

2024 USDA EXPLANATORY NOTES – ECONOMIC RESEARCH SERVICE

Table of Contents

Preface 3

Agency-Wide 3

 Purpose Statement 3

 OIG and GAO Reports 4

 Available Funds and FTEs 4

 Permanent Positions by Grade and FTEs 5

 Shared Funding Projects 6

 Advertising Expenditures 7

Account 1: Salaries and Expenses 9

 Appropriations Language 9

 Lead-Off Tabular Statement 9

 Project Statements 9

 Proposed Legislation 14

 Geographic Breakdown of Obligations and FTE 15

 Classification by Objects 16

 Status of Programs 17

Agency-Wide Performance 21

 Summary of Performance 22

This page was intentionally left blank.

PREFACE

This publication summarizes the fiscal year (FY) 2024 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2024 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 2021 and 2022, enacted levels for 2023, and the President’s Budget request for 2024. Amounts for 2023 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 2023. Amounts shown in 2024 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 2021, 2022, 2023 and 2024.

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 headquarters is located in Washington, D.C., with a new office established in 2019 in Kansas City. As of September 30, 2022, ERS had 310 employees, 287 permanent full-time employees and 23 temporary full-time or part-time employees. 58 employees are in the headquarters office and 250 are in the field office.

OIG AND GAO REPORTS

Table ERS-1. Completed OIG Reports

| ID | Date | Title |
|---------------|-----------|---|
| 14801-0001-24 | 9/28/2022 | Economic Research Service’s Data Product Review Council Process |

Table ERS-2. Completed GAO Reports

| ID | Date | Title | Result |
|---------------|-----------|---|---|
| GAO-22-104540 | 4/21/2022 | Evidence-Based Policy Making: USDA’s Decision to Relocate Research Agencies to Kansas City Was Not Fully Consistent with an Evidence-Based Approach | GAO did not make any recommendations since the relocation had already taken place and OMB has since circulated comprehensive guidance on how to build and use quality evidence that, if effectively implemented, should address the weaknesses highlighted. |

Table ERS-3. In-Progress 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-4. Available Funds and FTEs (thousands of dollars, FTEs)

| Item | 2021 | | 2022 | | 2023 | | 2024 | |
|---|----------|-----|----------|-----|-----------|-----|-----------|-----|
| | Actual | FTE | Actual | FTE | Estimated | FTE | Estimated | FTE |
| Salaries and Expenses: | | | | | | | | |
| Discretionary Appropriations..... | \$85,476 | 288 | \$87,794 | 310 | \$92,612 | 329 | \$98,453 | 329 |
| Supplemental Appropriations..... | 2,000 | - | - | - | - | - | - | - |
| Total Discretionary Appropriations..... | 85,476 | 288 | 87,794 | 310 | 92,612 | 329 | 98,453 | 329 |
| Total Supplemental Appropriations | 2,000 | - | - | - | - | - | - | - |
| Total Adjusted Appropriation | 87,476 | 288 | 87,794 | 310 | 92,612 | 329 | 98,453 | 329 |
| Balance Available, SOY | 500 | - | 500 | - | 500 | - | - | - |
| Total Available..... | 87,976 | 288 | 88,294 | 310 | 93,112 | 329 | 98,453 | 329 |
| Balance Available, EOY | -500 | - | -500 | - | - | - | - | - |
| Total Obligations..... | 87,476 | 288 | 87,794 | 310 | 93,112 | 329 | 98,453 | 329 |
| Total Obligations, AES | 87,476 | 288 | 87,794 | 310 | 93,112 | 329 | 98,453 | 329 |
| Other USDA: | | | | | | | | |
| Total, Agriculture Available | 87,976 | 288 | 88,294 | 310 | 93,112 | 329 | 98,453 | 329 |
| Total Available, AES | 87,976 | 288 | 88,294 | 310 | 93,112 | 329 | 98,453 | 329 |

