	83,161	1
Raleigh, North Carolina.....	--	--	--	--	163,825	1
Subtotal, Available or Estimate.....	10,266,233	51	9,841,000	54	16,732,000	82
Unobligated Balance	147,358	--	--	--	--	--
Total, Available or Estimate.....	10,413,591	51	9,841,000	54	16,732,000	82

EXECUTIVE OPERATIONS
OFFICE OF THE CHIEF ECONOMIST

Classification By Objects
2008 Actual and Estimated 2009 and 2010

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Personnel Compensation:			
Washington, D.C.....	\$6,165,258	\$6,308,627	\$9,767,832
Field	52,841	54,373	174,168
11 Total personnel compensation.....	6,218,099	6,363,000	9,942,000
12 Personnel benefits	1,325,078	1,424,000	2,486,000
Total pers. comp. & benefits	7,543,177	7,787,000	12,428,000
Other Objects:			
21 Travel	187,089	249,000	337,000
22 Transportation of things	1,561	2,000	2,000
23.3 Communications, utilities, and misc. charges	164,047	89,000	120,000
24.0 Printing and reproduction.....	92,234	80,000	105,000
25.1 Advisory & Assistant Services.....	650,439	350,000	350,000
25.2 Other services.....	16,554	208,000	2,495,000
25.3 Purchases of goods and services from Government Accounts	16,863	18,000	18,000
25.4 Operations and Maintenance of Facilities	135,304	118,000	118,000
25.5 Agreements	1,183,583	758,000	488,000
26 Supplies and materials.....	190,496	154,000	212,000
31 Equipment	84,857	28,000	59,000
43 Interest and dividends	29	--	--
Total other objects.....	2,723,056	2,054,000	4,304,000
Total direct obligations	10,266,233	9,841,000	16,732,000
<u>Position Data:</u>			
Average Salary, ES positions	\$168,799	\$173,526	\$178,558
Average Salary, GS positions	\$117,754	\$123,383	\$126,961
Average Grade, GS positions	14.3	14.3	14.3

EXECUTIVE OPERATIONS
OFFICE OF THE CHIEF ECONOMIST
STATUS OF PROGRAM

The Office of the Chief Economist (OCE) advises the Secretary of Agriculture on the economic implications of Department policies, programs, and proposed legislation. It serves as the focal point for: the Nation's agricultural economic intelligence and projections related to agricultural commodity markets; risk analysis and cost-benefit analysis related to international food and agriculture; sustainable development; energy issues related to the agricultural economy; agricultural labor; and global climate change. OCE is responsible for coordination, review and clearance of commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

Current Activities:

OCE provides policy and program analyses and advice for the Secretary on major issues affecting agriculture and rural America. The Immediate Office (IO) is addressing issues on: trade agreements and disputes; developments in agricultural commodity markets, such as effects of global weather developments and changes in production and trade patterns; economic issues related to plant and animal diseases, including bovine spongiform encephalopathy (BSE) and Avian Influenza (AI); farm programs; crop insurance improvements; sustainable development in agriculture and rural communities; global climate change and agriculture; conservation programs; agricultural labor; and Farm Bill issues.

The World Agricultural Outlook Board's (WAOB) primary mission is to provide reliable and objective economic forecasts for farmers and other participants in the food and fiber system. Functions include coordinating USDA forecasts of domestic and international agriculture; providing economic analysis related to global commodity markets; monitoring markets and agricultural weather; coordinating weather, climate, and remote sensing activities; and disseminating relevant information.

OCE clears all USDA significant, economically significant and major regulations for their regulatory impact analyses and risk analyses. OCE's Office of Risk Assessment and Cost-Benefit Analysis (ORACBA) reviews and approves statutorily required risk assessments for all major USDA regulations. ORACBA also serves as a focal point for Departmental activities related to risk analysis, including inter-Departmental activities; risk communication; education on risk analysis methods; regulatory reviews to ensure cost-effective, less burdensome regulations; and the integration of economic analysis and risk assessment.

OCE's Office of Energy Policy and New Uses (OEPNU) coordinates economic analysis of energy issues across USDA. OEPNU is also responsible for implementation of the Biodiesel Fuel Education Program of the 2008 Farm Bill. OEPNU coordinated the USDA response for Congressional energy bills and the energy title of the 2008 Farm Bill. OEPNU, along with other USDA agencies and the Department of Energy (DOE), also assists in the implementation of the Biomass Research and Development Initiative which funds biomass research and development.

OCE's Global Change Program Office (GCPO) coordinates global change activities for the Department and represents the Department on issues related to global change to other Departments, agencies and the public. GCPO works with USDA agencies to integrate climate change and greenhouse gas reduction considerations into their activities. GCPO works with agencies in establishing research and programmatic priorities and coordinates the implementation of actions to address the risks of climate change and mitigation responses. GCPO facilitates USDA participation in the U.S. Climate Change Science Program (CCSP) and U.S. Climate Change Technology Program.

Selected Examples of Recent Progress:

World Trade Organization (WTO). IO staff continued to play a key role in the WTO multilateral trade negotiations (the Doha Development Round), especially with the Chief Economist serving as the Special Doha Agricultural Envoy. The IO provided economic analysis, position papers, and other staff support for the negotiations. The IO continued to support the Office of the United States Trade Representative (USTR) in the WTO cotton case, preparing analyses and participating in the panel proceedings. The IO also worked closely with USTR and coordinated USDA's response to trade challenges by foreign governments to U.S. agricultural and biofuels subsidies.

2008 Farm Bill Analytical Support. During FY 2008, the IO participated on an inter-agency team responsible for evaluating and responding to legislative proposals being considered by Congress for inclusion in the 2008 Farm Bill. These proposals included new programs to limit payments to producers with high incomes, make payment limits more effective, alternative approaches to help stabilize crop producer incomes, a permanent disaster program, and new conservation and renewable energy programs. The IO assisted in evaluating the effects of various legislation proposals on producers, consumers and taxpayers and in preparing briefing materials summarizing the effects of various legislative proposals and papers outlining the Administration's concerns with specific provisions proposed by Congress.

Crop Insurance. The Chief Economist has served as Chairman of the Board of Directors of the Federal Crop Insurance Cooperation since January 2008 and presided over seven public meetings of the Board during FY 2008. Major accomplishments were the approval of a series of new programs including: a group risk plan for sugarcane; processing pumpkins; price insurance for milk; insurance for apiculture; a pilot program to reduce premiums for producers using certain triple-stack biotechnology-traited corn varieties; and a new discount for producers insuring the entire enterprise under one policy. The IO continues to provide analysis to the Risk Management Agency on a variety of topics including reinsurance and premium rates and methods for forecasting indemnities.

