

**2025 USDA EXPLANATORY NOTES – ECONOMIC RESEARCH SERVICE**

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***PREFACE***

This publication summarizes the fiscal year (FY) 2025 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2025 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2022 and 2023, enacted levels for 2024, and the President’s Budget request for 2025. Amounts for 2024 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2024. Amounts shown in 2025 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2022, 2023, 2024 and 2025.

In tables throughout this document, amounts equal to zero (0) are displayed as dashes (-). Amounts less than 0.5 and greater than zero are rounded and shown as a zero (0). This display treatment is used to prevent the masking of non-zero amounts that do not round up to one (1).

***AGENCY-WIDE*****PURPOSE STATEMENT**

The Economic Research Service (ERS) was established in 1961 from components of the former Bureau of Agricultural Economics principally under the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 -1627). The mission of ERS is to inform and enhance public and private decision making by anticipating emerging issues and conducting sound, peer-reviewed economic research on policy-relevant issues related to agriculture, food, natural resources, and rural America. ERS is also the primary source of statistical indicators that, among other things, gauge the health of the farm sector (including farm income estimates and projections), assess the current and expected performance of the agricultural sector (including trade), and provide measures of food security in the U.S. and abroad. The Agency's intramural research is conducted by a highly trained staff of economists and social scientists through an integrated program of research, market outlook, analysis, and data development. Key clientele includes White House and USDA policy officials, program administrators/managers, the U.S. Congress, other Federal agencies, State and local government officials, and organizations including farm and industry groups interested in public policy issues.

ERS develops its research program in coordination with other USDA research agencies, USDA program agencies, and other external collaborators. Activities to support this mission involve research and development of economic and statistical indicators on a broad range of topics, including but not limited to global agricultural market conditions, trade restrictions, agribusiness concentration, farm business and household income, farm program participation and risk management, farm and retail food prices, foodborne illnesses, food labeling, local and organic products and markets, nutrition, food assistance programs, drought resilience, conservation, technology adoption, and rural employment. Research results and economic indicators on such important agricultural, food, natural resource, and rural issues are fully disseminated to public and private decision makers through reports and articles; special staff analyses, briefings, and presentations; databases; and individual contact.

ERS has headquarters offices in Washington, D.C., and Kansas City, MO. As of September 30, 2023, ERS had 307 employees, 284 permanent full-time employees and 23 temporary full-time or part-time employees. 29 employees are in the headquarters office and 278 is in the field office.

**OIG AND GAO REPORTS**

**Table ERS-1. Completed GAO Reports**

ID	Title
GAO-23-104709	Agency Relocations: Following Leading Practices Will Better Position USDA to Mitigate the Ongoing Impact on Its Workforce

**AVAILABLE FUNDS AND FTEs**

**Table ERS-2. Available Funds and FTEs (thousands of dollars, FTEs)**

Item	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Salaries and Expenses:								
Discretionary Appropriations.....	\$87,794	310	\$92,612	310	\$92,652	329	\$98,068	329
Total Discretionary Appropriations .....	87,794	310	92,612	310	92,652	329	98,068	329
Total Adjusted Appropriation .....	87,794	310	92,612	310	92,652	329	98,068	329
Balance Available, SOY .....	500	-	500	-	-	-	-	-
Total Available.....	88,294	310	93,112	310	92,652	329	98,068	329
Balance Available, EOY .....	-500	-	-	-	-	-	-	-
Total Obligations .....	87,794	310	93,112	310	92,652	329	98,068	329
Total Obligations, ERS .....	87,794	310	93,112	310	92,652	329	98,068	329
Total, Agriculture Available .....	88,294	310	93,112	310	92,652	329	98,068	329
Total Available, ERS .....	88,294	310	93,112	310	92,652	329	98,068	329

Note: Difference between object class and MAX schedule O is due to reimbursable.

**PERMANENT POSITIONS BY GRADE AND FTEs**

**Table ERS-3. Permanent Positions by Grade and FTEs**

Item	2022			2023			2024			2025		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES.....	1	5	6	3	3	6	4	3	7	4	3	7
GS-15 .....	13	54	67	15	53	68	15	61	76	15	61	76
GS-14 .....	5	64	69	10	42	52	10	64	74	10	64	74
GS-13 .....	-	73	73	1	89	90	1	63	64	1	63	64
GS-12 .....	-	71	71	1	48	49	1	71	72	1	71	72
GS-11 .....	-	15	15	1	15	16	1	15	16	1	15	16
GS-9.....	-	20	20	-	4	4	-	20	20	-	20	20
GS-7.....	-	8	8	-	-	-	-	-	-	-	-	-
Total Permanent ....	19	310	329	31	254	285	32	297	329	32	297	329
Unfilled, EOY .....	-	-	-	-19	-	-	25	-	-	-	-	-
Total Perm. FT EOY .....	19	310	310	31	254	310	32	297	329	32	297	329
FTE* .....	19	310	310	31	254	310	32	294	329	32	297	329

\*Total FTEs are all inclusive of workforce categories including temporary position.

