

2019 President's Budget
Office of the Chief Economist

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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 a focal point for the Nation's agricultural economic intelligence and projections; risk analysis; climate change issues; and cost-benefit analysis related to domestic and international food and agriculture. OCE also supports the development of technical guidelines that outline science-based methods to measure the environmental services benefits from conservation and land management activities; provides 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 research and issues; support for the development of environmental services markets; 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, 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 provides economic and policy analysis and helps to coordinate Departmental research in the areas of renewable energy, bioenergy, and biobased products and markets.

The office coordinates USDA's global change research program; conducts policy analysis on climate and environmental conditions; supports the development of technical guidelines that outline science-based methods to measure the environmental services benefits from conservation and land management activities in order to facilitate the participation of farmers, ranchers, and forest landowners in emerging environmental services markets; coordinates activities with other Federal agencies; represents USDA domestically and internationally in discussions of climate risks and vulnerabilities; oversees Department-wide efforts to address risks and build resilience to climate variability and change; and facilitates communication and outreach to producers and agricultural interest groups.

OCE Headquarters is located in Washington, D.C. As of September 30, 2017, there were 50 full-time permanent employees, all stationed in Washington, DC.

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

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Available Funds and Staff Years (SYs)
(Dollars in thousands)

Item	2016 Actual		2017 Actual		2018 Estimate		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
	Salaries and Expenses:							
Discretionary Appropriations.....	\$17,777	51	\$18,917	53	\$18,789	53	\$19,487	a/ 64
Mandatory Appropriations.....	1,000	-	1,000	-	1,000	-	-	-
Sequestration.....	-68	-	-69	-	-66	-	-	-
Transfers In: Office of Pest Management Policy.....	-	-	-	-	2,869	11	-	-
Adjusted Appropriation.....	18,709	51	19,848	53	22,592	64	19,487	64
Balance Available, SOY.....	-	-	-	-	1,950	-	-	-
Total Available.....	18,709	51	19,848	53	24,542	64	19,487	64
Lapsing Balances.....	-121	-	-106	-	-	-	-	-
Balance Available, EOY.....	-	-	-1,950	-	-	-	-	-
Obligations.....	18,588	51	17,792	53	24,542	64	19,487	64
Obligations under other USDA appropriations:								
Annual Outlook Forum.....	66	-	104	-	110	-	110	-
Joint Data Procurement	20	-	20	-	20	-	20	-
National Science Foundation	422	-	427	-	427	-	427	-
National Climate Assessment	150	-	-	-	150	-	150	-
Environmental Markets	700	-	600	-	700	-	700	-
International Travel Support.....	3	-	6	-	-	-	-	-
Climate Hubs Coordinator.....	101	-	117	-	125	-	125	-
Coordinating Program Analysis.....	30	-	-	-	-	-	-	-
Payment for Staff Details.....	98	-	59	-	-	-	-	-
Total, Other USDA.....	1,590	-	1,333	-	1,532	-	1,532	-
Total, OCE.....	20,178	51	19,125	53	26,074	64	21,019	64

a/ Reflects the transfer of \$2.9 million and the realignment of the Office of Pest Management Policy from the Agricultural Research Service to the Office Chief Economist.

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Permanent Positions by Grade and Staff Year Summary

Item	<u>2016 Actual</u>	<u>2017 Actual</u>	<u>2018 Estimate</u>	<u>2019 President's Budget</u>
	Wash. D.C.	Wash. D.C.	Wash. D.C.	Wash. D.C.
SES.....	6	6	7	7
SL.....	2	2	2	2
GS-15.....	20	20	28	28
GS-14.....	10	11	12	12
GS-13.....	4	3	3	3
GS-12.....	1	1	1	1
GS-11.....	3	2	2	2
GS-10.....	3	3	3	3
GS-9.....	3	4	5	5
GS-8.....	1	1	1	1
GS-7.....	1	0	0	0
Total Perm. Positions.....	54	53	64	64
Unfilled, EOY.....	5	3	0	0
Total, Perm. Full-Time Employment, EOY.....	49	50	64	64
Staff Year Est.....	51	53	64	64

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Shared Funding Projects
(Dollars in thousands)

	2016	2017	2018	2019
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>President's Budget</u>
Working Capital Fund:				
Administration:				
Beltsville Service Center.....	\$14	\$14	\$16	\$17
Mail and Reproduction Management.....	115	106	155	155
Integrated Procurement System.....	11	11	13	13
Procurement Operations.....	24	27	25	26
Subtotal.....	164	158	209	211
Communications:				
Creative Media & Broadcast Center.....	61	41	45	13
Finance and Management:				
NFC/USDA.....	14	13	15	16
Financial Systems.....	26	30	33	33
Subtotal.....	40	43	48	49
Information Technology:				
NITC/USDA.....	22	10	33	33
International Technology Services.....	85	112	91	91
Telecommunications Services.....	20	13	17	23
Subtotal.....	127	135	141	147
Correspondence Management.....	19	18	16	17
Total, Working Capital Fund.....	411	395	459	437
Departmental Shared Cost Programs:				
1890's USDA Initiatives.....	2	2	2	2
Classified National Security Information.....	1	1	1	1
Continuity of Operations Planning.....	1	1	1	1
Emergency Operations Center.....	1	1	1	1
Hispanic-Serving Institutions National Program.....	1	1	1	1
Human Resources Transformation (inc. Diversity Council).....	1	1	1	1
Identity and Access Management (HSPD-12).....	4	4	3	3
Medical Services.....	4	4	4	4
Personnel Security Branch.....	2	1	1	1
Pre-authorizing Funding.....	2	2	2	2
TARGET Center.....	1	1	1	1
Virtual University.....	1	1	1	1
Total, Departmental Shared Cost Programs.....	21	20	19	19
E-Gov:				
Enterprise Human Resources Intigration.....	1	1	1	1
E-Training.....	1	-	-	-
Geospatial Line of Business.....	6	13	13	13
Integrated Acquisition Environment.....	1	-	-	-
Total, E-Gov.....	9	14	14	14
Agency Total.....	441	429	492	470

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

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Salaries and Expenses:

For necessary expenses of the Office of the Chief Economist, [\$18,789,000] \$19,487,000, of which \$4,000,000 shall be for grants or cooperative agreements for policy research under 7 U.S.C. 3155.

Lead-Off Tabular Statement

Budget Estimate, 2019.....		\$19,487,000
2018 Annualized Continuing Resolution.....		<u>18,789,000</u>
Change in Appropriation.....		<u>+ 698,000</u>
Adjustment in 2018:		
2018 Continuous Resolution Annualized.....	\$18,789,000	
Activities Transferred to OCE a/	<u>2,869,000</u>	
Adjusted Base for 2018.....		\$21,658,000
Budget Estimate, 2019.....		<u>19,487,000</u>
Change in Appropriation.....		<u>-2,171,000</u>

a/ Reflects the transfer of \$2.9 million and the realignment of the Office of Pest Management Policy from the Agricultural Research Service to the Office Chief Economist.

