

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

WASHINGTON, Dec 21, 2018 – The U.S. Department of Agriculture’s Office of the Chief Economist (OCE) provides analysis and timely information to support USDA policymaking on a wide range of issues that affect the agricultural sector and U.S. farmers. OCE conducts research and provides 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.

“We use science and data and solicit information from different sources to analyze the economic impacts of policies and events on the agricultural sector,” said USDA Chief Economist Robert Johansson. “Our objective is to ensure that policy decisions are based on accurate and objective analyses that take into account various implications for U.S. farmers and other stakeholders in the sector.”

Key accomplishments in 2018 include:

Estimating Impacts of Adverse Policies and Natural Disasters

In 2018, OCE 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.

OCE also coordinated the Department’s effort to estimate agricultural damage from Hurricane Florence and Hurricane Michael. OCE collaborated with the Farm Service Agency, Risk Management Agency, and Farm Production and Conservation Business Center and solicited information from hurricane-affected states.

Support on Farm Bill, Biofuel Policy, and Risk Analysis

OCE supported the development of USDA’s Farm Bill principles, providing the basis for the Department’s interactions with Congress and the White House on drafting this legislation. OCE also provided technical assistance on details of proposed Farm Bill provisions at the request of the House and Senate agriculture committees.

OCE also provided analytical support to the Secretary on biofuel policy and implications of various policy proposals. The office contributed public comments on key issues of importance to agriculture in the draft Renewable Fuel Standard regulations for 2019 which was submitted to EPA.

In addition, OCE provided guidance and conducted reviews of regulatory risk assessments and cost-benefit analyses by USDA agencies and other federal agencies to ensure consistency, objectivity, and the use of sound science and economics.

Data and Analysis on GHG Emissions and Conservation Practices

In 2018, OCE launched the Nutrient Tracking Tool (NTT) in partnership with the Texas Institute for Applied Environmental Research (TIAER). This free, online tool helps producers estimate nitrogen, phosphorus and sediment losses from crop and pasture lands based on site-specific management and environmental factors such as soils, slope, and weather. NTT can also estimate yield impacts of different management scenarios, making it a powerful tool for estimating economic and environmental trade-offs of various management decisions.

In November 2018, OCE released the first consolidated dataset on ten years' worth of farmer conservation practices that reduce greenhouse gas (GHG) emissions. *Agricultural Conservation on Working Lands: Trends from 2004 to Present* track farm adoption of practices including precision agriculture technologies, nitrogen management, no-till and mulch-till, and cover crop adoption—all of which reduce GHG emissions and/or store carbon in the soil. This report may help public and private sector organizations develop more effective strategies to increase future adoption of these conservation practices.

OCE also released a report that presented [a life cycle analysis](#) (LCA) of the greenhouse gas (GHG) emissions from corn-based ethanol. The analysis indicates the current GHG profile of U.S. corn ethanol is, on average, 39 percent lower than gasoline. The findings may help position U.S. corn ethanol to compete in emerging international markets for renewable energy.

OCE staff conducted analysis in support of EPA's decision to designate biodiesel made from sorghum oil that is extracted from sorghum ethanol distiller's grains with solubles (DGS) as an advanced biofuel under the Clean Air Act's Renewable Fuel Standard (RFS) program.

Office of Pest Management Policy Joins OCE

As part of the Secretary's reorganization initiative, the Office of Pest Management Policy (OPMP) was realigned with the Office of the Chief Economist. OPMP is responsible for the development and coordination of USDA's policy on pest management and pesticides. It coordinates USDA activities and services, such as research, extension, education, and interagency efforts. OPMP also consults with agricultural producers that may be affected by USDA-related pest management or pesticide-related activities or actions. In 2018, OPMP reviewed over 100 EPA pesticide registration review actions to ensure that EPA accurately characterized the risks and benefits associated with pesticide registrations used in U.S. agriculture. Across these efforts, major achievements included reductions in the number of mitigations that would affect growers, extensive data collection to inform EPA assessments, and clarifications on application allowances that would severely limit the use of certain pesticides.

Convening Agricultural Decisionmakers

In 2018, OCE organized the 94th Agricultural Outlook Forum, USDA's largest annual meeting. The 2018 forum attracted more than 1,600 attendees, including producers, policymakers, government officials, and both foreign and domestic non-governmental organizations. The forum featured a plenary panel discussion, agriculture-related exhibits and 30 sessions, on topics such as e-connectivity, emerging issues in food safety, China's evolving markets and policies, and animal disease outbreak and preparedness. OCE will hold the 95th Agricultural Outlook Forum on February 21-22, 2019, themed [Growing Locally, Selling Globally](#).

Short Term Forecasts on Commodity Markets and Long Term Agricultural Projections

OCE's World Agricultural Outlook Board (WAOB) coordinates the monthly World Agricultural Supply and Demand Estimates (WASDE) report as well as long-term agricultural projections. The WASDE report provides monthly forecasts for U.S. and world wheat, rice, coarse grains, oilseeds, and cotton. The report also covers U.S. production of sugar, meat, poultry, eggs, and milk. The WAOB convenes the Interagency Commodity Estimates Committees (ICECs). These committees include analysts from key USDA agencies, who compile and interpret information from USDA and other domestic and foreign sources to produce the report.

In 2018 OCE also released USDA Agricultural Projections to 2027, 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.

OCE will release the Agricultural Projections to 2028 in February 2019.

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