**SHARED FUNDING PROJECTS**

**Table ERS-4. Shared Funding Projects (thousands of dollars)**

Item	2022	2023	2024	2025
	Actual	Actual	Estimated	Estimated
<b>Working Capital Fund:</b>				
Administrative Services:				
AskUSDA .....	-	15	22	23
Material Management Service .....	14	13	14	13
Mail and Reproduction Services .....	67	91	60	60
Integrated Procurement Systems.....	44	37	30	-
Procurement Operations Services .....	-	-	-	29
Human Resources Enterprise Management Systems.....	10	8	6	6
Trusted Workforce – DCSA .....	-	1	1	-

2025 USDA EXPLANATORY NOTES – ECONOMIC RESEARCH SERVICE

Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
Subtotal .....	135	165	133	131
Communications:				
Creative Media & Broadcast Center .....	-	127	105	103
Finance and Management:				
National Finance Center .....	65	61	86	81
Internal Control Support Services .....	-	7	2	2
Financial Shared Services .....	-	-	110	100
Subtotal .....	65	68	198	183
Information Technology:				
Client Experience Center .....	2,096	2,119	1,844	1,811
Department Administration Information Technology Office .....	247	93	77	68
Digital Infrastructure Services Center .....	129	887	594	562
Enterprise Cybersecurity Services .....	-	95	179	198
Enterprise Data and Analytics Services .....	-	560	153	149
Enterprise Network Services .....	1,102	1,380	1,151	986
Personnel Document Security .....	-	14	18	18
Subtotal .....	3,574	5,148	4,016	3,792
Correspondence Management Services .....	2	9	-	-
Office of the Executive Secretariat .....	-	-	10	15
Total, Working Capital Fund .....	3,776	5,517	4,462	4,224
<b>Department-Wide Shared Cost Programs:</b>				
Advisory Committee Liaison Services .....	2	-	-	-
Agency Partnership Outreach .....	20	25	25	25
Medical Services .....	18	21	21	21
Office of Customer Experience .....	28	10	10	10
Personnel and Document Security Program .....	12	-	-	-
Physical Security .....	14	14	14	14
Security Detail .....	15	16	16	16
Security Operations Program .....	20	22	22	22
TARGET Center .....	4	6	6	6
TARGET Center NCR Interpreting Services .....	4	13	13	13
USDA Enterprise Data Analytics Services .....	14	-	-	-
Total, Department-Wide Reimbursable Programs .....	151	127	127	127
<b>E-Gov:</b>				
Enterprise Human Resources Integration .....	7	2	2	2
Geospatial Line of Business .....	13	13	13	13
Human Resources Line of Business .....	1	1	1	1
Total, E-Gov .....	21	16	16	16
Agency Total .....	3,948	5,660	4,605	4,367

**ADVERTISING EXPENDITURES**

ERS has no advertising expenditures.

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**ACCOUNT I: SALARIES AND EXPENSES**

**APPROPRIATIONS LANGUAGE**

The appropriations language follows (new language underscored; deleted matter enclosed in bracket)

*Salaries and Expenses*

For necessary expenses of the Economic Research Service, [~~\$92,652,000~~]\$98,068,000: *Provided*, That appropriations hereunder shall be available for the Experienced Services Program at the Economic Research Service (16 U.S.C. 3851).