Project Statement

Adjusted Appropriations Detail and Staff Years (SYs)
(Dollars in thousands)

Program	2016 Actual		2017 Actual		2018 Estimate		Inc. or Dec.		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
	<hr/>									
Discretionary Appropriations:										
Office of the Chief Economist..	\$17,777	51	\$18,917	53	\$18,789	53	+\$698 (1)	+11	\$19,487	64
Mandatory Appropriations:										
Biodiesel Fuel Education										
Program.....	1,000	-	1,000	-	1,000	-	-1,000 (2)	-	-	-
Total Appropriation.....	18,777	51	19,917	53	19,789	53	-302	+11	19,487	64
Bal. Available, SOY.....	-	-	-	-	1,950	-	-1,950	-	-	-
Transfers In:										
Office of Pest Management										
Policy.....	-	-	-	-	2,869	11	-2,869	-11	-	-
Sequestration.....	-68	-	-69	-	-66	-	-	-	-	-
Total Available.....	18,709	51	19,848	53	24,542	64	-5,055	-	19,487	64
Lapsing Balances.....	-121	-	-106	-	-	-	-	-	-	-
Bal. Available, EOY.....	-	-	-1,950	-	-	-	-	-	-	-
Total Obligations.....	18,588	51	17,792	53	24,542	64	-5,055	-	19,487	64

OFFICE OF THE CHIEF ECONOMIST

Project Statement

Obligations Detail and Staff Years (SYs)

(Dollars in thousands)

Program	2016 Actual		2017 Actual		2018 Estimate		Inc. or Dec.		2019 President's Budget		
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs	
Discretionary Obligations:											
Office of the Chief Economist..	\$17,656	51	\$16,861	53	\$23,608	53	-\$4,121	(1)	+11	\$19,487	64
Mandatory Obligations:											
Biodiesel Fuel Education Program.....											
	932	-	931	-	934	-	-934	(2)	-	-	-
Total Obligations.....	18,588	51	17,792	53	24,542	53	-5,055		+11	19,487	64
Lapsing Balances.....	121	-	106	-	-	-	-	-	-	-	-
Bal. Available, EOY.....	-	-	1,950	-	-	-	-	-	-	-	-
Total Available.....	18,709	51	19,848	53	24,542	53	-5,055		+11	19,487	64
Bal. Available, SOY.....	-	-	-	-	-1,950	-	+1,950		-	-	-
Transfers In:											
Office of Pest Management											
Policy.....	-	-	-	-	-2,869	11	+2,869		-11	-	-
Sequestration.....	68	-	69	-	66	-	-66		-	-	-
Total Appropriation.....	18,777	51	19,917	53	19,789	64	-302		-	19,487	64

Justification of Increases and Decreases

Base funds will allow the Office of the Chief Economist (OCE) to continue to advise the Secretary and Departmental officials on the economic implications of the Department policies, programs, and proposed legislation; and serve as the focal point for the Department's economic intelligence, analysis and review related to domestic and international food and agriculture markets. The base funding also allows OCE to provide advice and analysis on bioenergy, sustainable development, agricultural labor, climate variability and change, and environmental markets.

- (1) A decrease of \$2,171,000 for the Office of the Chief Economist (\$21,658,000 and 64 staff years available in 2018).

Funding changes are requested for the following items:

- (a) A decrease of \$171,000 for interagency agreements and contracts.
The decrease in funds supporting interagency agreements and contracts will reduce efforts to improve conservation statistics and develop risk-management decision tools for farmers based on climate and weather.
- (b) A decrease of \$2,000,000 for policy research and related activities in support of the Farm Bill.
OCE will reduce base operating spending in the amount of \$2 million for conducting policy research and related activities to support development of the next Farm Bill. This one-time expense is not needed in 2019.

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Geographic Breakdown of Obligations and Staff Years (SYs)
(Dollars in thousands)

State/Territory	2016 Actual		2017 Actual		2018 Estimate		2019 President's Budget	
	Amount	SYs	Amount	SYs	Amount	SYs	Amount	SYs
District of Columbia.....	\$18,588	51	\$17,792	53	\$24,542	64	\$19,487	64
Lapsing Balances.....	121	-	106	-	-	-	-	-
Bal. Available, EOY.....	-	-	1,950	-	-	-	-	-
Total, Available.....	18,709	51	19,848	53	24,542	64	19,487	64

Classification by Objects
(Dollars in thousands)

	2016 Actual	2017 Actual	2018 Estimate	2019 President's Budget
Personnel Compensation:				
Washington D.C.....	\$6,693	\$7,156	\$8,589	\$8,664
11 Total personnel compensation.....	6,693	7,156	8,589	8,664
12 Personal benefits.....	2,015	2,236	2,798	2,821
Total, personnel comp. and benefits.....	8,708	9,392	11,387	11,485
Other Objects:				
21.0 Travel and transportation of persons.....	294	253	228	228
22.0 Transportation of things.....	-	-	2	2
23.1 Rental payments to GSA.....	2	2	2	2
23.3 Communications, utilities, and misc. charges..	231	241	240	240
24.0 Printing and reproduction.....	49	86	55	55
25 Other contractual services.....	169	77	2,485	1,184
25.1 Advisory and assistance services.....	1,018	1,020	1,076	356
25.2 Other services from non-Federal sources.....	7,874	6,525	8,734	5,602
26.0 Supplies and materials.....	186	179	298	298
31.0 Equipment.....	57	17	35	35
Total, Other Objects.....	9,880	8,400	13,155	8,002
99.9 Total, new obligations	18,588	17,792	24,542	19,487
DHS Building Security Payments (included in 25.3).....	\$23	\$24	\$24	\$24
Position Data:				
Average Salary (dollars), ES Position.....	\$176,000	\$177,500	\$179,000	\$180,000
Average Salary (dollars), GS Position.....	\$123,000	\$124,000	\$126,700	\$127,900
Average Grade, GS Position.....	14.4	14.5	14.4	14.5

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Status of Programs

The Office of the Chief Economist (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 related to agricultural commodity markets; risk analysis and cost-benefit analysis related to international food and agriculture; energy issues related to the agricultural economy; sustainable development; agricultural labor; global climate adaptation; and environmental markets. OCE is responsible for coordination, review and clearance of all commodity and aggregate agricultural and food-related data used to develop Departmental outlook and situation material.

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) addresses 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; farm programs; crop insurance improvements; sustainable development in agriculture and rural communities; climate adaptation and agriculture; conservation programs; ecosystem services markets; and agricultural labor.

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. Key WAOB activities are coordinating USDA forecasts of domestic and international agriculture; providing economic analysis related to global commodity markets; monitoring markets and agricultural weather; 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 is a focal point for Departmental activities related to risk analysis, including: inter-Departmental activities; regulatory reviews to ensure cost-effective, less burdensome regulations; and the integration of economic analysis and risk assessment.