Domestic Agricultural Policy. In addition to supporting the Administration's 2008 Farm Bill evaluation and response efforts, the IO continued to provide assistance and analysis to Departmental agencies implementing commodity, conservation, renewable energy and other programs by reviewing and providing analysis of proposed program regulations, participating in inter-agency working groups, and helping to ensure effective and efficient program development. For example, OCE participated in the development and analysis of Departmental budget proposals, options for allowing early termination of Conservation Reserve Program contracts, assisted in the analysis of sugar and other farm program issues, and estimated the effects of increased ethanol production on U.S. and global food prices. The Chief Economist served on and provided biweekly briefing materials for the Department's Drought Task Force, which coordinates the Department's responses to the ongoing natural disasters in the United States.

Trade Adjustment Assistance for Farmers. The IO served on an inter-agency task force to address issues raised in proposed legislation due to the expiration of statutory authority for the Trade Adjustment Assistance for Farmers (TAA) program on December 31, 2007. The IO reviewed legislative proposals to modify the TAA program and proposed changes to the current program, especially eligibility criteria. The IO provided analysis of different price triggers to the Senate Finance Committee and participated in Congressional briefings to explain USDA concerns and alternatives.

Agricultural Labor Activities. IO staff worked with the Department of Labor to amend its regulations regarding the certification of temporary employment of nonimmigrant workers employed in temporary or seasonal agricultural employment. Staff provided analysis and information on issues relevant to the role of labor in agricultural production. Analysis and information focused on the unique characteristics of agricultural production including the diversity in the demand for labor across agriculture, the seasonal demand for labor, and the role of temporary workers in the agricultural sector.

Analytical Assistance to Congress. The Chief Economist was a witness at four Congressional hearings during FY 2008 addressing food inflation, energy and its impact on agriculture, and twice with the Secretary on the USDA budget. The Chief Economist participated in 42 briefings for members of Congress and Congressional staff during FY 2008, mostly on trade related issues. OCE staff conducted numerous additional briefings and analyses for the Congress on issues such as the 2008 Farm Bill, trade adjustment assistance, WTO disputes, domestic support notifications to the WTO, weather and market situation and outlook, and biobased products.

Global Climate Change. GCPO functions as the Department-wide coordinator on agriculture, rural, and forestry-related global change issues and activities. In FY 2008, GCPO provided leadership by coordinating USDA's research, programmatic, and policy support. In addition, the office continued to represent the Department in ongoing international negotiations on climate change. GCPO chairs the Department's Global Change Task Force and coordinates the Department's \$63 million FY 2008 Global Change Research Program, playing an important role in furthering the Department's mission of protecting and enhancing the Nation's natural resources.

Synthesis and Assessment Report (SAP) 4.3. In May 2008, GCPO published Synthesis and Assessment Product 4.3 (SAP 4.3), *The Effects of Climate Change on Agriculture, Land Resources, Water Resources, and Biodiversity in the United States*. Based on peer-reviewed scientific literature, the report provides an assessment of climate change effects on natural resources and ecosystem services through 2030-2050; longer-term effects are considered in some cases. SAP 4.3 concludes that the effects of climate change are already apparent, with implications to water management, forest fires, insect outbreaks, drought, ecosystem status, and productivity. Thirty-seven authors from universities, government agencies, non-governmental organizations, and national laboratories contributed to the report, which was reviewed twice by an expert peer review committee of fourteen scientists. The report also underwent public comment, agency technical review, and Federal clearance. SAP 4.3 is one of 21 CCSP synthesis and assessment products, and required by the 1990 Global Change Research Act.

USDA Greenhouse Gas Inventory. *The U.S. Agriculture and Forestry Greenhouse Gas Inventory: 1990-2005* was published in August 2008 by GCPO. The report represents an update of greenhouse gas emissions and sequestration in the Nation's agriculture and forestry sectors. It is consistent with the U.S. Environmental Protection Agency's (EPA) national-scale greenhouse gas inventory and meets United Nation's Framework Convention on Climate Change reporting standards. The focus of this report is to present a detailed picture of greenhouse gas emissions and sinks in the agriculture and forestry sectors which can be used by land and resource managers at the operational scale, as well as policy and decision makers at the local and State levels, to better understand and manage their influence on climate change and evaluate alternate management options.

Support Development of New International Climate Change Agreement/Arrangement. In FY 2008, GCPO provided technical support to the Department of State and the Council on Environmental Quality in developing strategies to address climate change and deforestation internationally. The United States has agreed to begin negotiations on a new international climate change agreement/arrangement. The treatment of forests in developed and developing countries is a central issue that needs to be resolved in these discussions.

Sustainable Development Activities. The Director of Sustainable Development chairs the USDA Council on Sustainable Development, which works to integrate the concepts of sustainable development into USDA policy and programs. In FY 2008, two official Working Groups were chartered by the Council to further its work. The first was a working group to manage USDA participation in the United Nations (UN) Commission on Sustainable Development (CSD). The second is a working group on indicators of sustainable development. The CSD activities included coordination of USDA representation and inter-agency input for U.S. participation at the 16th session of the UN CSD at UN headquarters in New York City. Themes of the two-year review and policy cycle included agriculture, rural development, land, desertification, drought, and Africa. Materials developed to support

the 2008 review session included case studies, interventions, backgrounders and a national report detailing U.S. government efforts related to the six themes. Learning sessions and side events were conducted, and USDA supplied approximately 10 staff to fill various roles at the two week UN review session held in May 2008. Activities in the second half of 2008 involved debriefings and initiation of policy discussions, preparations of partnerships, and other activities to be held at the 2009 policy sessions of the CSD. The working group on indicators of sustainable development began its work in September 2008 and plans to review ongoing efforts to characterize “sustainable” agriculture and food production as well as identify options for USDA to pursue in providing appropriate guidance to the private sector in this matter.

The Director participated in inter-agency working groups on food marketing, sustainability of biofuels, water and food security, integrated pest management, and sustainable consumption and production, such as the regional meeting of the UN Ten-Year Framework of Programs on Sustainable Production and Consumption involving Canada and the United States. Additionally, the Director presented the Department’s positions and work on sustainability at various meetings including industry meetings, meetings of integrated pest management professionals, and food policy fellows. The Director is currently working with the Council to develop its strategic priorities for the upcoming three years.