**LEAD-OFF TABULAR STATEMENT**

**Table ERS-5. Lead-Off Tabular Statement (In dollars)**

Item	Amount
Estimate, 2024	\$92,652,000
Change in Appropriation	+5,416,000
Budget Estimate, 2025	<u>\$98,068,000</u>

**PROJECT STATEMENTS**

**Table ERS-6. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)**

Item	2022		2023		2024		2025		Inc. or Dec.	FTE Inc. or Dec.	Chg Key
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs			
Discretionary Appropriations:											
Agricultural Research.....	\$87,794	310	\$92,612	310	\$92,652	329	\$98,068	329	+\$5,416	-	(1)
Subtotal .....	87,794	310	92,612	310	92,652	329	98,068	329	+5,416	-	-
Total Adjusted Approp.....	87,794	310	92,612	310	92,652	329	98,068	329	+5,416	-	-
Add back: .....											
Total Appropriation.....	87,794	310	92,612	310	92,652	329	98,068	329	+5,416	-	-
Bal. Available, SOY.....	500	-	500	-	-	-	-	-	-	-	-
Total Available.....	88,294	310	93,112	310	92,652	329	98,068	329	+5,416	-	-
Bal. Available, EOY .....	-500	-	-	-	-	-	-	-	-	-	-
Total Obligations.....	87,794	310	93,112	310	92,652	329	98,068	329	+5,416	-	-

Note: Difference between object class and MAX schedule O is due to reimbursable.

**Table ERS-7. Project Statement on Basis of Obligations (thousands of dollars, FTE)**

Item	2022		2023		2024		2025		Inc. or Dec.	FTE Inc. or Dec.	Chg Key
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs			
Discretionary Obligations:											
Agricultural Research.....	\$87,794	310	\$92,612	310	\$92,652	329	\$98,068	329	+\$5,416	-	-
Subtotal Disc Obligations .....	87,794	310	92,612	310	92,652	329	98,068	329	+5,416	-	-
Mandatory Obligations:											
Farm Bill .....	-	-	500	-	-	-	-	-	-	-	-
Subtotal Mand Obligations .....	-	-	500	-	-	-	-	-	-	-	-
Total Obligations.....	87,794	310	93,112	310	92,652	329	98,068	329	+5,416	-	-
Add back:											
Balances Available, EOY: .....	+500	-	-	-	-	-	-	-	-	-	-
Total Bal. Available, EOY .....	500	-	-	-	-	-	-	-	-	-	-
Total Available.....	88,294	310	93,112	310	92,652	329	98,068	329	+5,416	-	-
Bal. Available, SOY.....	-500	-	-500	-	-	-	-	-	-	-	-
Total Appropriation.....	87,794	310	92,612	310	92,652	329	98,068	329	+5,416	-	-

Note: Difference between object class and MAX schedule O is due to reimbursable.

Justification of Changes**Economic Analysis and Research**

Funding is requested for ERS' core programs of research, analysis, market outlook, and data development. Proposals for ERS budget priorities include research that: (1) builds on unique or confidential data sources or investments at the Federal level; (2) provides coordination for a national perspective or framework; (3) requires sustained investment and large teams; (4) directly serves the U.S. Government's or USDA's long-term national goals; and (5) addresses questions with short-run payoff or that have immediate policy implications. ERS also seeks to cover the breadth of USDA programs (except forestry) and requests funding to ensure sustained expertise and to support the department through analysis of farming, commodity markets and trade, conservation, productivity growth, rural communities, food safety, food markets, and nutrition. ERS' strength in data linking, and in developing, modeling, and monitoring outcome measures, including program performance and agricultural productivity growth, will contribute substantively to USDA and REE's top priority goals for Agricultural Innovation and Sustainable Agricultural Intensification, to the extent that resources allow.

At the funding level for 2025, the following funding changes are requested:

1) An increase of \$5,416,000 and no FTEs (\$92,652,000 and 329 FTEs available in 2024).

(A) An increase of \$1,416,000 for 2025 Pay.

This increase will support the annualization of the 2024 5.2 percent Cost of Living pay increase and the 2025 2 percent Cost of Living pay increase. The funding will support critical Economic Research which continues to support Agency and Departmental strategic goals. Without this increase, ERS will have to fund the pay increase from our research agreements, reducing the output of economic research we are able to conduct and, potentially impacting initiatives that support the Agency's and USDA's Strategic Plans.

(B) An increase of \$1,000,000 for 2025 GHG Data Series.

This increase will support new annual conservation data series to fill critical data gaps in USDA's understanding of the conservation data as it relates to reducing GHG emissions from agriculture. A changing climate influences many aspects of the agricultural economy, and the agricultural sector has impacts on climate change, providing opportunities for reductions in greenhouse gas emissions through better manure management practices to changes in the use of biofuels.

(C) An increase of \$2,000,000 for 2025 Natural Capital Accounting.