The Office of Energy Policy and New Uses (OEPNU) conducts economic analyses and evaluates policies of energy, biobased product, and bioeconomy issues. OEPNU is responsible, with the National Institute of Food and Agriculture (NIFA), for implementing the Biodiesel Fuel Education Program. OEPNU conducts research on biofuel's net energy balance, biobased product markets, life-cycle analyses, renewable energy technologies, and the use of shale oil and gas technology and implications for land values and agriculture. OEPNU, along with other USDA agencies and the Department of Energy, participates in the Biomass Research and Development Initiative. OEPNU also coordinates and provides information, data, best management practices, and market expertise for feedstocks evaluated by the Environmental Protection Agency (EPA) under the Renewable Fuel Standards (RFS).

OCE performs a number of functions in the area of conservation and environmental policy. OCE facilitates the participation of farmers, ranchers, and forest landowners in emerging environmental services markets. As directed under Section 2709 of the Food, Conservation, and Energy Act of 2008, OCE is developing technical guidelines and methods to measure the environmental services benefits from conservation and land management activities. OCE performs strategic planning and priority setting, emphasizing the development of USDA tools and metrics and generating market demand for environmental goods and services. OCE's Office of Environmental Markets (OEM) works with other agencies and offices across the Department to address emerging environmental markets and focuses on advancing opportunities for farmers, ranchers, and rural land owners. OCE coordinates the Department's climate adaptation activities, represents the Department with other Federal agencies on issues related to climate adaptation, ensuring that the views of Department and the agriculture and forest sectors are represented. OCE carries out USDA responsibilities under the Global Climate Change Prevention Act of 1990. OCE coordinates USDA's contributions to the quadrennial U.S. National Climate Assessments, as required under the 1990 Global Change Research Act. OCE works with agencies to identify options to support climate-informed decision-making in light of the increased risks and vulnerabilities associated with extreme events, drought, climate variability and changing climate conditions. OCE identifies performance metrics and indicators and works with agencies across the Department to improve tracking and data collection on conservation and environmental performance. For example,

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OCE works with USDA agencies to identify annual performance metrics and include them in required Annual Performance Reports. In carrying out these functions, OCE consults with stakeholders on their interests in conservation and environmental policy.

Selected Examples of Recent Progress:

Agricultural Policy. IO staff provided 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, the IO participated in the development and analysis of Departmental budget proposals; options to assist cotton and dairy producers; sugar, peanut and other farm program issues; proposals for the 2018 Farm Bill; and farm financial stress resulting from sustained low commodity prices. The IO provided economic information and analysis regarding potential infrastructure initiatives, with emphasis on economic impacts of waterway transportation on the U.S. grain and oilseed sectors. The IO coordinated contributions of OCE to the analysis of impacts on agriculture from Hurricanes Harvey, Irma, and Maria and represented OCE on the Multi-Agency Coordination group, ensuring USDA decision-makers had timely, accurate information for decision making.

IO staff assisted with the review and development of cost benefit analyses for significant USDA regulations. In addition, OCE assisted the Department by reviewing and negotiating language for important rulemakings and actions by other agencies that affect agricultural and food production in the U.S. For example, the Chief Economist and other IO staff coordinated research and policy analysis with EPA on the renewable fuel standards. IO staff is involved in clearing all USDA risk analyses and economically significant rules.

The Chief Economist and the WAOB Chair represent the United States at the G20's Agricultural Market Information System (AMIS) initiative, a forum to discuss global supply and demand factors affecting commodity markets. The Chief Economist and staff presented the latest ongoing research on the impact of the *World Agricultural Supply and Demand Estimates* (WASDE) report to AMIS country members at the summer meeting.

Agricultural Labor Activities. IO staff provided analyses 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, the recent labor shortages faced by agricultural producers, and the role of temporary workers in the agricultural sector. IO staff monitored proposed regulations for possible impacts on the agricultural labor force. IO staff evaluated several House Resolutions that would reform the guest worker H-2A program.

World Trade Organization (WTO) and Trade Policy Support. During 2017, IO staff provided economic and policy analysis in support of key U.S. multilateral and bilateral trade initiatives, including, support for the North American Free Trade Agreement negotiations and bilateral dairy trade concerns with Canada, WTO enforcement actions regarding China's domestic support programs and tariff-rate quotas for grains, and USDA's response to China's anti-dumping (AD) and countervailing duties (CVD) investigation of U.S. dried distillers' grain and poultry exports. OCE also provided trade damage estimates for the U.S. WTO dispute settlement case against India's highly pathogenic avian influenza (HPAI) ban. IO staff also prepared U.S. domestic support notifications to the WTO and briefed Congress on the notifications and prepared updates on domestic agricultural programs for the biennial U.S. WTO Subsidies and Countervailing Measures notification. IO staff contributed to U.S. reviews of reports produced by the Organization for Economic Cooperation and Development (OECD) on agricultural policies and markets, agricultural trade, and agri-environmental policy. OCE played a key role in implementation of the reorganization of USDA to create an Under Secretary for Trade and Foreign Agricultural Affairs.

Analytical Assistance to Congress and Other Federal Agencies. The Chief Economist testified before the House Committee on Agriculture on rural economic outlook and the Senate Committee on Agriculture, Nutrition, and Forestry on the farm economy and rural America. He also accompanied the Secretary at Congressional appropriations hearings. The Chief Economist conducted a number of Congressional briefings and meetings in 2017 on the Farm Bill, WTO, drought, and economic outlook. IO staff conducted many additional briefings and analyses for Congress on issues such as climate adaptation, WTO disputes, WTO domestic support notifications, weather and market situation and outlook, the Farm Bill, outlook for farm income, biofuels, and biobased products. The Chief Economist assisted the Department and Congressional staff on Farm Bill implementation on a number of topics including dairy policy, cotton policy, Agriculture Risk Coverage (ARC)/Price Loss Coverage (PLC) yield data, crop

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insurance, and international trade issues. The IO provided economic information and analysis of potential consequences of proposed mergers and acquisitions in the agricultural sector.

Crop Insurance. The Chief Economist, as Chairman of the Board of Directors of the Federal Crop Insurance Corporation, presided over five public board meetings during 2017. The FCIC Board of Directors approved several products to improve the risk management safety net on a wide variety of farms in 2017, including: Expansion and modification of the Margin insurance program; a new Triticale yield-based policy; expansion of the Annual Forage and Apiculture Rainfall Index products; revisions to the Pulse Crop Revenue program on types offered; modifications to the Hybrid Sweet Corn Seed program to provide more accurate pricing; a modification to the Malt Barley policy to allow additional time for quality adjustment tests; modifications to the Olive yield based program to add quality adjustment; removal of the moratorium on Actual Revenue History program development; modification to the Sugarcane yield based program to close a coverage gap between years and to make other improvements; and modifications to the Whole-Farm Revenue Protection insurance product to improve sales timing and the interaction with privately sold insurance products.