Supply and Demand Monitoring and Reporting. In FY 2008, WAOB continued to publish the monthly *World Agricultural Supply and Demand Estimates (WASDE)* report, which reports the official world and U.S. supply and utilization estimates and forecasts for grains, soybeans, and cotton; and official U.S. estimates and forecasts for sugar, red meat, poultry, eggs, and milk. All monthly *WASDE* reports were released as scheduled and without incident. Inter-agency committees chaired by WAOB staff cleared all USDA economic outlook reports released during the year. The *WASDE* report is among USDA’s most widely viewed reports.

From October 2007 to August 2008, the *WASDE* report was accessed an average of 20,479 times per month on the USDA Web site. Also, the *WASDE* report has 8,085 subscribers on the USDA-Cornell Web site, operated by Cornell through a partnership relationship with USDA.

End-users reported no errors and leveled no significant criticisms at USDA forecasts. Monthly post-lockup briefings were presented to the Secretary and radio interviews were recorded by WAOB for both USDA and the Berns Bureau, a nationally syndicated media network. WAOB produced daily internal market highlight reports and a weekly oral briefing for senior staff regarding current agricultural developments.

WAOB staff prepared numerous special economic reports and weather assessments for the Secretary and Chief Economist. For example, WAOB analyzed the impact of the growth of corn use for ethanol production on grain, livestock, and dairy markets; crop losses due to flooding in the Corn Belt; consequences of late planting and delayed development of corn and soybeans; and potential impacts of hurricanes Gustav and Hanna on sugarcane, soybean, rice, and cotton production. The Commodity Futures Trading Commission asked the WAOB to prepare a special report on fundamental factors affecting crop prices in the United States, which will become part of its assessment of the performance of futures markets. Also, WAOB continues to monitor and project the market impact of trade restrictions on U.S. world rice and meat products.

Baseline Projections. In February 2008, WAOB oversaw publication of inter-agency 10-year baseline economic projections which provided timely insight and strategic planning information for the President’s budget, agricultural producers, other agribusinesses and policy officials.

Briefings and Media Events. The WAOB Chairman recorded monthly post-*WASDE* report release telephone interviews for “Ag Day” radio and, along with other WAOB staff, delivered numerous speeches and briefings explaining USDA’s commodity situation and outlook projections to industry groups, including the Mississippi Delta Council Business Roundtable, Commodity Futures Trading Commission Roundtable, TD Newcrest Total

Commodity Conference, China National Grain and Oils Information Center (Beijing, China), the National Academies Committee on 21st Century Systems Agriculture, Illinois Farm Bureau, Kentucky Farm Bureau, Michigan Farm Bureau, Green Markets, Agricultural Development Forum, National Institute for Agricultural Technology, Beltwide Cotton Economics and Marketing Conference, United Egg Producers Legislative Board Meeting, United Soybean Board Technical Advisory on Thermoset Plastics, and USA Rice Outlook Conference. WAOB staff also provided briefings to international delegations from Argentina, Australia, Brazil, China, Japan, Mexico, Russia, and Vietnam.

The WAOB Chairperson attended the Chinese National Grains and Oilseeds Conference in Beijing, China as part of an ongoing effort to encourage greater exchange of agricultural data and foster improvement in China's agricultural situation and outlook programs. The USDA-WAOB Chief Meteorologist traveled to Norway to speak at the European Cooperation in the Field of Scientific and Technical Research (COST Action) Symposium on Climate Change and Variability-Agrometeorological Monitoring and Coping Strategies for Agriculture, as well as to Obninsk, Russia, to attend the World Meteorological Organization (WMO)/Commission for Agricultural Meteorology Management Group Meeting. WAOB staff also participated in the annual National Agricultural Statistics Service (NASS) Data Users Conference in Chicago.

Weather Analysis. The Joint Agricultural Weather Facility (JAWF), which includes staff from WAOB and the National Weather Service, published the *Weekly Weather and Crop Bulletin (WWCB)*, issued the daily *Morning Weather Summary*, prepared national agricultural weather summaries, and contributed to the weekly *U.S. Drought Monitor*, which is produced jointly by USDA, the National Weather Service, and the Drought Mitigation Center in Lincoln, Nebraska. All weekly *Weather and Crop Bulletins* were released on time and without incident. The weather component of the "Daily Agricultural Highlights" and the "Weekly Weather and Economics Briefing" were delivered as scheduled to the Secretary, Under Secretary for Farm and Foreign Agricultural Services, and other senior USDA staff. WAOB also prepared briefing materials for the Chief Economist in support of USDA's Drought Task Force.

JAWF prepared numerous early warnings and assessments of significant weather events that affected agriculture as well as informational memoranda for the Chief Economist and other senior USDA staff. WAOB conducted bi-monthly meetings of the USDA Remote Sensing Coordination Committee and coordinated USDA's contribution to the National Aeronautics and Space Administration's annual *Aeronautics and Space Report of the President*.

WAOB continued to actively participate in and support the WMO, which promotes agro-meteorological applications for sustainable food production activities. USDA's Chief Meteorologist, a WAOB staff member, serves on the eight-member WMO Commission for Agricultural Meteorology (CAgM) Management Group, which formulates commission policy, develops strategic planning, and evaluates the progress of all program areas.

From October 2007-August 2008, the *Weekly Weather and Crop Bulletin* was accessed an average of 18,862 times per month, the *Morning Weather Summary* was accessed 2,903 times per month, and the *Climatic Profiles* publication was accessed 26,692 times per month. The *Weekly Weather and Crop Bulletin* report also has 1,262 subscribers on the USDA-Cornell Web site.

USDA Agricultural Outlook Forum. The 2008 Agricultural Outlook Forum, organized by WAOB, attracted 1,835 attendees and wide press coverage. The 2008 Forum featured Secretary Ed Schafer and leading CEOs focusing on the impact of bioenergy on agriculture. The program featured in-depth and timely sessions on major issues, including the U.S. Farm Bill, affecting the agricultural sector. Sessions during the two-day Forum focused on the key themes of rural America, energy and technology, policy and trade, food risk and security, and agricultural commodities. Publication of the 10-year baseline projections coincided with the Forum, providing critical strategic planning information for firms in agriculture, food, and fiber industries. In association with the 2008 Agricultural Outlook Forum, WAOB and the National Institute for Food and Agriculture sponsored the Student Diversity Program for the purpose of increasing the diversity of agricultural professionals. As a result, 17 students from

land-grant colleges and universities participated in the Forum.

Internet Access to Economic Forecasts and Climatic Data. WAOB, together with NASS, the Economic Research Service, and the Foreign Agricultural Service, continued its longstanding partnership with Cornell University's Albert R. Mann Library to provide a major public Web site for USDA economic reports, forecasts and databases. The *WASDE* report is one of the most popular free e-mail subscriptions offered by the Cornell Web site.