The investments in natural capital accounting will continue to support the Interagency Policy Working Group on Natural Capital and Environmental-Economic Statistics jointly led by the Office of Management and Budget, the Office of Science Technology and Policy, and the Department of Commerce. ERS is the lead agency for the soils account in the natural capital accounting work and is developing a pilot and prototype data to prepare the account for inclusion in the core statistical series.

(D) An increase of \$1,000,000 for 2025 Economic Research Emerging Trends and Issues.

This increase will be used in support of white papers and ad hoc analyses requests from congress.



**PROPOSED LEGISLATION**

Program: Experienced Services Program, 16 U.S.C. 3851

Current legislative authority to be amended: 2025 Budget Request – Salaries and Expenses

Proposed legislative language (general provision): Provided further, that appropriations hereunder shall be available for the Experienced Services Program at ERS (16 U.S.C. 3851)

Proposal: The reason for this proposed legislative language is that funding has to be authorized, in accordance with the authorizing legislation at 16 U.S.C. 3851(c) 3.

Rationale: The proposed change will achieve the Secretary of Agriculture’s requirements set forth in 16 U.S.C. 3851, which specifies that the Secretary shall establish an Experienced Services Program (program) to enter into agreements on behalf of the Economic Research Service (ERS) with nonprofit private agencies and organizations eligible to receive Cooperative Agreements under the Community Service Senior Opportunities Act (42 U.S.C. 3056 et seq.) Participants for the program are to provide technical, professional, or administrative services, as applicable, to support the Research Education and Economics (REE) Mission Area, including ERS, and such services include: supporting agricultural research and information; advancing scientific knowledge relating to agriculture; enhancing access to agricultural information; providing statistical information and research results to farmers, ranchers, agribusiness, and public officials; and assisting research, education, and extension programs in land-grant colleges and universities (as defined in section 3103 of Title 7).

Goal: To use ERS Salaries and Expenses account for the Experienced Services Program

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs****Table ERS-8. Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2022		2023		2024		2025	
	Actual	FTEs	Actual	FTEs	Estimated	FTEs	Estimated	FTEs
Alabama .....	\$25	-	-	-	-	-	-	-
Arizona.....	252	-	-	-	-	-	-	-
California .....	75	-	-	-	-	-	-	-
Colorado.....	325	-	-	-	-	-	-	-
District of Columbia .....	22,866	60	\$26,244	79	\$27,796	79	\$29,400	79
Florida.....	20	-	-	-	-	-	-	-
Georgia.....	273	-	-	-	-	-	-	-
Idaho .....	110	-	-	-	-	-	-	-
Illinois .....	363	-	-	-	-	-	-	-
Indiana.....	455	-	-	-	-	-	-	-
Iowa.....	250	-	-	-	-	-	-	-
Kansas .....	305	-	-	-	-	-	-	-
Kentucky.....	205	-	-	-	-	-	-	-
Louisiana.....	88	-	-	-	-	-	-	-
Maryland.....	260	-	-	-	-	-	-	-
Massachusetts .....	1,329	-	-	-	-	-	-	-
Michigan .....	300	-	-	-	-	-	-	-
Minnesota.....	353	-	-	-	-	-	-	-
Mississippi .....	88	-	-	-	-	-	-	-
Missouri .....	53,303	250	66,368	231	64,856	250	68,668	250
Nebraska .....	269	-	-	-	-	-	-	-
New Jersey .....	35	-	-	-	-	-	-	-
New Mexico.....	100	-	-	-	-	-	-	-
New York.....	736	-	-	-	-	-	-	-
North Dakota.....	109	-	-	-	-	-	-	-
Oklahoma.....	361	-	-	-	-	-	-	-
Pennsylvania .....	463	-	-	-	-	-	-	-
South Carolina .....	60	-	-	-	-	-	-	-
South Dakota.....	70	-	-	-	-	-	-	-
Texas .....	230	-	-	-	-	-	-	-
Vermont .....	81	-	-	-	-	-	-	-
Virginia .....	3,005	-	-	-	-	-	-	-
Wisconsin.....	830	-	-	-	-	-	-	-
Wyoming.....	200	-	-	-	-	-	-	-
Obligations.....	87,794	310	92,612	310	92,652	329	98,068	329
Lapsing Balances .....	-	-	-	-	-	-	-	-
Bal. Available, EOY .....	500	-	-	-	-	-	-	-
Total, Available.....	88,294	310	92,612	310	92,652	329	98,068	329