Outreach Activities. The Chief Economist, Deputy Chief Economist, and IO staff made numerous speeches and presentations, including to the: Ethanol Summit in Brazil; Buenos Aires and Rosario grain exchanges in Argentina; AMIS meetings in Rome and Berlin; European Union (EU) Agricultural Outlook Forum in Brussels; China Agricultural Outlook Forum in Beijing; USDA-India Agricultural Outlook Forum in New Delhi; Australian Bureau of Agricultural Economics in Sydney; opening session of the USDA Agricultural Outlook Forum; World Dairy Expo in Madison, Wisconsin; Van Trump Conference “Ag Think Tank”; National Corn Growers Association; National Cotton Council; Migratory Bird Conservation Commission; National Crop Insurance Services, Florida and Kansas City; AIR Crop Insurance Symposium; CropLife America; National Renderers Association; Growth Energy; Biofuels Financial Conference; Dupont; Barclays Select Series; CME Advisory Group; North American Agricultural Journalists; Iowa Farm Bureau Federation; North Carolina Farmers’ Briefing; Minnesota AgriGrowth Conference; C-FARE Strategic Partners; American Association of Agricultural Economists Annual Meeting; International Agricultural Trade Research Consortium; University of Minnesota Applied Economics Department; North Dakota State University Farm Bill and Policy Conference; travel with the Secretary of Agriculture to Cincinnati, New Hampshire, and on August listening tour; as well as presentations to numerous visiting farm groups, students, and international government officials. The Deputy Chief Economist met with government officials and agricultural sector leaders in China. The Chief Economist also chaired the steering committee for USDA’s 2017 Agricultural Outlook Forum.

Sustainable Development Activities. During 2017, OCE coordinated the Department’s contributions to the interagency process on the United Nation’s post-2015 Development Agenda and the Sustainable Development Goals, including analysis of impacts on U.S. agricultural and food sectors. An OCE staff member represented the U.S. at high-level discussions about the appropriate set of indicators for sustainable agriculture, ensuring that “sustainability” includes a focus on productivity, efficient use of resources and profitability – and that biotech seeds and crops as well as conventional fertilizers and other inputs were not excluded from the applied definition of sustainable agriculture. In 2017, an OCE staff member served as the U.S. representative on the Sustainable Food Systems Program of the U.N. 10-Year Framework of Programs, playing an instrumental role in writing the program’s terms of reference, framing the major objectives for the program and developing its core initiatives and key messaging.

During 2017, OCE staff led and coordinated USDA initiatives to reduce food loss and waste and improve global food security. Notably, OCE staff worked with an OCE-led public-private partnership composed of 13 businesses and non-profit organizations to develop, launch, support and expand the *Further with Food* website. The objective of this website is to serve as the central repository for information about food loss and waste reduction efforts in the United States. During 2017, OCE staff also initiated and successfully launched *The U.S. Food Loss and Waste 2030 Champions* to recognize those U.S. businesses and organizations committed to reducing food loss and waste in their operations by 50 percent by 2030.

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USDA Regional Climate Hubs. OCE provided technical support and guidance to the network of seven new Regional Climate Hubs and three Sub-Hubs. These hubs serve as a resource for USDA programs and field offices on climate preparedness and planning. The Hubs provide practical information and program support to farmers, ranchers, forest landowners, and resource managers to support climate-informed decision-making in light of the increased risks and vulnerabilities associated with extreme events, drought, climate variability, and changing climate conditions. Key partners in this effort include the public and land grant universities, Cooperative Extension, USDA researchers, the private sector, and State, local and regional governments.

Global Change Task Force. OCE chairs the USDA Global Change Task Force, utilizing the task force to ensure that all USDA agencies with a responsibility for climate adaptation are kept informed of Departmental and Administration priorities and are included in reviews, assessments, analyses, and communication efforts. Task force participants include the Agricultural Research Service, Economic Research Service, National Agricultural Statistics Service, NIFA, Forest Service, Natural Resources Conservation Service, Farm Service Agency, Foreign Agricultural Service, Risk Management Agency, Animal and Plant Health Inspection Service (APHIS), and Agricultural Marketing Service, among others.

International Climate Adaptation Negotiations. OCE continued to represent the Department in international climate adaptation negotiations. OCE worked closely with the Department of State and White House, and reviewed US positions on forest carbon sinks, reporting requirements, and efforts to address deforestation and forest degradation.

Supply and Demand Monitoring and Reporting. WAOB continued publishing the monthly *WASDE* report, a Principal Federal Economic Indicator report, providing USDA's official world and U.S. supply and utilization estimates and forecasts for grains, oilseeds, and cotton; and official estimates and forecasts for U.S. sugar, red meat, poultry, eggs, and milk. All *WASDE* reports were released as scheduled in 2017. WAOB staff cleared all USDA economic outlook reports released in 2017 for agencies across USDA. WAOB issued 12 monthly *WASDE* reports, 52 weekly *White House Memos* on the current situation in U.S. agricultural markets, and 250 *Daily Highlights of Agricultural Developments*. Post-lockup briefings were presented monthly to the Secretary, and beginning in 2016, the Secretary's briefing package was made available to the public on-line. Monthly downloads of this package exceeded 240,000 during FY 2017. The *Weekly Economics and Weather Briefings* and a new Dashboard summary were delivered as scheduled to the Office of the Secretary and other senior USDA staff. Bi-weekly, the *Briefings* were presented in front of senior staff, including the Undersecretary for Farm and Foreign Agriculture Services (this has been reorganized into two offices, each headed by an Under Secretary, so presentations are now made to both on alternating weeks). Multiple radio interviews were recorded each month by WAOB staff. During 2017, the *WASDE* report was downloaded an average of 388,000 times per month from the OCE website. In addition, approximately 30,000 subscribers to the GovDelivery system received the *WASDE* report every month.

Baseline Projections. In 2017, WAOB oversaw construction, publication, and release of the 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 and other Interagency Commodity Estimate Committee Chairs recorded approximately 29 interviews for USDA radio, and along with other WAOB staff, delivered numerous speeches and briefings explaining USDA's commodity situation and outlook projections to industry groups and international organizations. WAOB staff also provided briefings on USDA's commodity analysis program to visiting foreign delegations from Argentina, Brazil, China, India, and Mexico, among others. WAOB meteorological staff also regularly made contributions to television, radio, and print media interviews on a variety of topics, including the western U.S. wildfires, northern U.S. drought, and Hurricanes Harvey, Irma, and Maria.

Weather Analysis. WAOB and the National Weather Service jointly prepared and published 52 *Weekly Weather and Crop Bulletins (WWCB)*, while WAOB meteorologists issued 250 *Daily U.S. Agricultural Weather Highlights*, prepared national agricultural weather summaries, and contributed to 52 weekly *U.S. Drought Monitors (USDM)*, produced jointly by WAOB, the National Oceanic and Atmospheric Administration, and the National Drought Mitigation Center in Lincoln, Nebraska. During 2017, the *WWCB* was downloaded an average of 12,611 times per week from the OCE website, while the *Daily Agricultural Highlights* was downloaded an average of 230 times per day.