PERMANENT POSITIONS BY GRADE AND FTES**Table ERS-5. Permanent Positions by Grade and FTEs**

| Item | 2021 Actual | | | 2022 Actual | | | 2023 Estimated | | | 2024 Estimated | | |
|-----------------------------|----------------|-------|-------|----------------|-------|-------|-------------------|-------|-------|-------------------|-------|-------|
| | D.C. | Field | Total | D.C. | Field | Total | D.C. | Field | Total | D.C. | Field | Total |
| SES | 1 | 5 | 6 | 1 | 5 | 6 | 3 | 3 | 6 | 3 | 3 | 6 |
| GS-15..... | 28 | 48 | 76 | 13 | 54 | 67 | 13 | 54 | 67 | 13 | 54 | 67 |
| GS-14..... | 20 | 52 | 72 | 5 | 64 | 69 | 5 | 64 | 69 | 5 | 64 | 69 |
| GS-13..... | 20 | 55 | 75 | - | 73 | 73 | - | 73 | 73 | - | 73 | 73 |
| GS-12..... | 5 | 47 | 52 | - | 71 | 71 | - | 71 | 71 | - | 71 | 71 |
| GS-11..... | 4 | 26 | 30 | - | 15 | 15 | - | 15 | 15 | - | 15 | 15 |
| GS-9..... | 1 | 12 | 13 | - | 20 | 20 | - | 20 | 20 | - | 20 | 20 |
| GS-8..... | - | 1 | 1 | - | - | - | - | - | - | - | - | - |
| GS-7..... | - | 2 | 2 | - | 8 | 8 | - | 8 | 8 | - | 8 | 8 |
| GS-4..... | - | 1 | 1 | - | - | - | - | - | - | - | - | - |
| GS-3..... | - | 1 | 1 | - | - | - | - | - | - | - | - | - |
| Total | | | | | | | | | | | | |
| Permanent | 79 | 250 | 329 | 19 | 310 | 329 | 21 | 308 | 329 | 21 | 308 | 329 |
| Unfilled, EOY | - | - | -41 | - | - | -19 | - | - | - | - | - | - |
| Total Perm. FT EOY | 79 | 250 | 288 | 19 | 310 | 310 | 21 | 308 | 329 | 21 | 308 | 329 |
| FTE | 79 | 250 | 288 | 19 | 310 | 310 | 21 | 308 | 329 | 21 | 308 | 329 |

SHARED FUNDING PROJECTS**Table ERS-6. Shared Funding Projects (thousands of dollars)**

| Item | 2021 Actual | 2022 Actual | 2023 Estimated | 2024 Estimated |
|---|----------------|----------------|-------------------|-------------------|
| Working Capital Fund: | | | | |
| Administrative Services: | | | | |
| Ask USDA | \$0 | \$0 | \$15 | \$12 |
| Material Management Service..... | 43 | 14 | 13 | 14 |
| Mail and Reproduction Services | 55 | 67 | 91 | 90 |
| Integrated Procurement Systems..... | 46 | 44 | 37 | 38 |
| Human Resources Enterprise Management Systems..... | 8 | 10 | 8 | 10 |
| Trusted Workforce – DCSA..... | - | - | 1 | 1 |
| Subtotal | 152 | 135 | 165 | 165 |
| Communications: | | | | |
| Creative Media & Broadcast Center..... | 123 | 81 | 127 | 144 |
| Finance and Management: | | | | |
| National Finance Center..... | 75 | 65 | 61 | 149 |
| Financial Management Systems..... | - | 82 | - | 50 |
| Internal Control Support Services | - | - | 7 | 8 |
| Financial Management Support Services | 87 | - | - | - |
| Subtotal | 285 | 228 | 195 | 351 |
| Information Technology: | | | | |
| Client Experience Center | 2,085 | 2,456 | 2,119 | 2,141 |
| Department Administration Information Technology Office.... | 473 | 247 | 93 | 95 |
| Digital Infrastructure Services Center..... | 768 | 129 | 887 | 975 |
| Enterprise Cyber Security | - | - | 95 | 99 |
| Enterprise Data and Analytics Services | - | - | 560 | 154 |
| Enterprise Network Services..... | 1,220 | 1,147 | 1,380 | 1,161 |
| Personnel Document Security | - | - | 14 | 15 |
| Subtotal | 4,546 | 3,979 | 5,148 | 4,640 |
| Correspondence Management Services..... | - | - | 9 | 10 |
| Office of the Executive Secretariat..... | 2 | - | - | - |
| Total, Working Capital Fund | 5,000 | 4,342 | 5,517 | 5,166 |
| Department-Wide Shared Cost Programs: | | | | |
| Advisory Committee Liaison Services..... | 2 | 2 | - | - |
| Agency Partnership Outreach..... | 22 | 20 | 25 | 25 |
| Diversity, Equity, Inclusion and Accessibility | - | - | 7 | 7 |
| Human Resources Priority Goals Program..... | - | - | 13 | 13 |
| Medical Services | - | 18 | 21 | 21 |
| Office of Customer Experience..... | 31 | 28 | 10 | 10 |
| Personnel and Document Security Program..... | 11 | 12 | - | - |
| Physical Security..... | 14 | 14 | 14 | 14 |
| Security Detail..... | 15 | 15 | 16 | 16 |
| Security Operations Program | 21 | 20 | 22 | 22 |
| Talent Group | - | - | 11 | 11 |
| TARGET Center | 4 | 4 | 6 | 6 |
| TARGET Center NCR Interpreting Services | - | 4 | 13 | 13 |
| USDA Enterprise Data Analytics Services | 17 | 14 | - | - |
| Total, Department-Wide Reimbursable Programs..... | 137 | 151 | 158 | 158 |