**CLASSIFICATION BY OBJECTS****Table ERS-9. Classification by Objects (thousands of dollars)**

Item No.	Item	2022 Actual	2023 Actual	2024 Estimated	2025 Estimated
	Personnel Compensation:				
	Washington D.C.....	\$10,181	\$10,649	\$11,488	\$11,888
	Personnel Compensation, Field .....	23,755	25,848	26,312	25,279
11	Total personnel compensation .....	33,936	36,497	37,800	37,167
12	Personal benefits .....	12,409	12,952	13,719	15,913
13.0	Benefits for former personnel .....	-	15	15	15
	Total, personnel comp. and benefits .....	46,345	49,464	51,534	53,095
	Other Objects:				
21.0	Travel and transportation of persons .....	276	1,000	1,100	1,100
22.0	Transportation of things.....	-	-	-	-
23.1	Rental payments to GSA.....	73	1,000	1,100	1,100
23.2	Rental payments to others.....	-	-	-	-
23.3	Communications, utilities, and misc. charges.....	553	600	600	600
24.0	Printing and reproduction .....	72	75	75	75
25.1	Advisory and assistance services.....	8,118	8,000	8,000	8,000
25.2	Other services from non-Federal sources .....	738	3,000	3,000	3,000
25.3	Other goods and services from Federal sources .....	12,965	13,508	14,817	13,553
25.4	Operation and maintenance of facilities .....	-	600	600	600
25.5	Research and development contracts .....	10,636	12,060	8,021	13,140
25.7	Operation and maintenance of equipment .....	2,074	2,780	2,780	2,780
26.0	Supplies and materials .....	5,407	660	660	660
31.0	Equipment.....	522	350	350	350
41.0	Grants, subsidies, and contributions .....	15	15	15	15
	Total, Other Objects.....	41,449	43,648	41,118	44,973
99.9	Total, new obligations.....	87,794	93,112	92,652	98,068
	DHS Building Security Payments (included in 25.3) .....	\$514	\$521	\$582	\$585
	Information Technology Investments:				
	Major Investment 1				
	Related Mission Area PPA #1				
25.2	Outside Services (Consulting).....	1,000	1,000	1,000	1,000
	Total Major Investment 1 .....	1,000	1,000	1,000	1,000
25.3	Mission Area WCF Transfers .....	3,776	5,517	4,462	4,224
	Total Non-Major Investment.....	3,776	5,517	4,462	4,224
	<b>Total IT Investments</b> .....	<b>4,776</b>	<b>6,517</b>	<b>5,462</b>	<b>5,224</b>
	Cybersecurity .....				
	Identify .....	n/a	150	58	59
	<b>Total Cybersecurity</b> .....	<b>-</b>	<b>150</b>	<b>58</b>	<b>59</b>
	Position Data:				
	Average Salary (dollars), ES Position.....	\$195,800	\$200,695	\$206,716	\$217,465
	Average Salary (dollars), GS Position .....	\$121,776	\$124,820	\$128,565	\$135,250
	Average Grade, GS Position .....	13.4	13.5	13.6	13.7

Note: Difference between object class and MAX schedule O is due to reimbursable.

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## **STATUS OF PROGRAMS**

The Economic Research Service (ERS) anticipates trends and emerging issues in agriculture, food, the environment, and rural America and conducts high-quality, objective economic research to inform and enhance public and private decision making. ERS shapes its research program and products to serve those who routinely make or influence public policy and program decisions. ERS research provides context for and informs the decisions that affect the agricultural sector, which in turn benefits everyone with efficient stewardship of our agricultural resources and the economic prosperity of the sector. As a Federal Statistical Agency, ERS provides timely, objective data on the well-being of America's farmers, consumers, natural resources, and rural communities.

### **Enhance competitiveness for American farms, agriculture, and rural community.**

#### **Current Activities:**

ERS conducts research that strengthens the understanding of American farms, the agricultural sector, and rural communities. This includes analysis of commodity markets, the competitiveness of U.S. farms at home and abroad, and the health of the rural economy. ERS research and analysis provides insights into market conditions facing U.S. agriculture, potential avenues for innovation and market expansion, and the effects of farm policies. The agency conducts research on the effects of new agricultural technologies and practices on farm business and sector performance as well as their implications for the changing size and organization of U.S. farms. ERS produces USDA's estimates of farm business and farm household income and identifies and analyzes market structure and technological developments that affect farm efficiency and profitability.

ERS research and analysis also provides insights into how the agricultural sector is evolving in both the short and long term. ERS's ongoing Commodity Outlook and Cost of Production programs address the impacts of market factors impacting supply, demand, prices, and costs and returns of agricultural commodities.