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In support of the *WASDE* report, WAOB meteorologists prepared early warnings and assessments of significant weather events that affected agriculture, including: the rapid development of drought on the northern Great Plains; impacts from an unusual southeastern spring freeze; and impacts from hurricanes. International impacts included: an unprecedented second year of record wheat production in Russia; record corn and soybean production in key production areas of South America; falling wheat production in Australia following last year's record; and highly variable production of numerous types of crops throughout Asia. WAOB meteorologists expanded their capacity to model yields statistically using weather and satellite-derived vegetation indicators.

Monitoring Drought. The *USDM* continued to garner visibility for drought disaster relief in 2017, following the passage of the Farm Bill in 2014 and the subsequent reauthorization of the Livestock Forage Disaster Program (LFP). *USDM*-triggered LFP payouts by USDA totaled \$6.76 billion through September 6, 2017. In addition, as of October 25, 2017, a total of 666 U.S. counties—along with 307 contiguous counties and parishes—qualified for a Secretarial Disaster Designation based on the *USDM* depiction.

OCE has partnered with the National Drought Mitigation Center designed to improve drought services to the American public. Deliverables in 2017 included efforts to expand coverage of the U.S. Drought Monitor to the U.S. Virgin Islands and Affiliated Pacific Islands; and to make improvements to the Drought Impact Reporter. A student from the University of the Virgin Islands was placed with OCE in the summer of 2017 to assist in developing drought indices for the U.S. Virgin Islands, in support of enhanced drought-monitoring efforts. The partnership is also involved in an ongoing effort to expand the Community Collaborative Rain, Hail, and Snow network of volunteer weather observers, which has focused outreach efforts on underserved tribal lands. In addition, significant progress was made toward the development of a coordinated National Soil Moisture Network, with contributions from OCE meteorologists.

World Meteorological Organization Support. WAOB continued to actively support the World Meteorological Organization (WMO) Commission for Agricultural Meteorology (CAgM), which promotes the use of weather and climate information to improve sustainable food production worldwide. The international cooperation promoted by WMO CAgM helped WAOB monitor potential impacts of global agricultural weather initiatives on mission-related activities. A WAOB meteorologist served on the ten-member WMO CAgM Management Group, which formulates commission policy, develops strategic plans, and evaluates program area progress, while others served on various committees based on their respective expertise.

USDA Agricultural Outlook Forum. WAOB staff planned, coordinated, and chaired the program committee for USDA's 2017 Agricultural Outlook Forum: *A New Horizon—The Future of Agriculture*. Forum registration reached 1,741. The Chief Economist provided a keynote speech on the state of the U.S. agricultural economy. The 2-day program included 30 sessions on major issues affecting rural America and agriculture, including commodity outlooks, the rural economy, climate and weather, drought, regionalization of pest and disease outbreaks, international trade, food price and farm income trends, the bioeconomy, transportation, and food safety.

Analyses Reviewed. In 2017, ORACBA staff provided substantive reviews of economic analyses and regulations on USDA food assistance and school feeding programs, organic agricultural production standards, poultry and meat inspection and labeling, animal welfare, packers and stockyards implementation as well as reviews of risk assessments. ORACBA provided guidance and analytical assistance on several rules under development prior to clearance. ORACBA staff regulatory reviews supported implementation of new programs and delivery of existing programs across all USDA mission areas. In 2017, ORACBA reviewed analyses for 18 USDA proposed and final rules, 13 EPA proposed and final rules, 6 Food and Drug Administration (FDA) proposed rules, and supporting risk assessments, economic documents, environmental impact statements, or assessments.

Risk Analysis Leadership and Consultation. ORACBA provided guidance to USDA agencies developing risk assessments and economic analyses related to nutrition assistance programs, biotechnology regulation, foodborne pathogens, and plant and animal diseases. ORACBA gave a presentation to APHIS weed risk assessors and was invited to make a risk based sampling presentation at the North American Plant Protection Organization. ORACBA also actively participated in the 18-agency Interagency Risk Assessment Consortium to enhance communication and coordination among the agencies with food safety responsibilities. ORACBA served on several expert panels: 1) Codex Committee on Food Hygiene expert panels on microbial risk assessments; 2) the National Advisory Committee on Microbiological Criteria for Foods expert panel; 3) Structured Expert Judgment Study Panel on Attribution of Food and Waterborne Diseases in the United States; and 4) Research Triangle Institute risk

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assessment implementing quantitative microbiological criteria in ground turkey and chicken parts. In 2017, ORACBA continued to provide guidance and consultation to USDA and other Federal agencies on risk assessments for noxious weeds, dietary contaminants, pesticides, foodborne pathogens, endangered species, plant and animal pests, and environmental contaminants.

Risk Communication and Outreach. ORACBA continued to improve communication among USDA, Federal and private sector analysts concerning developments in risk assessment and economic analysis through publication of the monthly ORACBA Risk Calendar. ORACBA gave presentations and published peer review journal articles on risk assessment and analysis.

Risk Assessment Education and Training. ORACBA held two Science, Policy and Risk Forum seminars on emerging topics in risk assessment; held a full-day workshop on emerging economic analyses; gave presentations at the annual meetings of the Society for Risk Analysis and chaired a session at the annual meeting of the Society for Benefit-Cost Analysis; provided training to Cochran Fellows from Ghana and Turkey; and partnered with the University of Maryland's Joint Institute for Food Safety and Applied Nutrition, and the FDA to promote both basic and advanced courses in risk assessment methods.

Biobased Products. OEPNU continued its involvement in biobased products research. Through its membership on the Biomass Research and Development Board – Operations Committee and co-chair of the Analysis Working Group, OEPNU provided leadership to the assessment of the bioeconomy, including biofuels, heat and power, and renewable chemicals and biobased products. OEPNU staff also provided U.S. leadership to the OECD's Working Party (WP) on Biotechnology, Nanotechnology, and Convergent Technology. The OEPNU Director is the U.S. delegate to the WP and serves on the Bureau (advisory board) to the WP. OEPNU staff also continued to provide feedback to USDA's Departmental Management in the development of its labeling program for biobased products and biobased product designation for Federal procurement—the BioPreferred Program. Staff spoke at numerous industry, professional, and Federal sponsored conferences, workshops, and meetings, as well as sponsored workshops on topics such as the bioeconomy, USDA Energy Title IX Programs, life cycle assessments, and USDA activities in the bioenergy/biobased product space.

Biodiesel Fuel Education Program. During 2017, OEPNU, along with NIFA, and the Biodiesel Education Oversight Committee continued to manage two biodiesel education grants that were reauthorized by the 2014 Farm Bill—the grantees are the National Biodiesel Board and the University of Idaho. Total funding for the grants is \$960,000 per year, which will continue until the Program expires in 2018. A joint meeting was held in January 2017 to discuss work plans and coordinate 2017 educational events and outreach efforts aimed at educating consumers, producers, marketers and the public and other stakeholders about the benefits of biodiesel. Another meeting was held in July that reviewed program achievements such as increasing biodiesel awareness among high school and college students and developing training programs for auto dealers, vehicle manufactures, and fuel retailers.