2024 USDA EXPLANATORY NOTES – ECONOMIC RESEARCH SERVICE

| Item | 2021 Actual | 2022 Actual | 2023 Estimated | 2024 Estimated |
|---|----------------|----------------|-------------------|-------------------|
| E-Gov: | | | | |
| E-Rulemaking..... | 5 | 7 | 2 | 2 |
| Geospatial Line of Business | 13 | 13 | 13 | 13 |
| Human Resources Line of Business | 1 | 1 | 1 | 1 |
| Integrated Acquisition Environment..... | 1 | - | - | - |
| Total, E-Gov | 20 | 21 | 16 | 16 |
| Agency Total | 5,157 | 4,514 | 5,691 | 5,340 |

ADVERTISING EXPENDITURES

ERS has no advertising expenditures.

This page was intentionally left blank.

ACCOUNT 1: SALARIES AND EXPENSES

APPROPRIATIONS LANGUAGE

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

Salaries and Expenses

For necessary expenses of the Economic Research Service, [~~\$92,612,000~~]\$98,453,000: *Provided, That appropriations hereunder shall be available for the Experienced Services at the Economic Research Service (16 U.S.C. 3851).*

Change Description

The first change (line 1 of paragraph 1) adds language for the Experienced Services Program.

LEAD-OFF TABULAR STATEMENT

Table ERS-7. Lead-Off Tabular Statement (In dollars)

| Item | Amount |
|-------------------------|--------------------------|
| Estimate, 2023 | \$92,612,000 |
| Change in Appropriation | <u>+5,841,000</u> |
| Budget Estimate, 2024 | <u><u>98,453,000</u></u> |

PROJECT STATEMENTS

Table ERS-8. Project Statement on Basis of Appropriations (thousands of dollars, FTE)

| Item | 2021 Actual | FTE | 2022 Actual | FTE | 2023 Estimated | FTE | 2024 Estimated | FTE | Inc. or Dec. | FTE Inc. or Dec. | Chg Key |
|--------------------------------------|-------------|-----|-------------|-----|----------------|-----|----------------|-----|--------------|------------------|---------|
| Discretionary Appropriations: | | | | | | | | | | | |
| Economic Analysis and Research | \$85,476 | 288 | \$87,794 | 310 | \$92,612 | 329 | \$98,453 | 329 | +\$5,841 | - | (1) |
| Subtotal | 85,476 | 288 | 87,794 | 310 | 92,612 | 329 | 98,453 | 329 | +5,841 | - | |
| Consolidated Appropriations Act..... | 2,000 | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 2,000 | - | - | - | - | - | - | - | - | - | - |
| Total Adjusted Approp..... | 87,476 | 288 | 87,794 | 310 | 92,612 | 329 | 98,453 | 329 | 5,841 | - | |
| Add back: | | | | | | | | | | | |
| Total Appropriation..... | 87,476 | 288 | 87,794 | 310 | 92,612 | 329 | 98,453 | 329 | 5,841 | - | |
| Bal. Available, SOY..... | 500 | - | 500 | - | 500 | - | - | - | -500 | - | |
| Total Available..... | 87,976 | 288 | 88,294 | 310 | 93,112 | 329 | 98,453 | 329 | 5,341 | - | |
| Bal. Available, EOY..... | -500 | - | -500 | - | - | - | - | - | - | - | |
| Total Obligations..... | 87,476 | 288 | 87,794 | 310 | 93,112 | 329 | 98,453 | 329 | +5,341 | - | |

Note: Discrepancy between Project Statement and MAX Schedule X is due to \$2M of reimbursable obligations.