Information Technology (IT) Projects and Reporting to the Office of the Chief Information Officer (OCIO) and the Office of Management and Budget (OMB). WAOB completed a number of significant upgrades to the OCE local area network (LAN), including installing Active Directory, migrating from Novell to Windows servers, installing a certificate authority and integrating with the Department's certificate authority, upgrading and enhancing the LAN backup systems, and implementing dual factor authentication on OCE laptops and PCs. No security breaches of OCE IT systems occurred during FY 2008.

WAOB staff updated the Management Information Tracking System in support of the quarterly OCIO IT security and e-Government scorecard initiatives. WAOB conducted required annual analyses of OCE IT systems and updated the Enterprise Architecture Repository system to map OCE IT investments to OMB, Departmental, and agency strategic goals and objectives and provide a tool to improve management oversight of IT spending prioritization. WAOB also responded to frequent OMB, OCIO, and Office of the Chief Financial Officer requests for reports and documentation regarding OCE IT spending, policies, procedures, plans, security, and IT infrastructure. WAOB staff also coordinated OCE Continuity of Operations (COOP) planning and preparation, including participating in the FY 2008 Department-wide exercise.

Analyses Reviewed. During FY 2008, OCE reviewed or coordinated inter-agency reviews of risk assessments and cost-benefit analyses that supported significant USDA regulatory actions. These reviews included work on BSE, Highly Pathogenic AI, salmonella and clostridium perfringens in ready-to-eat meat and poultry products, bovine tuberculosis control, citrus canker quarantines, food and nutrition assistance programs, forest land management programs, organic marketing programs, and animal welfare regulations. OCE staff reviewed regulatory analyses for USDA commodity programs, changes to national environmental policy documentation implementing procedures, biotechnology programs, laboratory service programs, and Forest Service Land Management Programs. These regulatory reviews supported implementation of new programs and delivery of existing programs across all USDA mission areas. OCE reviewed analyses for 45 USDA proposed and final rules during FY 2008. In addition, OCE reviewed 26 USDA legislative reports and numerous Departmental correspondences.

Risk Analysis Leadership and Consultation. ORACBA provided guidance to USDA agencies developing risk assessments related to forest management programs, imported fruits and vegetables, nutrition, animal diseases including BSE and foot-and-mouth disease, and foodborne pathogens. ORACBA participated in the scientific review of the EPA perchlorate and carbofuran risk assessments. ORACBA actively participates in the 18-agency Risk Assessment Consortium to enhance communication and coordination among the agencies with food safety responsibilities and promote the conduct of scientific research that will facilitate risk assessments. Such research assists USDA regulatory agencies in fulfilling their specific food-safety risk management mandates.

ORACBA staff economists provided guidance to the Bureau of Land Management on integration of risk assessment and economic methods for valuing protection of human life. An ORACBA scientist serves on the Food and Drug Administration's (FDA) Transmissible Spongiform Encephalopathies Advisory Committee, with a term of July 2006 through January 2010. An ORACBA scientist was a consultant to the Joint Food and Agricultural Organization/World Health Organization Expert Meeting on Microbiological Risk Assessment. ORACBA reviewed draft International Plant Pest Convention guidelines, recommended changes, and contributed to formulating the U.S. position on the guidelines. An ORACBA scientist was selected to serve as a Food Quality Protection Act Science Review Board Member for a meeting of the EPA's Federal Insecticide, Fungicide, and Rodenticide Act Scientific Advisory Panel. ORACBA staff provided substantive consultations to EPA on

numerous science policy documents, on cumulative and aggregate risk assessment methods under the Food Quality Protection Act, and fumigant emission models. In the area of homeland security, ORACBA applied risk analysis to the challenges of protecting the food supply and critical infrastructure, developing a National Plant Disease Recovery System, and reducing the risk and severity of animal disease outbreaks. An ORACBA economist serves on the United Nations Methyl Bromide Technical Options Committee for the Montreal Protocol and provides economic assessments of the feasibility of agricultural production systems that avoid stratospheric ozone depleting inputs.

Risk Communication and Outreach. ORACBA continued to improve risk communication among USDA analysts concerning developments in risk assessment and economic analysis. ORACBA provided risk assessment studies to analysts worldwide. ORACBA conducted numerous seminars, workshops, and consultations on risk analysis for government groups and land-grant universities. ORACBA staff presented risk assessment results and regulatory analyses at professional meetings for government, industry, and university scientists and economists and published articles on nanotechnology, food safety and invasive species in peer reviewed scholarly journals. ORACBA staff reviewed scientific and economic papers for professional journals and for USDA publications. The products of ORACBA's cooperative agreements and staff papers are posted on USDA's Web site. ORACBA disseminates an electronic newsletter informing approximately 679 subscribers of developments in risk assessment and training opportunities.

Risk Assessment Education and Training. ORACBA scientists presented research on food safety control mechanisms and chaired sessions on microbial risk assessment and animal pathogens and human exposure at the Society for Risk Analysis annual meeting. ORACBA presented research on nanotechnology exposure assessment to government, academic and industry risk assessors at the Society for Risk Analysis workshop on NanoRisk Analysis: Advancing the Science for Nanomaterial Risk Management. ORACBA worked closely with the Joint Institute for Food Safety, the University of Maryland, and the FDA to promote both basic and advanced courses in risk assessment methods. ORACBA staff delivered lectures on ecological risk assessment and taught courses on risk assessment for safety professionals and environmental policy and risk assessment at local universities. ORACBA's outreach efforts informed the risk assessment community of training and professional development opportunities. ORACBA's Risk Forums featured nationally prominent speakers on risk assessment in the fields of public health, economics and dietary exposure to chemical risks. ORACBA staff enhanced their analytical skills through training programs and participation in seminars.

BioPreferred. The BioPreferred Program was authorized in Section 9002 of the Farm Security and Rural Investment Act of 2002 and further expanded by the Food, Conservation, and Energy Act of 2008. Six groupings of biobased products were designated for preferred procurement by Federal agencies by a final rule issued in March 2006. Three more final rules designating a total of 27 additional groupings of biobased products for preferred procurement were published in May 2008, which opens up the Federal market to over 2,700 products from about 660 companies. Responsibility for the BioPreferred Program was transferred from OCE to USDA's Departmental Administration at the end of FY 2008.

In April 2008, USDA held the first BioPreferred Biobased Product Showcase and Training in conjunction with the 2008 General Services Administration Expo where twenty biobased vendors and associations showcased biobased products to over 9,000 attendees from 340 different Federal agencies, 14 States, and 3 foreign countries. In addition, USDA market research has identified over 12,000 biobased products currently in the market place, produced by approximately 2,000 manufacturers. Additionally, USDA has identified over 160 groupings of products that will be designated for preferred procurement by rule making.