Energy and Bioenergy Analysis. In 2017, OEPNU staff continued to provide research and analysis in support of the Chief Economist and the Office of the Secretary. OEPNU sponsored conferences and workshops disseminating information to stakeholders. In collaboration with the U.S. Department of Energy and the U.S. Navy, OEPNU:

- Provided technical support including analyses and assessments for the Defense Production Act initiative to stand-up alternative jet fuel production and the (USDA/Navy) Farm to Fleet program;
- Along with EPA, provided feedstock pathways data and analyses for the RFS and related issues;
- Worked closely with USDA's Office of the Chief Information Officer to make available on-line "bioeconomy" information and tools such as the Bioeconomy Tool Shed's greenhouse gas calculator and the Biogas Tool (a tool to evaluate investment);
- Provided leadership to and participated in multiple interagency working groups;
- Contributed to two interagency reports: the *The Billion Ton Bioeconomy: Challenges and Opportunities*; and draft of *The Billion Ton Bioeconomy: Action Plan* (Biomass Research and Development Board); and
- Office staff co-authored several peer reviewed journal articles.

OEPNU, in cooperation with Cornell University, began an economic analysis of the RFS in 2016 considering gasoline, ethanol, diesel, biodiesel, corn, and soybeans under the RFS. Preliminary findings are that biodiesel in

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excess of the levels required would be used to meet the overall total RFS if ethanol blends above 10 percent cannot be marketed in sufficient quantities and that the RFS has more effect on diesel fuel prices than gasoline prices. The analysis was completed in December 2017. OEPNU also worked with Duke University to develop a cross-cutting data base on Indicators of the Bio-Based Economy, this is expected to be a multi-year effort. OEPNU worked with the National Center for Food and Agriculture Policy to investigate the effects of EU import restrictions in the presence of binding biofuel use targets consistent with the Renewable Energy Directive.

OEPNU continues to collaborate with the Council on Food, Agricultural and Resource Economics to conduct a series of symposia exploring the economics of the agricultural, energy and rural development nexus and highlighting new research, best practices, and local and regional assessments. OEPNU added two new workshops/symposia to the series in 2017: The Bio-Economy: Technology and Policy Path Forward; and American-Made Bioenergy from Field to Refinery: Feedstock Logistics

Environmental Markets Analysis and Advice.

In 2017, OEM focused on improving coordination and consistency of the tools and resources for environmental market development and implementation. OEM worked with EPA to develop new tools and information resources to guide water quality trading within EPA Region 3 to reduce costs in program design and implementation, improve environmental performance, and foster consistency across regional water quality trading efforts.

Tools, Guidelines for Quantifying Environmental Performance. In 2017, OEM continued efforts under existing agreements with several government agencies, universities and non-governmental organizations to develop economic, policy and scientific analyses to support emerging environmental markets. OEM provided support for the development of State water quality trading programs; highlighted successful trading programs that have attracted private capital; identified financially sustainable voluntary conservation efforts that use market-based approaches; established a list of nutrient quantification tools that meet the minimum requirements of the Federal and State regulatory agencies; and increased targeted stakeholder engagement in locations where market-based programs may address immediate problems such as harmful algal blooms.

Chesapeake Bay Executive Order. OEM continued to lead environmental market development efforts under the Chesapeake Bay Executive Order Strategy. OEM convened monthly meetings of the Interagency Environmental Markets Team to facilitate collaboration among Federal agencies. In 2017, OEM led efforts to identify opportunities to perform mitigation on public lands in the Chesapeake Bay Region, and assisted in workshops to increase opportunities for public-private partnerships and conservation finance. OEM also serves as an advisor to the State of Maryland's Nutrient Trading Advisory Taskforce.

Communication and Outreach. OEM hosted numerous webinars and trainings, and made several presentations to governmental agencies, commodity groups, farm organizations, and conservation organizations on environmental market-related topics. OEM convened monthly meetings of the USDA Environmental Markets Workgroup and facilitated implementation of the USDA Environmental Markets Strategy. OEM partnered with the USDA Drought and Water Team to sponsor a series of events highlighting market-based opportunities to improve water management and distribution, and released a series of papers in conjunction with the University of Nebraska in 2017 to facilitate development of water transfer markets.

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Summary of Budget and Performance

The mission of OCE is to advise the Secretary of Agriculture on the economic implications of Department policies, programs and proposed legislation; to ensure the public has consistent, objective and reliable agricultural forecasts; to promote effective and efficient rules governing Departmental programs; to coordinate Departmental energy policy, programs, and strategies; coordinate Departmental climate policy, programs, products, and strategies; and foster the development of environmental markets and to manage climate related risks.

Strategic Goal 1: Ensure USDA programs are Delivered Efficiently, Effectively, with Integrity and a Focus on Customer Service.

Chief Economist and Immediate Office (IO):

Selected Past Accomplishments toward Achievement of the Key Outcome:

- Chief Economist and IO staff provided policy and program analysis and advice to the Secretary in the areas of international trade agreements, risk-sharing institutions, crop insurance, commodity and conservation programs, sustainable development, the impacts of climate variability on farmers, ranchers, and forest landowners, agricultural labor, and alternative/renewable energy;
- The Chief Economist chaired the Board of Directors of the Federal Crop Insurance Corporation (FCIC), the Capper-Volstead Act Committee, and served on the USDA Energy Council;
- Provided regular oral and written briefings to the Secretary and other key leaders on legislation, market developments, and key economic events affecting agriculture, forestry, and rural America;
- Reviewed economic impact assessments for significant rulemaking actions and provided independent review and recommendations regarding USDA Agency programs and policies;
- Assisted the Secretary's communication office in developing speech text and in the use of economic information for speeches of top officials and in press releases and provided subcabinet officials with economic intelligence relevant to the administration of their program areas and USDA in general;
- Reviewed Congressional testimony of executive branch officials and Department correspondence for economic content, testified before Congress, and prepared analyses for members of Congress, their staffs, and various Committee staffs on the impacts of legislative proposals;
- Supported the Secretary in developing options and implementing an Under Secretary for Trade, including providing the Secretary and Under Secretary economic data and analyses on agricultural trade issues;
- Represented the Department on U.S. delegations to international discussions of sustainable development, international trade or other issues and served as a source of objective assessments of the effects of proposals made in international forums that would affect agreements, treaties or other obligations of the Department; and
- Led and coordinated cross-mission area work on sustainable development and agricultural labor markets, including chairing the USDA Council on Sustainable Development, representing USDA in international multilateral environmental negotiations, and other issues as requested by the Secretary.