Table ERS-9. Project Statement on Basis of Obligations (thousands of dollars, FTE)

| Item | 2021 Actual | FTE | 2022 Actual | FTE | 2023 Estimated | FTE | 2024 Estimated | FTE | Inc. or Dec. | FTE Inc. or Dec. |
|--------------------------------------|-------------|-----|-------------|-----|----------------|-----|----------------|-----|--------------|------------------|
| Discretionary Obligations: | | | | | | | | | | |
| Agricultural Research..... | \$85,476 | 288 | \$87,794 | 310 | \$93,112 | 329 | \$98,453 | 329 | +\$5,341 | - |
| Subtotal Disc Obligations..... | 85,476 | 288 | 87,794 | 310 | 93,112 | 329 | 98,453 | 329 | +5,341 | - |
| Supplemental Obligations: | | | | | | | | | | |
| Consolidated Appropriations Act..... | 2,000 | - | - | - | - | - | - | - | - | - |
| Subtotal Supp Obligations..... | 2,000 | - | - | - | - | - | - | - | - | - |
| Offsetting Collections: | | | | | | | | | | |
| Total Obligations..... | 87,476 | 288 | 87,794 | 310 | 93,112 | 329 | 98,453 | 329 | 5,341 | - |
| Add back: | | | | | | | | | | |
| Balances Available, EOY:..... | +500 | | +500 | | - | | | | | |
| Total Bal. Available, EOY | 500 | - | 500 | - | - | - | - | - | - | - |
| Total Available..... | 87,976 | 288 | 88,294 | 310 | 93,112 | 329 | 98,453 | 329 | 5,341 | - |
| Less: | | | | | | | | | | |
| Bal. Available, SOY | -500 | - | -500 | - | -500 | - | - | - | 500 | - |
| Total Appropriation..... | 87,476 | 288 | 87,794 | 310 | 92,612 | 329 | 98,453 | 329 | 5,841 | - |

Note: Discrepancy between Project Statement and MAX Schedule X is due to \$2M of reimbursable authority.

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 2024, the following funding changes are requested:

- 1) An increase of \$5,841,000 and no staff years (\$92,612,000 and 329 staff years available in 2023).
 - (A) An increase of \$2,520,000 for 2024 Pay.

This increase will support the annualization of the 2023 4.6 percent Cost of Living pay increase and the 2024 5.2 percent Cost of Living pay increase. Without this increase, ERS will have to fund the 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) A decrease of \$351,000 for Other Changes and USDA shared services.

This decrease represents the reduction in charges for USDA-assessed support services including Enterprise Data and Analytics Services and Enterprise Network Services.
 - (C) An increase of \$6,260,000 for Climate Science Research.

This increase supports climate science research for the U.S. Global Change Research Program (USGCRP) which coordinates federal research and investments in understanding the forces shaping the global environment. ERS will use \$2,250,000 to fund the Survey of Irrigation, a 2024 survey of local irrigation decisions and their impact on drought resistance and \$2,500,000 for a new annual conservation data series to fill critical gaps in USDA's understanding of conservation data as it relates to 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.
 - (D) A decrease of \$1,078,000 for Economic Research.

ERS will reduce research agreements with external cooperators.

