

Office of the Chief Economist Contributes to Advancing USDA Goals and Serving American Farmers

WASHINGTON, Dec. 19, 2019— The U.S. Department of Agriculture’s Office of the Chief Economist (OCE) is the focal point for economic and policy-related research and analyses for the U.S. Department of Agriculture. OCE staff conduct research and provide policy support on a number of topics including international trade, agricultural economy and labor, farm program analysis, pesticide policy, food loss and waste, climate change, and environmental markets. OCE also publishes monthly forecasts of U.S. and international agricultural commodity supply and demand.

“Over the past year OCE informed public and private decision makers by providing timely and unbiased data-driven analyses of key issues impacting agriculture and the wellbeing of American farmers,” said USDA Chief Economist Robert Johansson.

Key accomplishments in 2019 include:

Estimating Impacts of Policies on U.S. Agriculture

In 2019, USDA estimated gross trade damages to U.S. agricultural exports from retaliatory tariffs imposed by China and other trading partners. These estimates were used to determine payment rates to producers under the Market Facilitation Program (MFP) and the value of commodities to be purchased under the Food Purchase and Distribution Program (FPDP), part of USDA’s trade mitigation package announced in July.

During a difficult growing season marked by heavy precipitation in the spring and early freezes in the fall, OCE examined 2019 corn acreage and yield estimates to shed light on the different sources of data USDA has for estimating corn production and explain why acreage varies across USDA agencies.

The Office provided economic and policy analysis in support of key U.S. trade initiatives, including the development of trade damage estimates for 2019 USDA trade mitigation programs, support for trade negotiations with China and Japan, World Trade Organization (WTO) enforcement actions regarding China’s domestic support programs and tariff-rate quotas for grains, calculation of WTO trade damages for Indonesia’s import licensing measures.

OCE prepared U.S. domestic support notifications to the WTO and briefed Congress notifications, prepared updates on domestic agricultural programs for the U.S. WTO Subsidies and Countervailing Measures (SCM) notification, reviewed and provided input on agricultural support sections of WTO’s U.S. Trade Policy Review, responded to member questions on U.S. domestic support measures in the WTO Committee on Agriculture and the WTO SCM Committee, and drafted questions on other WTO Members’ domestic support programs.

OCE provided energy and bioenergy analysis and tracked regulatory decisions and market changes on renewable fuels, assessing the implications for commodity markets. OCE also reviewed a series of rule-makings under the RFS and Clean Air Act that had major implications for agriculture and the renewable fuels sector.

Sustainable Development Activities

OCE’s Sustainable Development program led USDA’s participation in the [Winning on Reducing Food Waste Initiative](#), an interagency collaboration with USDA, EPA, and FDA. This year saw new partnerships with ReFED to improve evaluation of food waste reduction efforts, and with the Food Waste Reduction Alliance to conduct education and outreach with food manufacturing, retail, and restaurant and food service sectors.

Support on Risk Analysis

OCE’s office of Risk Analysis and Cost Benefit (ORACBA) analysis ensured regulatory review is timely and

efficient by reviewing, providing substantive comments and clearing 25 USDA rules and 72 rules by other federal agencies. ORACBA reviews and guidance substantially improved the regulatory analyses, providing sound and clear assessments of risk reductions and costs and benefits.

Agricultural Labor Activities

OCE 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 labor shortages faced by agricultural producers, and the role of temporary (H-2A) guest workers in the agricultural sector. The Office analyzed methods of computing wage rates paid to these workers.

Convening Agricultural Decisionmakers

In 2019, OCE organized the 95th Agricultural Outlook Forum, USDA's largest annual meeting. The 2019 forum, themed the Growing Locally, Selling Globally, attracted more than 1,600 attendees, including producers, policymakers, government officials, and both foreign and domestic nongovernmental organizations.

Short Term Forecasts on Commodity Markets and Long Term Agricultural Projections

OCE continued publishing the monthly World Agricultural Supply and Demand (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. OCE also released USDA Agricultural Projections to 2028, which identifies major forces and uncertainties affecting the future of agricultural markets; prospects for long-term global economic growth, agricultural production, consumption, and trade; and U.S. exports of major farm commodities and future price movements.

Pesticide Information

In 2019, OCE reviewed over 100 EPA pesticide related actions to ensure that EPA accurately characterized the risks and benefits associated with pesticide registrations used in U.S. agriculture. Major achievements included reductions in the number of mitigations that would affect growers, data collection to inform EPA assessments, and clarifications on application allowances that would limit the use of certain pesticides.

USDA Climate and Weather

In 2019, OCE expanded outreach through the Climate Hubs, a USDA cross-departmental collaboration to deliver science-based, region-specific information and technologies to agricultural and natural resource managers. Hub successes include hundreds of workshops, trainings, consultation meetings, and webinars. The Midwest and Southeast Climate Hubs expanded efforts to prepare farmers for extreme weather events through improved forecasting and hurricane preparedness.

Advancing Environmental Markets

To make it easier for landowners to participate in environmental markets, OCE expanded the Regulatory In-lieu fee and Bank Information Tracking System (RIBITS), a registry that had been successfully used for wetland banks and applied it to water quality trading. This new system is being adopted for use by the states of Virginia and Iowa. In addition, OCE initiated efforts to update USDA's carbon quantification methods that can be used to quantify GHG benefits of on-farm practices.

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