Biodiesel Fuel Education Program. OEPNU continued to track activities, outcomes, and coordinate efforts under the national Biodiesel Fuel Education Program. Twice a year OEPNU convenes a USDA inter-agency panel to

review progress on program goals, including the development of an education outreach system that delivers useful and consistent information about the benefits of biodiesel. Funding for the program was reauthorized by the Food, Conservation and Energy Act of 2008 for each of FY 2008 through 2012.

Energy and Bioenergy Analysis. Recent concerns about energy security and high oil prices have focused greater attention on agriculture and energy issues. Examples of recent energy and bioenergy analytical work conducted by OEPNU staff and cooperators include:

- Helped to organize the major international, ministerial level, “Washington International Renewable Energy Conference;” held March 2008, jointly sponsored by USDA and the Department of State. OEPNU staff provided leadership and development of ministerial agenda. Attended by over 102 countries and over 6,000 attendees/participants;
- Participated in the Renewable Fuel Standard (RFS) waiver analysis with the EPA and DOE;
- Supported the EPA in the rulemaking process for implementation of the RFS provisions in the Energy Independence and Security Act of 2007 (EISA 2007);
- Reviewed and commented on numerous proposed amendments/bills leading up to passage and enactment of EISA;
- Reviewed and commented on numerous proposed amendments/bills leading up to passage and enactment of the Food, Conservation, and Energy Act of 2008;
- Reviewed 19 USDA legislative reports and reviewed testimonies for USDA, DOE, the U.S. Department of Transportation, and the U.S. Department of the Interior officials, and prepared numerous Departmental correspondences;
- Together with the Farm Foundation, helped organize one conference and planned for another in the “Energy and Agriculture” series bringing together industry experts, economists, government leaders, and others to gather baseline information and identify agriculture’s role in solving the Nation’s energy problems;
- Completed numerous staff analyses for the Office of the Secretary and the Chief Economist, including work on biodiesel, sugar and corn ethanol, fertilizer issues, bioproducts, energy legislation, wind, and energy use;
- Completed a report with Iowa State University analyzing biomass crop and ethanol supply from agricultural lands in the United States;
- Published and distributed USDA’s quarterly internal newsletter on renewable energy;
- Published the article “Ethanol Policy: Past, Present and Future” in Volume 53, Issue 3 of the 2008 South Dakota Law Review;
- Participated in multiple workshops sponsored by Federal agencies and conferences sponsored by academic institutions and industry organizations that addressed energy issues, such as food versus fuel, feedstocks, infrastructure, transportation, investment, and rural wealth;
- Continued a study on bioindicators with Iowa State University;
- Continued work with the University of Idaho to update a life-cycle analysis of biodiesel;
- Continued a study of ethanol’s ability to reduce motor fuel price volatility with the University of Georgia;
- Continued a study with Iowa State University and the University of Minnesota to analyze the health benefits and costs of ethanol;
- Initiated study with Iowa State University to assess the reduction of greenhouse gas emissions associated with indirect land uses, changes through higher crop yields, policy, and on-farm greenhouse gas reduction strategies;
- Initiated a study with Purdue University to conduct economic analyses of alternative biofuels policies;
- Initiated a study with the University of Florida to identify and assess critical factors for success of a biomass conversion plant for agricultural, yard (residential), and wood residues;
- Initiated a study with University of Arkansas to digitize biofuels legislation (database development);
- Initiated a project with the Clean Fuels Development Foundation on bioenergy outreach;
- Initiated a study with Iowa State University on a Biobased Markets Program;
- Initiated a study with Milken Institute on financial innovations (workshops) for renewable energy;

- Initiated a study with Purdue University looking at infrastructure needs for the power grid;
- Initiated a study with the University of Oregon to assess energy use in the U.S. agriculture sector;
- Initiated a study on net energy balance for corn ethanol with Iowa State University; and
- Initiated a project to analyze the solar energy use in agriculture with the Agricultural Research Service.

EXECUTIVE OPERATIONS
OFFICE OF THE CHIEF ECONOMIST

Summary of Budget and Performance
Statement of Agency Goals and Objectives

OCE has five programs that contribute to five strategic goals and seven strategic objectives.

Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<p>Agency Goal 1: Ensure Secretary of Agriculture receives timely, independent, and objective economic analysis on critical program/policy issues.</p>	<p><u>Objective 1.1:</u> Provide economic intelligence and analysis to support Department policy and program decisions.</p>	<p>Chief Economist and the Immediate Office (IO)</p>	<p><u>Key Outcome 1:</u> Senior Department officials understand markets and the economic impacts of policy options.</p>
<p>Agency Goal 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets.</p>	<p><u>Objective 2.1:</u> Coordinate timely and objective estimates and projections of agricultural commodity supply, demand, and prices.</p>	<p>World Agricultural Outlook Board (WAOB)</p>	<p><u>Key Outcome 2:</u> Well-functioning agricultural commodity markets.</p>
<p>Agency Goal 3: Ensure major regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analysis.</p>	<p><u>Objective 3.1:</u> Review and support regulatory impact analyses and risk assessments for major Departmental regulations.</p>	<p>Office of Risk Assessment and Cost-Benefit Analysis (ORACBA)</p>	<p><u>Key Outcome 3:</u> Major regulations proposed by USDA are based on sound scientific and economic analysis.</p>
<p>Agency Goal 4: Ensure national pesticide programs and activities consider and address the needs of agriculture.</p>	<p><u>Objective 4.1:</u> Meet information needs of customers, especially EPA, for agricultural pest management plans, strategies, and other information and data.</p>	<p>Office of Pest Management Policy (OPMP)</p>	<p><u>Key Outcome 4:</u> Effective and substantial USDA input to EPA actions on pesticides and risk mitigation plans.</p>

Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<p>Agency Goal 5: Coordinate Departmental energy and climate change policy, programs, and strategies.</p>	<p><u>Objective 5.1:</u> Analyze biobased product, renewable energy, and bioenergy policies, technologies, programs, and markets.</p> <p><u>Objective 5.2:</u> Coordinate Departmental climate change policy, programs, and strategies.</p> <p><u>Objective 5.3:</u> Establish technical guidelines measuring the environmental services benefits from conservation and land management activities.</p>	<p>Office of Energy and Climate Change (OECC), Office of Energy Policy and New Uses (OEPNU)</p> <p>Office of Energy and Climate Change (OECC), Climate Change Program Office (CCPO)</p> <p>Office of Energy and Climate Change (OECC), Office of Ecosystem Services and Markets (OESM)</p>	<p><u>Key Outcome 5</u> Timely, objective energy policy analysis meets the needs of senior USDA leadership.</p> <p><u>Key Outcome 6:</u> Consistent and forward-looking climate change policies and programs across USDA that reflect goals of the Secretary.</p> <p><u>Key Outcome 7:</u> Increased participation of farmers, ranchers, and forest landowners in emerging environmental services markets.</p>

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

Selected Accomplishments Expected at the FY 2010 Proposed Resource Level: In FY 2009 and FY 2010, the Office of the Chief Economist expects to continue to provide substantially the same level of support for Departmental programs by reviewing and providing analysis of proposed program regulations, participating in interagency working groups, and helping to ensure effective program development.