PROPOSED LEGISLATION

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

Current legislative authority to be amended: 2024 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

Table ERS-10. Change in Funding and Outlays

| Item | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 10 Year Total |
|------------------|------|------|------|------|------|------|------|------|------|------|---------------|
| Budget Authority | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Outlays | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTE*Table ERS-11. Geographic Breakdown of Obligations and FTE (thousands of dollars, FTE)*

| State/Territory/Country | 2021 | | 2022 | | 2023 | | 2024 | |
|---------------------------|----------|-----|--------|-----|-----------|-----|-----------|-----|
| | Actual | FTE | Actual | FTE | Estimated | FTE | Estimated | FTE |
| Alabama | - | - | \$25 | - | - | - | - | - |
| Arizona..... | - | - | 252 | - | - | - | - | - |
| California..... | - | - | 75 | - | - | - | - | - |
| Colorado..... | - | - | 325 | - | - | - | - | - |
| District of Columbia..... | \$55,080 | 79 | 22,866 | 60 | \$26,244 | 79 | \$27,796 | 79 |
| Florida..... | - | - | 20 | - | - | - | - | - |
| Georgia..... | - | - | 273 | - | - | - | - | - |
| Idaho..... | - | - | 110 | - | - | - | - | - |
| Illinois..... | - | - | 363 | - | - | - | - | - |
| Indiana..... | - | - | 455 | - | - | - | - | - |
| Iowa..... | - | - | 250 | - | - | - | - | - |
| Kansas..... | 2,814 | - | 305 | - | 500 | - | - | - |
| Kentucky..... | - | - | 205 | - | - | - | - | - |
| Louisiana..... | - | - | 88 | - | - | - | - | - |
| Maryland..... | 1,386 | - | 260 | - | - | - | - | - |
| Massachusetts..... | - | - | 1,329 | - | - | - | - | - |
| Michigan..... | - | - | 300 | - | - | - | - | - |
| Minnesota..... | - | - | 353 | - | - | - | - | - |
| Mississippi..... | - | - | 88 | - | - | - | - | - |
| Missouri..... | 25,941 | 209 | 53,303 | 250 | 66,368 | 250 | 70,657 | 250 |
| Nebraska..... | - | - | 269 | - | - | - | - | - |
| New Jersey..... | - | - | 35 | - | - | - | - | - |
| New Mexico..... | - | - | 100 | - | - | - | - | - |
| New York..... | - | - | 736 | - | - | - | - | - |
| North Carolina..... | 2,255 | - | - | - | - | - | - | - |
| 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 | 87,476 | 288 | 87,794 | 310 | 93,112 | 329 | 98,453 | 329 |

CLASSIFICATION BY OBJECTS

Table ERS-12 Classification by Objects (thousands of dollars)

| Item No. | Item | 2021 Actual | 2022 Actual | 2023 Estimated | 2024 Estimated |
|-----------------|---|--------------------|--------------------|-----------------------|-----------------------|
| | Personnel Compensation: | | | | |
| | Washington D.C. | \$14,339 | \$10,181 | \$10,649 | \$11,488 |
| | Personnel Compensation, Field | 19,074 | 23,755 | 23,715 | 24,257 |
| 11 | Total personnel compensation | 33,413 | 33,936 | 34,364 | 35,745 |
| 12 | Personal benefits..... | 12,029 | 12,409 | 13,130 | 13,719 |
| 13.0 | Benefits for former personnel..... | 400 | - | 15 | 15 |
| | Total, personnel comp. and benefits | 45,842 | 46,345 | 47,509 | 49,479 |
| | Other Objects:..... | | | | |
| 21.0 | Travel and transportation of persons | 350 | 276 | 1,000 | 1,100 |
| 22.0 | Transportation of things..... | 350 | - | - | - |
| 23.1 | Rental payments to GSA | 10 | 73 | 1,370 | 1,372 |
| 23.3 | Communications, utilities, and misc. charges..... | 1,000 | 553 | 600 | 600 |
| 24.0 | Printing and reproduction | 75 | 72 | 75 | 75 |
| 25.1 | Advisory and assistance services..... | - | 8,118 | 8,000 | 8,000 |
| 25.2 | Other services from non-Federal sources | 17,259 | 738 | 3,000 | 3,000 |
| 25.3 | Other goods and services from Federal sources..... | 21,340 | 12,965 | 9,653 | 22,401 |
| 25.4 | Operation and maintenance of facilities | - | - | 600 | 600 |
| 25.5 | Research and development contracts..... | - | 10,636 | 17,500 | 8,021 |
| 25.7 | Operation and maintenance of equipment | - | 2,074 | 2,780 | 2,780 |
| 26.0 | Supplies and materials..... | 250 | 5,407 | 660 | 660 |
| 31.0 | Equipment | 1,000 | 522 | 350 | 350 |
| 41.0 | Grants, subsidies, and contributions | 0 | 15 | 15 | 15 |
| | Total, Other Objects | 41,634 | 41,449 | 45,103 | 48,974 |
| 99.9 | Total, new obligations | 87,476 | 87,794 | 93,112 | 98,453 |
| | DHS Building Security Payments (included in 25.3) | \$38 | \$645 | \$645 | \$645 |
| 25.2 | Outside Services (Consulting) | - | 1,000 | 1,000 | 1,000 |
| 25.3 | Mission Area WCF Transfers..... | 4,000 | 4,300 | 5,644 | 5,578 |
| | Total Non-Major Investment..... | 4,000 | 4,300 | 5,644 | 5,578 |
| | Total IT Investments..... | 4,000 | 5,300 | 6,644 | 6,578 |
| | Position Data: | | | | |
| | Average Salary (dollars), ES Position | \$190,000 | \$195,800 | \$200,695 | \$206,716 |
| | Average Salary (dollars), GS Position..... | \$120,000 | \$121,776 | \$124,820 | \$128,565 |
| | Average Grade, GS Position..... | 13.3 | 13.4 | 13.5 | 13.6 |