Selected Accomplishments Expected at the FY 2019 Proposed Resource Level:

The Chief Economist and IO expect to provide substantially the same level of support in FY 2019 to Departmental programs across all mission areas. Key expected accomplishments are:

- Provide analysis and advice to the Secretary in the areas of commodity and conservation programs, agricultural market conditions, climate variability, alternative/renewable energy, biobased chemicals and products, agricultural labor, sustainable development, international trade agreements, risk-sharing institutions, and crop insurance;
- Testify before Congress and prepare analyses when requested for Members of Congress and their staffs on the effects of legislative proposals or other topics of interest;
- Chair the Board of Directors of the FCIC and the Capper-Volstead Act Committee;
- Represent the Department on U.S. delegations to international discussions of sustainable development, international trade, or other issues and provide objective assessments of the effects of proposals made in international forums that would affect agreements, treaties or other obligations of the Department;

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- Lead and coordinate cross-mission area work on sustainable development, including chairing the USDA Council on Sustainable Development;
- Support Departmental efforts on issues related to agricultural labor, immigration reform, and infrastructure investment in rural America; and
- Support the Secretary and other senior leadership with trade-related economic data, policy research support, analytics, and related economic and policy activities.

World Agricultural Outlook Board (WAOB)

Performance Measures:

(WASDE) reports issued.							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Units	12	11	12	12	12	12	12
Dollars (in thousands)	\$3,376	\$3,401	\$3,283	\$3,492	\$3,548	\$3,699	\$3,728

Selected Past Accomplishments toward Achievement of the Key Outcome:

- WAOB staff issued 12 monthly WASDE reports, 52 *Weekly Weather and Crop Bulletins*, 52 weekly *White House Memos* on the current situation in U.S. agricultural markets, and approximately 250 *Daily Highlights of Agricultural Developments* and *Daily U.S. Agricultural Weather Highlights*; and contributed to the joint release of 52 updates of the *U.S. Drought Monitor*;
- Reviewed and assured consistency across the situation and outlook products issued by other USDA agencies, including written reports, market updates, special analyses, and long-range forecasts;
- Provided an annual comprehensive situation and outlook forum for agriculture that incorporates the viewpoints of and participation by analysts from USDA, academia, and the private sector; and
- Prepared numerous special economic reports and weather assessments for the Secretary and Chief Economist, as well as presenting weekly weather and market briefings to the Office of the Secretary and the Mission Areas. WAOB staff also spoke on U.S. and world agriculture situation and outlook at numerous domestic and international commodity industry meetings. WAOB staff also recorded over 100 radio and television interviews following the release of various WAOB or other key USDA reports.

Selected Accomplishments Expected at the FY 2019 Proposed Resource Level:

The WAOB expects to provide substantially the same level of support in FY 2019 to Departmental programs across all mission areas. Key expected accomplishments are:

- Issue 12 monthly WASDE reports;
- Deliver 52 weekly Weather and Economics Briefing reports to the Chief Economist and senior USDA staff;
- Issue daily national agricultural weather summaries;
- On a rotating basis, prepare issues of the weekly *U.S. Drought Monitor*, produced jointly with the National Weather Service and the National Drought Mitigation Center in Nebraska;
- Organize the annual USDA Agricultural Outlook Forum;
- Prepare economic assessments of current issues or weather events at the request of the Chief Economist or other senior Department staff, and coordinate the annual 10-year baseline commodity projection exercise; and

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Office of Risk Assessment and Cost Benefit Analysis (ORACBA)

100 percent of Departmental regulations receive feedback within required timeline.							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Units	100%	100%	100%	100%	100%	100%	100%
Dollars (in thousands)	\$591	\$610	\$747	\$757	\$783	\$924	\$938

Selected Past Accomplishments toward Achievement of the Key Outcome:

- Performed substantive reviews of economic analyses, risk assessments and regulations to improve food safety, agricultural quarantine inspection, labeling and cost control in USDA food assistance and school feeding programs;
- Provided risk assessments and economic analyses supporting food safety, nutrition, and exclusion of plant pests and foreign animal diseases; and
- Provided analysis to the Department and other Federal agencies to assess food safety risk of emerging hazards and evaluate environmental issues affecting agriculture and matters pertaining to agriculture and environmental quality (air and water quality), pesticide use, and endangered species, including scientific reviews of EPA chemical and pesticide risk assessments.

Selected Accomplishments Expected at the FY 2019 Proposed Resource Level:

ORACBA expects to provide substantially the same level of support in FY 2019 to Departmental programs across all mission areas. Key expected accomplishments are:

- Evaluate the regulatory burden and review approximately 50 cost-benefit analyses and risk assessments; and
- Produce 10 issues of *ORACBA News* and hold periodic risk forum training seminars.

Office of Energy Policy and New Uses (OEPNU)

Selected Past Accomplishments toward Achievement of the Key Outcome:

- Chaired the Bioeconomy Council Coordination Committee (BCCC), which coordinated energy and biobased product-related activities among USDA agencies, and, through the BCCC developed the bioeconomy and provide support to OSEC; work areas include bioeconomy (Farm Bill) factsheet, brochure (USDA activities and programs);
- Coordinated Departmental energy and biobased chemicals and products policy, programs, and strategies by providing assessments, reports, briefings, speeches, control letters, and analyses;
- Provided U.S. leadership to the Organization for Economic Cooperation and Development’s Working Party on Biotechnology, Nanotechnology and Convergent Technology;
- Continued to provide feedback to USDA’s Departmental Management’s in developing its labeling program for biobased products and biobased product designation for federal procurement—the BioPreferred program;
- Together with USDA’s National Institute of Food and Agriculture, administered the Biodiesel Fuel Education Program;
- Collaborated with academics and non-governmental organizations to provide research and analysis in support of the Chief Economist and the Office of the Secretary, including sponsoring conferences and workshops reaching out to and disseminating information to stakeholders;
- In collaboration with Rural Development, the Department of Energy, the EPA, and the U.S. Navy, provided analyses and assessments for feedstock pathways for the Renewable Fuel Standards (RFS) and related issues such as potential invasiveness of feedstocks and restricting biodiesel import, and for the Defense Production Act initiative to stand-up alternative jet fuel production;
- Coordinated Departmental interaction with the EPA on the 2017 and 2018 Renewable Fuel Standards for the Renewable Fuel Standard Program (RFS2), including reviewing drafts of the Proposed and Final Rulemaking of the Renewable Fuels Standards of the Energy Independence and Security Act of 2007;
- Coordinated Departmental interaction with the EPA on feedstock pathway analyses and on proposed rulemaking;

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- Released several important articles and publications in FY 2017, including: Long-Run and Short-Run Relationships between Oil Prices, Producer Prices, and Consumer Prices: What Can We Learn from a Permanent-Transitory Decomposition?; Coal-Power Plants Rejuvenated With Biomass: An Economic, Social, and Environmentally Sustainable Transition to Clean Power; Wind Energy Land Distribution in the United States of America New Dynamics in Fossil Fuel and Renewable Energy for Rural America; Unconventional Shale Gas Development and Agriculture in the Appalachian Basin Marcellus: Exploratory Analysis of the 2012 Census of Agriculture.