- The Commodity Outlook program produces monthly outlook reports and research results for 25 commodities, including most of the major U.S. crop, livestock, dairy, and poultry commodities.
- Cost of Production analysts produce annual estimates for 12 major crop, livestock, and dairy commodities and conduct research on the factors impacting commodity costs and returns.
- This foundational work enables ERS to provide quick analysis for USDA leadership and Congress, and statistical data and analysis to inform decision makers in the public and private sectors.

Analysis of the major factors driving the outlook for agricultural commodity markets plays a central role in supporting USDA's World Agriculture Supply and Demand Estimates (WASDE), which serves as the benchmark for information on major global commodities. Each year ERS also coordinates the USDA's Baseline projections for U.S. and world agriculture for the coming decade. The 2022 long-term projections were presented at the 2023 USDA Agricultural Outlook Forum and helped shape planning for the federal budget. The *Baseline Projections* have long supported Farm Service Agency's estimation of budget costs for farm program commodities. In addition to its importance for USDA's policymakers, the annual *Baseline Projections* report and related data products are essential references for public and private decision makers.

ERS's rural research explores how investments in businesses, communities, and people affect the capacity of rural economies to prosper in a changing global marketplace. The agency analyzes how employment opportunities, Federal policies, demographic trends, and public investment in infrastructure and technology enhance economic opportunity and quality of life for rural Americans.

#### **Recent Progress:**

*Farm income and wealth statistics measure the financial performance of the U.S. farm sector.* ERS provides authoritative information on the financial health of the farm sector, including the performance of farm businesses and well-being of farm households. Published three times a year, these core statistical indicators provide guidance to policy makers, lenders, commodity organizations, farmers, and others interested in the financial status of the farm economy. ERS's farm income statistics also inform the computation of agriculture's contribution to the U.S. economy in the Bureau of Economic Analysis statistics for Gross Domestic Product.

*After a decade of overall loss, the U.S. rural population is growing again, with growth of approximately a quarter percent from 2020 to 2022.* ERS provides up-to-date information on rural economic and demographic trends in an annual series, *Rural America at a Glance*. The latest report indicates that the rural population is also experiencing declines in poverty, with 9.7 percent fewer nonmetro counties in 2021 experiencing persistent poverty compared with a decade earlier. Still, more than half of extremely low-income nonmetro renter households experienced housing insecurity. The 2023 edition of *Rural America at a Glance* examines rural population and migration trends, poverty, housing insecurity, unemployment, and clean energy jobs. It finds that rural employment levels and annual growth rates have nearly returned to levels seen prior to the Coronavirus (COVID-19) pandemic. The findings were communicated via a public webinar and in briefings to senior USDA policy makers.

### **Protect and enhance the Nation's natural resource base and the environment.**

#### Current Activities:

The ERS conservation and natural resources economics research program improves understanding of the interrelationship between agricultural production and environmental outcomes and assesses policy and program options for supporting sustainable production while enhancing the Nation's natural resources. ERS research examines how economic incentives influence the adoption of management practices that can improve the environmental performance of agriculture and conserve scarce resources, including land, water, soil, air, and biodiversity. ERS also contributes to USDA's efforts to improve the science behind Federal environmental, water and air quality regulations and programs, including insights into policy options for controlling nonpoint source pollution. ERS develops models and other analytical techniques to estimate the impacts of alternative approaches used by farmers to adapt to changing weather conditions and resource constraints as the demand for agricultural production grows. The models predict responses of farmers to USDA programs, including voluntary incentives for drought mitigation and improved soil health and nutrient management. A related area of research addresses the implications of regional drought for U.S. agriculture, including producers' production and investment decisions, and their participation in conservation and other risk-mitigating programs. ERS research on farmer responses and the implications for markets and natural resources builds on expertise in the economics of land use and land management, technology adoption, and conservation program design.

#### **Recent Progress:**

*A new Survey of Irrigation Organizations will provide a foundation for understanding local irrigation decisions and their impact on drought resilience.* Increasing demands for limited water resources, and concerns for agricultural drought resilience under heightened water scarcity, has prompted renewed interest in water data development at the agricultural district scale. ERS has developed a series of Economic Briefs highlighting different aspects of the important data and information shown in the survey. Analysis shows that in some regions, such as the U.S. High Plains, nearly all groundwater-fed irrigated acreage occurs within the service area of a groundwater organization. In other regions, such as the Southeast, a relatively small share of the groundwater-fed irrigated acreage is under the purview of a groundwater organization. Other research shows the impact of drought planning, with results finding that 20 percent of irrigation organizations have a formal drought planning and most organizations – including those with and without a drought plan – respond to droughts by proportionately reducing water deliveries to all users.