- Chief Economist and Immediate Office (IO) – The Chief Economist and IO expect to support Departmental programs across all mission areas by reviewing and providing analysis of proposed program regulations, participating in interagency working groups and helping to ensure effective and efficient program and policy development. Key expected accomplishments are:
 - Participate in the development and analysis of the President’s budget proposals.
 - Provide economic analysis to the Secretary and other policymakers on policy and program issues.
 - Contribute to multilateral trade negotiations by providing economic analysis, position papers, and other staff support, including direct participation in negotiating sessions.
- World Agricultural Outlook Board (WAOB) – WAOB expects to support the Department by serving as USDA’s focal point for economic intelligence and the commodity outlook for U.S. and world agriculture. Key expected accomplishments are:
 - Issue 12 monthly World Agricultural Supply and Demand Estimates reports.
 - Deliver 52 weekly Weather and Economics Briefing reports to the Secretary and senior staff.
 - Issue daily national agricultural weather summaries.
- Office of Risk Assessment and Cost-Benefit Analysis (ORACBA) – ORACBA expects to support Departmental programs across all mission areas by ensuring that major regulations proposed by USDA are based on sound scientific and economic analysis. Key expected accomplishments are:
 - Review approximately 60 cost-benefit analyses and risk assessments.
 - Produce 12 issues of the ORACBA News and hold 6 risk forum training seminars.
- Office of Pest Management Policy (OPMP) – OPMP expects to provide advice and analysis to the Secretary and Department on pest management issues. Key expected accomplishments are:
 - Review proposed rules pertaining to pesticides submitted to the Secretary from the EPA under the Federal Insecticide, Fungicide and Rodenticide Act.
 - Coordinate development and implementation of integrated pest management strategies.
 - Coordinate quantitative biotechnology analyses and studies to support compliance activities.
- Office of Energy and Climate Change (OECC) – OECC expects to support coordination of Departmental energy and climate change policy, programs, and strategies. Key expected accomplishments are:
 - OECC Coordinating Office (OECC-CO):
 - Manage and provide leadership to ensure efficient and effective implementation of the complex policy and program oversight, coordination, and facilitation responsibilities of the three OECC programs.
 - Office of Energy Policy and New Uses (OEPNU):
 - Coordinate Departmental energy policy, programs, and strategies by providing assessments, reports, briefings, speeches, and analyses.
 - Sponsor and help coordinate 2-4 workshops a year identifying strategies to support infrastructure finance to increase capacity of the Rural Utility Service electric grid and high voltage transmission system, expanding its ability to support opportunities for rural renewable energy generation and transmission.
 - Support/help organize “Transition to a Bioeconomy” conference series with Farm Foundation, including “Global Trade and Policy Issues,” March 2009, and “Tools for Extension,” June 2009.
 - Climate Change Program Office (CCPO):
 - Coordinate Departmental climate change policy, programs, strategies, and products.

- Conduct analysis, long range planning, research, and response strategies related to climate change mitigation and adaptation and liaison with other Federal agencies.
- Provide technical guidance and information on options for the treatment of forests and agriculture as part of international negotiations under the Framework Convention on Climate Change.

Office of Ecosystem Services and Markets (OESM):

- Initiate development of the guidelines for priority environmental services, including carbon sequestration, greenhouse gases, and water quality.
- Solicit public views on the structure and scope of the environmental services registry.
- Begin development of the environmental services registry.

Means and Strategies: As a small staff office supporting the Office of the Secretary, OCE will rely on substantially similar means and strategies in meeting accomplishments expected at the FY 2010 resource level. OCE will focus on supporting the Secretary and the Department by reviewing and providing analysis of proposed programs and policies and participating in interagency working groups to ensure effective and efficient program development.

- Chief Economist and IO: Uses reports, analyses, and briefings to provide information to the Office of the Secretary. The Chief Economist chairs the Board of Directors of the Federal Crop Insurance Corporation. IO staff chairs the USDA Council on Sustainable Development and serves on delegations to international meetings that affect U.S. negotiations or obligations for international trade and sustainable development.
- WAOB: Senior commodity analysts and meteorologists continuously monitor and analyze all available information sources to perform the organization's mission of facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive, consistent, reliable, timely and objective estimates, forecasts, and projections of agricultural commodity supply, demand, and prices.
- ORACBA: A professional staff of economists, scientists, and analysts reviews about 60 USDA regulatory packages annually. ORACBA supplements its staff with risk policy fellows through a cooperative program with the American Association for the Advancement of Science.
- OECC: OEPN – A professional staff of economists conducts economic analysis and provide policy advice on issues relating to energy use in agriculture. Hold conferences and workshops and other outreach efforts to increase understanding of renewable energy, bioenergy, and biobased products. Consult with USDA agencies and the Department of Energy in implementing the USDA Biodiesel Education Program. CCPO – A professional staff of economists and scientists uses reports, analyses, and briefings to provide information to the Office of the Secretary on important climate change issues. Ensure the Department is a source of objective and accurate analytical assessments of the effects of climate change and proposed mitigation strategies and represent the Department in bilateral and multilateral international climate change meetings. OESM – A professional staff of economists and analysts develop uniform guidelines and tools needed to create and expand markets for vital ecosystem services. Other USDA agencies and offices will assist OESM by conducting research on the environmental performance of conservation and land management activities, synthesis of existing research and analysis of the production of environmental services from conservation and land management, development of methods and approaches for quantifying environmental services, and development of calculation tools and models.
- OPMP: A professional staff of scientists and economists utilize reports, analysis, and briefings to provide information to the Office of the Secretary on pest management issues. OPMP provides USDA input to EPA actions on pesticides and risk mitigation plans, including information for EPA on agriculture use of pesticides during registration review, coordinates the collection of information for EPA on pest management strategies employed by growers, including the growers' need for certain pesticidal products during registration review, and provides reviews and estimated effects on agriculture of various EPA policies and pesticide registration notices (drift reduction notice, worker protection standards, fumigant buffers). OPMP coordinates the development and implementation of integrated pest management strategies and other economically and environmentally sound pest management tools and practices.