Note: Discrepancy between Project Statement and MAX Schedule X is due to \$2M of reimbursable obligations.

This page was intentionally left blank.

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.

Economic Research and analysis program

Creating More and Better Market Opportunities

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, 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 over 25 commodities, including most of the major U.S. crop, livestock, dairy, and poultry commodities. Bi-annual analysis is produced for over 150 additional 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 2021 long-term projections were presented at the 2020 USDA Agricultural Outlook Forum and helped shape planning for the federal budget. The *Projections* have long supported FSA'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:

ERS launched the ERS Charts of Note mobile app. The chart provides users a new way to access the popular ERS Charts of Note series, which highlights economic research and analysis on agriculture, food, the environment, and rural communities. Featuring 24/7 access to thousands of high-resolution charts, the ability to filter charts by topic, links to related ERS research and the option to tailor notifications according to user preference, the app is designed to deliver Agency research straight to users' mobile devices.

ERS responded to emerging market and trade events with quality, timely, and objective research. ERS provided research on emerging market and trade events such as the infant formula shortage, retaliatory tariffs, and higher labor costs for producers, as well as global food security and other issues related to the invasion of Ukraine. ERS publications aided in understanding situations including:

- How the U.S. eased the infant formula shortage through imports
- The economic impact of retaliatory tariffs
- How fruit and vegetable producers are adjusting to higher labor costs
- How unstable fertilizer markets created uncertainty, altering 2022 planting intentions.

Addressing Climate Change via Smart Agriculture and Forestry

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:

ERS provides insight into the prevalence and implementation of rotational grazing, a practice promoted to provide improved environmental outcomes. ERS responded to decision makers’ need for information on rotational grazing, a management practice in which livestock are cycled through multiple fenced grazing areas to manage forage production, forage quality, and environmental quality. Rotational grazing is frequently discussed as a livestock management practice with the potential to provide a range of private gains and public benefits. Private gains include improved animal health, forage productivity, and more drought resilient grazing livestock systems. Public benefits include improved soil health and increased soil carbon sequestration. USDA’s Natural Resources Conservation Service (NRCS) and other organizations promote rotational grazing as important for providing improved environmental outcomes, relative to conventional grazing. Rotational grazing, through the practice standard for “prescribed grazing,” is also included as a Climate Smart Conservation Practice that may be eligible to receive support through the conservation program appropriations contained in the Inflation Reduction Act of 2022. Despite the breadth of support for rotational grazing, only limited information was available on its prevalence and the variation in how producers implement the practice. The ERS report “Rotational Grazing Adoption by Cow-Calf Operations” addresses this information gap.

Irrigation Organizations: Drought Planning and Response. Drought can have a major impact on irrigated agricultural production. This report summarizes information from USDA’s 2019 Survey of Irrigation Organizations, the first nationally representative survey of irrigation districts, ditch companies, and groundwater districts in over forty years. The report examines the extent of drought planning by these organizations as well as the most common types of strategies used to improve drought resilience for irrigated agriculture. It also looks at the prevalence of investment in water conservation practices such as improved flow-rate metering, canal lining and piping, and managed aquifer recharge as additional tools for improving drought resilience.