*Rotational grazing is a management practice that promotes improved environmental outcomes.* Rotational grazing is a management practice in which livestock are cycled through multiple fenced grazing areas (paddocks) to manage forage production, forage quality, and environmental quality. USDA's Natural Resources Conservation Service (NRCS) and other organizations promote rotational grazing as an important practice for providing improved environmental outcomes, relative to conventional grazing, in which livestock are not rotated between grazing areas. Despite the breadth of support for rotational grazing, only limited information is available on its prevalence and the variation in how producers implement the practice. ERS research finds that about 40 percent of cow-calf operations use rotational grazing, but less than half of those are under intensive systems. Rotational grazing is most common in the Northern Plains/Western Corn Belt and Appalachian regions.

**Strengthen the international competitiveness of American agriculture Current Activities**Current Activities:

ERS conducts research on the economic performance and competitiveness of U.S. agriculture in international markets. U.S. producers rely on export markets to sell agricultural and food products, sustain and grow revenues, and contribute to employment, particularly in rural communities. This research program examines emerging patterns of agricultural trade and the associated economic drivers including income and population growth, and domestic and trade policies, and provides information on the principal underlying factors affecting U.S. and global agricultural trade.

ERS conducts research on the state of global food security, including factors affecting food production and the ability to import food, in Africa, Asia, Latin America and the Caribbean, and the Commonwealth of Independent States. A demand driven framework is used to assess food demand across global regions and countries, ERS informs decision makers in the United States and throughout the world with its annual assessment of international food security.

Recent Progress:

*U.S. agricultural imports from Latin America and the Caribbean saw substantial growth between 2007-09 and 2019-21.* U.S. agricultural imports from Latin America and the Caribbean grew at a combined annual growth rate of 6.9 percent, and consumer-oriented products' share of these imports rose from 72.2 percent to 81.5 percent. Mexico, specifically, has been a partner of the United States in free-trade agreements (FTA) for nearly three decades—first through the North American Free Trade Agreement (NAFTA, January 1, 1994–June 30, 2020) and currently through the United States-Mexico-Canada Agreement (USMCA, July 1, 2020–present).

*Food security is projected to improve for many developing countries.* ERS publishes the *International Food Security Assessment* to inform U.S. policymakers as well as international donor organizations of the food security situation in 76 low- and middle-income countries. The report provides projections of food demand and access based on ERS's food security model, which allows for analysis of income and price changes on food security. Results were also presented in a well-received briefing to USAID and discussed by major press publications. Given projections for lower food prices and rising incomes, food security for the 83 low- and middle-income countries included is expected to improve through 2033. The share of population that is food insecure is projected to fall from 26.6 percent in 2023 to 7.9 percent in 2033. The number of food-insecure people is projected to fall markedly from 1.14 billion to 385.9 or a decline of 66.1 percent, faster than the decline in the food gap, the amount of food necessary to allow all food-insecure people to reach the nutritional target of 2,100 calories per capita per day, indicating somewhat slower change in the intensity of food insecurity, at the aggregate level.

**Improve the Nation's nutrition and food safety.**Current Activities:

ERS conducts research on the economic forces influencing consumer food choices and the effect of these choices on nutrition and health outcomes. To understand these relationships, ERS examines the interactions between factors such as food prices, grocery store accessibility, food labeling, household income, and household composition. Market and industry level factors examined include product offerings by firms, changes in store types and store formats, firm and consumer reactions to food safety incidences, and the role of government programs and the food system as a whole in the macro-economy.

ERS analyzes USDA's food and nutrition assistance programs, often coordinating research priorities with USDA's Food and Nutrition Service. These programs receive substantial Federal funding and affect the daily lives of millions of America's children. Long-term research themes include food security outcomes, dietary and nutritional outcomes, food program targeting and delivery, and measurement of program participation.

ERS food safety research focuses on enhancing methodologies for valuing societal benefits associated with reducing food safety risks, understanding consumer and producer responses to food safety incidents, assessing industry incentives to enhance food safety through new technologies and supply chain linkages, and evaluating regulatory options and change. ERS research also investigates the safety of food imports and the efficacy of international food safety policies and practices.