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

Summary of Budget and Performance
 Key Performance Outcomes and Measures
 (Dollars in Thousands)

Key outcomes and performance measures under each of the agency's strategic goals as outlined below:

Goal 1: Assure the Secretary of Agriculture Receives Timely, Independent and Objective Economic Analyses on Critical Departmental Program and Policy Issues.

Key Outcome: Senior Department officials understand markets and the economic impacts of policy options. The objective of the Chief Economist and IO is to provide an economic underpinning to all Departmental program and policy issue consideration and decisions through briefings, papers, and speeches, as requested or required.

Key Performance Measure: The Chief Economist and IO do not have a quantitative performance measure. The type of work in this program varies from year to year depending on the needs of the Office of the Secretary and the Department. Although no quantitative performance measure is appropriate, assessments of program performance are obtained by feedback from the Office of the Secretary and other senior policymaking staff in the Department.

Key Performance Target:

Performance Measure #1	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Target	2010 Target
a. Policy and program analysis and advice for the Secretary of Agriculture	N/A	N/A	N/A	N/A	N/A	N/A
b. Dollars	\$1,545	\$2,013	\$1,655	\$1,674	\$1,736	\$1,867

Goal 2: Improve the U.S. Agricultural Economy by Facilitating Efficient Price Discovery in Agricultural Markets.

Key Outcome: Well-functioning agricultural commodity markets. WAOB coordinates and issues 12 monthly *World Agriculture Supply and Demand Estimates* (WASDE) reports, a Federal Economic Indicator, every year providing comprehensive, timely, and objective estimates of major agricultural commodity supply, demand, and prices. The estimates are a benchmark for U.S. and global commodity markets to assess and respond to expected changes in commodity supply and demand, contributing to efficient price discovery in agricultural markets.

Key Performance Measure:

- Measure #1: Issue *World Agricultural Supply and Demand Estimates* (WASDE) reports.

Key Performance Target:

Performance Measure #1	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Target	2010 Target
a. WASDE reports issued	12	12	12	12	12	12
b. Dollars	\$3,755	\$3,311	\$3,636	\$3,728	\$3,841	\$3,882

Goal 3: Ensure Major Regulations Affecting the Public are based on Sound, Objective, and Appropriate Risk Assessments and Economic Analysis.

Key Outcome: Major regulations proposed by USDA are based on sound scientific and economic analysis. A major regulation concerns human health, safety or the environment and has an annual economic impact of at least \$100 million in 1994 dollars. ORACBA conducts a thorough analysis that makes clear the nature of the risk, alternative ways of reducing it, the reasoning that justifies the proposed rule, and a comparison of the likely costs and benefits of reducing the risk.

Key Performance Measure:

- Measure #1: 60 reviews of cost-benefit analyses or risk assessments and provisions of substantial regulatory analysis technical assistance and leadership.

Key Performance Target:

Performance Measure #1	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Target	2010 Target
a. Review cost-benefit analyses, risk assessments	60	60	60	60	60	60
b. Dollars	\$810	\$914	\$827	\$814	\$892	\$904

Agency Goal 4: Assure that National Pesticide Programs and Activities Consider and Address the Needs of Agriculture.

Key Outcome: Effective and substantial USDA input to EPA actions on pesticides and risk mitigation plans. OPMP will focus on promoting development of risk mitigation plans and transition plans, commodity-by-commodity, to reduce both the risk from and the reliance on organophosphate and carbamate pesticides. It will also coordinate the Department's role in the pesticide regulatory process and related interagency affairs, primarily with EPA, while developing alternative pest management tools that may be needed as a result of regulatory change.

Key Performance Measures: OPMP does not have a quantitative performance measure. The type of work in this program varies from year to year depending on the needs of the Office of the Secretary and the Department. In addition, its work program can be significantly affected by external agencies such as EPA. Although no quantitative performance measure is appropriate, qualitative assessments of the performance of the program are obtained by feedback from the Office of the Secretary and other public and private stakeholders.

Performance Measure #1	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Target	2010 Target
a. Meet information needs of customers, especially EPA, for agricultural pest management plans, strategies, and other information and data	N/A	N/A	N/A	N/A	N/A	N/A
b. Dollars	--	--	--	--	--	\$1,155

Goal 5: Coordinate Departmental Energy and Climate Change Policy, Programs, and Strategies.Key Outcomes:

OEPNU – Timely, objective energy policy analysis meets the needs of senior USDA leadership. OEPNU provides economic and policy analysis and helps to coordinate Departmental energy research in the areas of renewable energy, bioenergy, and biobased products and markets.

CCPO – Consistent and forward-looking climate change policies and programs across USDA reflect the goals of the Secretary. CCPO functions as the Department-wide coordinator of agriculture, rural and forestry-related global climate change programs and policy issues facing USDA, ensuring USDA is a source of objective and analytical assessments of the effects of climate change and proposed response strategies.

OESM – Increased participation of farmers, ranchers, and forest owners in emerging environmental services. The office will develop the uniform guidelines/tools needed to create and expand markets for ecosystem services.

Key Performance Measures: OECC and its component offices (OEPNU, CCPO, and OESM) do not have quantitative performance measures. The type of work conducted in this program varies from year to year depending on the needs of the Office of the Secretary and the Department. Although no quantitative performance measure is appropriate, qualitative performance assessments are obtained from public and stakeholder feedback.

Key Performance Targets:

Performance Measures	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Target	2010 Target
Performance Measure #1						
a. Economic analysis, reports, studies, and conferences on agriculture/energy issues	N/A	N/A	N/A	N/A	N/A	N/A
b. Dollars	\$1,101	\$1,480	\$1,687	\$1,548	\$1,321	\$1,303
Performance Measure #2						
a. Coordinate, prepare, review Department-wide climate change products	N/A	N/A	N/A	N/A	N/A	N/A
b. Dollars	--	--	--	--	--	\$650
Performance Measure #3						
a. Establish technical guidelines/tools measuring the environmental services benefits from conservation and land mgmt activities	N/A	N/A	N/A	N/A	N/A	N/A
b. Dollars	--	--	--	--	--	\$2,250