Selected Accomplishments Expected at the FY 2019 Proposed Resource Level:

OEPNU expects to provide substantially the same level of support in FY 2019 to Departmental programs across all mission areas. Key expected accomplishments are:

- Chair the BCCC which coordinates energy and biobased product-related activities among USDA agencies, and, through the BCCC continue working on developing the bioeconomy and provide support to OSEC;
- Coordinate Departmental energy and biobased chemicals and products policy, programs, and strategies by providing assessments, reports, briefings, speeches, and analyses for senior USDA staff and other policymakers;
- Continue cooperative research activities on renewable energy and biobased products with academic and other institutions, expanding understanding of bioenergy and biobased feedstock markets; and
- Continue to work with the EPA on annual RFS volume setting and on new feedstock pathways for renewable fuels production.

Climate Change Program Office (CCPO)

Identifies performance metrics and indicators and works with agencies across the Department to improve tracking and data collection on conservation and environmental performance. Works with USDA agencies to identify annual performance metrics and include them in required Annual Performance Reports. In carrying out these functions, OCE consults with stakeholders on their interests in conservation and environmental policy.

Performance Measures:

Percent completion of development of metrics and indicators for conservation and environmental performance.							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Units	N/A	N/A	N/A	N/A	N/A	25%	45%
Dollars (in thousands)	N/A	N/A	N/A	N/A	N/A	\$600	\$400

Selected Past Accomplishments toward Achievement of the Key Outcome:

CCPO staff coordinated USDA climate policy, programs and strategies and made good progress on the program to establish metrics and indicators of progress in the implementation of actions to reduce risks and improve resource health. CCPO develops methodologies and technical guidelines to quantify multiple benefits from conservation and land management activities. Selected past accomplishments include:

- Coordinated the continued management and implementation of seven Regional Climate Hubs and three Sub-Hubs, which will serve as a resource for USDA programs and field offices on climate risk management and preparedness and planning and provide guidance and technical information on practical steps needed to build climate resilience into USDA programs and operations;
- Led Department efforts to improve the quantification of the environmental benefits of corn ethanol. A study released by CCPO in FY 2017 found that corn ethanol is reducing GHG by 57 percent relative to gasoline and could reduce emissions by even more if conservation and efficiency practices are employed;
- Chaired the USDA Global Change Task Force, utilizing the task force to ensure that all USDA agencies with a responsibility for climate change are kept informed of Departmental and Administration priorities and are included in reviews, assessments, analyses, and communication efforts; and

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- Represented the Department in international climate change negotiations, including leading USDA’s efforts to implement a new international partnership called the Global Alliance on Climate Smart Agriculture.

Selected Accomplishments Expected at the FY 2019 Proposed Resource Level:

CCPO expects to continue to provide core analytic and coordination support for the Department in FY 2019. CCPO will carry out USDA responsibilities under the Global Climate Change Prevention Act of 1990. OCE coordinates USDA contributions to the quadrennial U.S. National Climate Assessments, as required under the 1990 Global Change Research Act. OCE works with agencies to identify options to support climate-informed decision-making in light of the increased risks and vulnerabilities associated with extreme events, drought, climate variability and changing climate conditions.

- Coordinate Departmental policy, programs, strategies, and products related to climate resilience and impact to agriculture;
- Conduct analysis of the environmental benefits of renewable energy generated from natural resources such as biomass and coordinate with States and other cooperators in addressing questions on the benefits of renewable energy;
- Ensure that USDA is supporting the Department of State in meeting US treaty obligations and responsibilities for reporting information on US programs and conditions, including information requested under the UN Framework Convention on Climate Change;
- Develop user-friendly tools to facilitate easy access to the revised technical greenhouse gas reporting guidelines to meet the needs of voluntary greenhouse gas registries, State Registries, and USDA programs;
- Conduct analysis, long range planning, research, and response strategies related to climate risk management and resilience, and liaison with other Federal agencies; and
- Identify performance metrics and indicators and works with agencies across the Department to improve tracking and data collection on conservation and environmental performance.

Office of Environmental Markets (OEM)

Performance Measures:

Technical reports completed on issues related to farmer and landowner participation in emerging environmental markets.							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Units	3	3	3	3	3	3	3
Dollars (in thousands)	\$367	\$587	\$550	\$238	\$234	\$247	\$221

Percentage completion of national water quality technical metrics for agriculture.							
	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Target	2019 Target
Units	N/A	10%	20%	50%	60%	80%	100%
Dollars (in thousands)	\$0	\$475	\$475	\$475	\$468	\$493	\$441

Selected Past Accomplishments toward Achievement of the Key Outcome:

OEM staff engaged stakeholders to sustain support for the development of uniform standards and market infrastructure that will facilitate market-based approaches to agriculture, forest, and rangeland conservation.

Selected past accomplishments include:

- Supported development of an environmental markets mapping and decision support tool that integrates data from water, carbon, and biodiversity markets with EnviroAtlas, a Federally-managed ecosystem services data mapping platform;

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- Completed an update of the USDA Environmental Markets Strategy with an increased emphasis on conservation finance mechanisms and linkages between ecosystem services and market opportunities;
- Supported development of issue papers highlighting significant policy aspects of water transfer markets, as well as a series of papers aimed at assisting USDA's resource management agencies in evaluating environmental benefits resulting from USDA conservation programs;
- Led inter-agency efforts and funded cooperative agreements to improve existing water quality and greenhouse gas (GHG) quantification and decision support tools, and to develop an online database of tools and resources for habitat and species markets in coordination with the U.S. Geologic Survey; and
- Led environmental market development efforts under the Chesapeake Bay Executive Order Strategy by convening monthly meetings of the Interagency Environmental Markets Team to facilitate collaboration among 12 Federal agencies, and by participating in the Council on Environmental Quality's Roundtable on Conservation Finance in the Chesapeake Bay.

Selected Accomplishments Expected at the FY 2019 Proposed Resource Level:

OEM expects to provide substantially the same level of support to the Department in FY 2019 to accelerate USDA efforts to develop uniform standards and market infrastructure necessary to facilitate market-based approaches to agriculture, forest, and rangeland conservation. Key expected accomplishments are:

- Provide administrative and technical assistance to the Secretary in implementing Section 2709 of the 2008 Farm Bill by supporting the development of guidelines for market infrastructure that will facilitate market-based approaches to agriculture, forest, and rangeland conservation;
- Support the development of combined registries for wetland and water quality markets in coordination with the U.S. Army Corps of Engineers;
- Catalyze development of the infrastructure for environmental markets; and
- Accelerate integration of shared national water quality and GHG tools and metrics needed to facilitate environmental markets.

Office of Pest Management Policy (OPMP)

Selected Accomplishments Expected at the FY 2019 Proposed Resource Level:

OPMP expects to provide substantially the same level of support to the Department in 2019 to lead and coordinate the Department's pest management and biotechnology efforts. Key expected accomplishments are:

- OPMP will continue to represent the Department in fulfilling responsibilities related to management of pesticides under the Food Quality Protection Act of 1996, the Federal Insecticide, Fungicide, and Rodenticide Act, and the Federal Food, Drug and Cosmetic Act and other applicable laws; and
- OPMP also leads and coordinates the Department's pest management and biotechnology efforts.