Recent Progress:

*Dietary Guidelines for Americans provides guidance that recommends whole grain intake amounts based on an individual's caloric intake.* ERS researchers examined trends in whole-grain intakes of U.S. residents by age and food source using national datasets spanning 1994–2018. Food sources include food at home (FAH)—food purchased at grocery stores and other retailers to be eaten either at home or away (as a brown bag lunch)—versus food away from home (FAFH), which includes food purchased at restaurants, fast-food establishments and similar sources, and at schools.



## ***AGENCY-WIDE PERFORMANCE***

### **Introduction**

The Economic Research Service (ERS) was established April 3, 1961, within the Department of Agriculture to anticipate trends and emerging issues in agriculture, food, the environment, and rural America and to conduct high-quality, objective economic research to inform and enhance public and private decision making. ERS shapes its research program and products to serve those who routinely make or influence public policy and program decisions. Key clientele includes White House and USDA policy officials; the U.S. Congress; program administrators/managers; other Federal agencies; State and local government officials; and organizations, including farm and industry groups. ERS research provides context for and informs the decisions that affect the agricultural sector, which in turn benefits everyone with efficient stewardship of our agricultural resources and the economic prosperity of the sector.

The purpose of the Summary of Performance section is to provide an update on Performance and Evidence and Evaluation efforts, facilitating compliance with the Government Performance Results Modernization Act (GPRMA) and the Evidence Act of 2018, as well as departmental Key Performance Indicators (KPI). The Office of Budget and Program Analysis (OBPA) leads the Department in performance, evaluation, evidence, and risk management and chairs the Performance, Evaluation, Evidence Committee (PEEC) and the Enterprise Risk Management (ERM) committee. Each USDA Mission Area is represented on these committees.

The Research, Education, and Economics (REE) mission area and the Office of the Chief Scientist are jointly represented through the OCS' Strategic Planning, Program Evaluation, and Enterprise Risk Officer, whose team functions as the coordinating members on USDA's PEEC and ERM committees.

The Research, Education, and Economics (REE) mission area of the U. S. Department of Agriculture has Federal leadership responsibility for advancing scientific knowledge related to agriculture through research, extension, and education. The mission area office is led by the Under Secretary for the Research, Education, and Economics (REE) and Chief Scientist for USDA, whose responsibilities include oversight of the four agencies that comprise OCS/REE, the Agricultural Research Service (ARS), National Institute for Food and Agriculture (NIFA), Economic Research Service (ERS), and National Agricultural Statistics Service (NASS.) The National Agriculture Library, National Arboretum, and the Office of the Chief Scientist also fall under this mission area.

The mission of the Office of the Chief Scientist (OCS) is to provide strategic coordination of the science that informs the Department's and the Federal government's decisions, policies, and regulations that impact all aspects of U.S. food and agriculture, related landscapes, and communities.

Therefore, REE performance, evaluation, evidence and risk management efforts are coordinated and led by the Office of the Chief Scientist on behalf of the Mission Area. The OCS Strategic Planning, Program Evaluation, and Enterprise Risk Officer leads the Mission Area by chairing two committees: the OCS/REE Performance, Evaluation and Evidence Committee (OCS/REE-PEEC) and the OCS/REE Enterprise Risk Management (ERM) Committee. The two Mission Area committees are comprised of REE agency leaders in performance, evaluation, evidence and risk management, as well as the Mission Area's functional and operational leads as necessary.

### **Alignment to USDA 2022 – 2026 Strategic Plan**

ERS contributes to Goal 2 of the Department's Strategic Goals in the current 2022 – 2026 USDA Strategic Plan. Departmental KPIs are performance indicators that are aligned to the Strategic Objectives laid out in the USDA's Strategic Plan.

- Strategic Goal 2: Ensure America's Agricultural System is Equitable, Resilient, and Prosperous
  - Objective 2.3: Foster Agricultural Innovation

**SUMMARY OF PERFORMANCE**

A more detailed report of the performance plan can be found at <https://www.usda.gov/our-agency/aboutusda/performance>. The following table summarizes the results for the Departmental Key Performance Indicators (KPIs) for which the ERS is responsible.

*Table ERS-10. Key Performance Indicators*

<b>Strategic Objective 2.3</b>	<b>Item</b>	<b>2024</b>	<b>2025</b>
<b>Citations of REE Reports</b>	<b>Results</b>	-	-
Number of Citations of REE Reports	<b>Target</b>	<b>134</b>	<b>N/A</b>

*This KPI is being retired in 2025.*