EXECUTIVE OPERATIONS

OFFICE OF THE CHIEF ECONOMIST

**Summary of Budget and Performance
Full Cost by Agency Strategic Goal**

Agency Strategic Goal 1: Ensure Secretary of Agriculture receives timely, independent, and objective economic analysis on critical program and policy issues.				
PROGRAM	PROGRAM ITEMS	2008 Amount (\$000)	2009 Amount (\$000)	2010 Amount (\$000)
Chief Economist and Immediate Office (IO)				
	Economic Analysis	\$1,674	\$1,736	\$1,867
	Sustainable Development	207	210	216
	Agricultural Labor Issues	153	158	162
	Total Costs	2,034	2,104	2,245
	<i>FTEs</i>	8	8	8
	Performance Measure: Policy and program analysis and advice for the Secretary of Agriculture			
	BY Performance	N/A	N/A	N/A
	Cost per measure (unit cost)	\$1,674	\$1,736	\$1,867
Total for Agency Strategic Goal 1				
Total Costs for Agency Strategic Goal 1 (program, direct, indirect)		\$2,034	\$2,104	\$2,245
	<i>FTEs</i>	8	8	8

Agency Strategic Goal 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets.				
PROGRAM	PROGRAM ITEMS	2008 Amount (\$000)	2009 Amount (\$000)	2010 Amount (\$000)
World Agricultural Outlook Board (WAOB)				
	WASDE Reports Issued	\$3,728	\$3,841	\$3,882
	Weekly Weather and Crop Bulletins Issued	326	336	340
	National Weather Service Cooperation	311	320	324
	Weather and Crop Impact Assessments	605	624	630
	Total Costs	4,970	5,121	5,176
	<i>FTEs</i>	28	30	30
	Performance Measure 1: World Agricultural Supply and Demand Estimates (WASDE) reports issued			
	BY Performance	12 reports	12 reports	12 reports
	Cost per issue (unit cost)	\$311	\$320	\$324
Total for Agency Strategic Goal 2				
Total Costs for Agency Strategic Goal 2 (program, direct, indirect)		\$4,970	\$5,121	\$5,176
	<i>FTEs</i>	28	30	30

Agency Strategic Goal 3: Ensure major regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analysis.				
PROGRAM	PROGRAM ITEMS	2008 Amount (\$000)	2009 Amount (\$000)	2010 Amount (\$000)
Office of Risk Assessment and Cost-Benefit Analysis (ORACBA)				
	Review Regulatory Impact Analyses	\$334	\$367	\$372
	Review Risk Assessments/Economic Analyses	480	525	532
	Conduct Seminars and Training	110	116	118
	Collaborate on Risk Related Research	68	99	100
	Total Costs	992	1,107	1,122
	<i>FTEs</i>	7	8	8
	Performance Measure: Review cost-benefit analyses and risk assessments			
	BY Performance	60	60	60
	Cost per activity (unit cost)	\$14	\$15	\$15
Total for Agency Strategic Goal 3				
Total Costs for Agency Strategic Goal 3 (program, direct, indirect)		\$992	\$1,107	\$1,122
	<i>FTEs</i>	7	8	8

Agency Strategic Goal 4: Ensure national pesticide programs and activities consider and address the needs of agriculture.				
PROGRAM	PROGRAM ITEMS	2008 Amount (\$000)	2009 Amount (\$000)	2010 Amount (\$000)
Office of Pest Management Policy (OPMP)				
	Meet info needs of customers for agricultural pest management plans, strategies, and other info and data	--	--	\$1,155
	Pest management/pesticide advice and analysis	--	--	250
	Biotechnology policy coordination	--	--	295
	Total Costs	--	--	1,700
	<i>FTEs</i>	--	--	10
	Performance Measure: Meet information needs of customers, especially EPA, for agricultural pest management plans, strategies, and other information and data			
	BY Performance	--	--	N/A
	Cost per activity (unit cost)	--	--	\$1,155
Total for Agency Strategic Goal 4				
Total Costs for Agency Strategic Goal 4 (program, direct, indirect)		--	--	\$1,700
	<i>FTEs</i>	--	--	10

Agency Strategic Goal 5: Develop and coordinate Departmental energy and climate change policy, programs, and strategies.				
PROGRAM	PROGRAM ITEMS	2008 Amount (\$000)	2009 Amount (\$000)	2010 Amount (\$000)
Office of Energy and Climate Change(OECC) – Coordinating Office (CO)				
	Provide Leadership/Management of OECC Program	--	--	\$400
	Research/Analysis Supporting OECC Programs	--	--	1,100
	Total Costs	--	--	1,500
	<i>FTEs</i>	--	--	2
	Performance Measure: Provide leadership/management to the Office of Energy and Climate Change programs			
	BY Performance	--	--	N/A
	Cost per activity (unit cost)	--	--	\$400
Office of Energy and Climate Change (OECC) – Office of Energy Policy and New Uses (OEPNU)				
	Bio-/Renewable Energy/Biobased Product Analysis	\$1,548	\$1,321	\$1,303
	Biodiesel Fuel Education Program	72	75	74
	Increase Biobased Product Purchases <u>1/</u>	650	113	112
	Total Costs	2,270	1,509	1,489
	<i>FTEs</i>	8	8	8
	Performance Measure: Economic analyses, reports, conferences, workshops on agriculture/energy issues			
	BY Performance	N/A	N/A	N/A
	Cost per activity (unit cost)	\$1,548	\$1,321	\$1,303
Office of Energy and Climate Change (OECC) – Climate Change Program Office (CCPO)				
	Coordinate Climate Change Policy and Programs	--	--	\$650
	Climate Change Advice and Analysis	--	--	200
	Represent USDA at Int'l Climate Change Negotiations	--	--	150
	Total Costs	--	--	1,000
	<i>FTEs</i>	--	--	3
	Performance Measure: Coordinate preparation and review of Department-wide climate change products			
	BY Performance	--	--	N/A
	Cost per activity (unit cost)	--	--	\$650
Office of Energy and Climate Change (OECC) – Office of Ecosystem Services and Markets (OESM)				
	Establish Environmental Services Guidelines, Tools	--	--	\$2,250
	Conduct Coordination Activities with other Federal Agencies and the Public	--	--	250
	Total Costs	--	--	2,500
	<i>FTEs</i>	--	--	13
	Performance Measure: Establish technical guidelines/tools measuring the environmental services benefits from conservation and land mgmt activities			
	BY Performance	--	--	N/A
	Cost per activity (unit cost)	--	--	\$2,250
Total for Agency Strategic Goal 5				
Total Costs for Agency Strategic Goal 5 (program, direct, indirect)		\$2,270	\$1,509	\$6,489
	<i>FTEs</i>	8	8	26
Total Costs all Agency Strategic Goals (program, direct, indirect)		\$10,266	\$9,841	\$16,732
	<i>FTEs</i>	51	54	82

1/ Due to the transfer to Departmental Administration (DA) of responsibility for the BioPreferred Program, in FY 2009, \$810,000 in appropriated funding was transferred to DA.