Strengthen the international competitiveness of American agriculture

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:

Food security has deteriorated 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 77 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. The Economic Research Service estimates that food security has deteriorated in 2022 due to the continued effects of the 2019 Coronavirus pandemic and high food commodity prices that have been intensified by the Russian military invasion of Ukraine. The number of food insecure people in 2022 is estimated at 1.3 billion, an increase of almost 10 percent (119 million people) from the 2021 estimate. This implies that 32.9 percent of the population of the 77 countries covered by the assessment may be unable to consume 2,100 kilocalories a day, an average caloric level necessary to sustain a healthy and active lifestyle. This includes 42 million food insecure people associated with Russia's military invasion of Ukraine and with fertilizer and energy price increases. Despite challenges in the near-term outlook, food security is projected to improve by 2032 due to expected gains in per capita income and stable food commodity prices which will improve food accessibility. The share of the population that is food insecure in the countries covered by the IFSA report is projected to fall to 12.4 percent by 2032, a 62.5-percent drop from the 2022 estimate. The number of people considered food insecure is projected to decline by 56.7 percent from the 2022 estimate to 577.3 million people by 2032.

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:

ERS research provided context for infant formula shortage. ERS responded to the need for timely information to help USDA and other stakeholders understand the impact of the infant formula shortage with high-quality and objective research. ERS analysis provided context for disruptions to the infant formula market due to a voluntary recall by a U.S. manufacturer. The recall strained U.S. supplies of infant formula, causing reduced availability in grocery stores. The reduction of the domestic infant formula supply in retail channels corresponded with surging imports of infant formula manufactured abroad.

ERS provided timely information on events impacting food security. ERS responded to the need for timely information on events impacting food security with high-quality and objective research. A special analysis was included in the ERS International Food Security Assessment, 2022-32, to promote a better understanding of the effect Russia's invasion of Ukraine had on global food security.

ERS and partners sponsor policy-relevant research on food and nutrition. ERS sponsors food and nutrition research through a variety of collaborations. ERS is partnering with the Robert Wood Johnson Foundation (RWJF) to support research that will help to overcome structural barriers to equitable access to healthy food. RWJF and ERS announced a call for proposals to support research on relevant and timely evidence that informs the USDA, Congress, and the public about the food sector and about key national issues regarding food and health—such as food insecurity, obesity, diet quality, and nutrition assistance programs. ERS, in collaboration with USDA, FNS, also encourages new and innovative research on food and nutrition assistance issues through the Research Innovation and Development Grants in Economics Program (RIDGE). In 2022, a new RIDGE partnership was awarded to Tufts University, the University of Connecticut (UConn), and the University of Missouri, and a request for research proposals was released in December.

Advance Racial Justice, Equity, and Opportunity**Current Activities:**

ERS is committed to providing opportunities for underrepresented groups in the area of agricultural economics. The Agency strives to reduce barriers to individual seeking post-graduate degrees in economics.

Recent Progress:

New ERS and AAEA partnership to increase diversity in the field of agricultural economics. ERS awarded \$409,750 to the Agricultural and Applied Economics Association (AAEA) in support of a new five-year partnership to increase diversity in the field of agricultural economics. By expanding the number of students from underrepresented groups pursuing advanced degrees and careers in agricultural economics, both organizations aim to diversify, support, and retain a new generation of skilled professionals more representative of today's society.

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 include 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.

- System is Equitable, Resilient, and Prosperous
 - Strategic Goal 2: Ensure America's Agricultural 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-13. Key Performance Indicators

| Strategic Objective 2.3 | | 2023 | 2024 |
|------------------------------------|----------------|-------------|-------------|
| Citations of REE Reports | Results | - | - |
| Number of Citations of REE Reports | Target | 129 | 134 |

Expected Performance Progress Towards the Achievement of Strategic Objectives:

Strategic Objective 2.3: Foster Agricultural Innovation.

Citations of REE Reports: NASS will continue releasing new product themed landing pages through 2023 and 2024 to impact this metric. The Census of Agriculture will also be released in early calendar year 2024 which provides many updated data points that are not available from annual programs.

NASS is working with a third-party to identify citations in peer-reviewed research articles using a machine learning model. This may be a mature and fruitful novel KPI by 2024.