2011 Explanatory Notes

Office of the Chief Economist
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OFFICE OF THE CHIEF ECONOMIST

Purpose Statement

The Office of the Chief Economist (OCE) was created by the Secretary of Agriculture on October 20, 1994, under the authority of the Department of Agriculture Reorganization Act of 1994, Public Law 103-354.

OCE advises the Secretary of Agriculture on the economic implications of Department policies, programs and proposed legislation. OCE serves as a focal point for the Nation's agricultural economic intelligence and projections; risk analysis; climate change issues; cost-benefit analysis related to domestic and international food and agriculture; provides analysis for the Department's renewable energy, bioenergy, and biobased product programs; and is responsible for coordination, review and clearance of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

Activities include: policy and program analysis; regulatory reviews; information dissemination; market surveillance; coordination of assessments of international and domestic agricultural developments; improvement of forecasting techniques; coordination of weather, climate and remote sensing activities; coordination of sustainable development activities; coordination of global climate change research and issues; energy policy analysis and coordination of energy research and issues; and analysis of issues and developments affecting agricultural labor.

OCE produces, on a daily, weekly, and monthly basis, regularly scheduled information releases to advise the Secretary and the public on developments affecting agricultural markets and the rural economy. The office coordinates interagency development of forecasts and projections by drawing together a variety of experts to assure objective and sound analysis. The office uses memos and briefings to advise the Secretary of the consequences of market developments, program changes, and legislative proposals. The office provides economic analysis of Department policy positions to the Congress and the public. The office participates in the development of reviews, clears all regulatory impact and risk analyses of Departmental significant, economically significant, and major rules to ensure they are based on objective, appropriate, and sound economic and risk analyses. The office coordinates USDA's global climate change research program; conducts policy analysis on global climate change issues; coordinates activities with other Federal agencies; represents USDA on U.S. delegations to international climate change discussions; and facilitates communication and outreach to producers and agricultural interest groups.

OCE Headquarters is located in Washington, D.C. OCE has one field unit located in Stoneville, Mississippi for weather data collection and analysis. As of September 30, 2009, there were 54 full-time permanent employees, of which 53 were stationed in Washington, DC and one in Mississippi.

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

OFFICE OF THE CHIEF ECONOMIST

Available Funds and Staff Years
2008 Actual and Estimated 2009 and 2010

Item	2009 Actual Amount	2009 Actual Staff Years	2010 Estimate Amount	2010 Estimate Staff Years	2011 Estimate Amount	2011 Estimate Staff Years
Office of the Chief Economist	$10,420,434	51	$13,032,000	62	$13,175,000	61
Transfer to Departmental Administration for BioPreferred Activities	-810,000	--	--	--	--	--
Total, Appropriation	9,610,434	51	13,032,000	62	13,175,000	61
Obligations under other USDA appropriations:						
Transfer from Commodity Credit Corporation for Biodiesel Fuel Education Program	1,000,000	--	1,000,000	--	1,000,000	--
Global Change Program Office	909,241	3	--	--	--	--
Annual Outlook Forum	80,483	--	95,000	--	139,000	--
Total, Other USDA Appropriations	1,989,724	3	1,095,000	--	1,139,000	--
Total, Office of the Chief Economist	11,600,158	54	14,127,000	62	14,314,000	61

OFFICE OF THE CHIEF ECONOMIST

Permanent Positions by Grade and Staff Year Summary
2009 Actual and Estimated 2010 and 2011

Grade	2009			2010			2011		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
ES	4	--	4	5	--	5	5	--	5
GS-15	24	--	24	27	--	27	27	--	27
GS-14	8	--	8	8	--	8	8	--	8
GS-13	4	--	4	6	--	6	6	--	6
GS-12	0	--	0	0	--	0	0	--	0
GS-11	2	--	2	2	--	2	2	--	2
GS-10	3	--	3	3	--	3	3	--	3
GS-9	3	1	4	5	1	6	5	--	5
GS-8	1	--	1	1	--	1	1	--	1
GS-7	3	--	3	3	--	3	3	--	3
GS-6	0	--	0	0	--	0	0	--	0
GS-4	1	--	1	1	--	1	1	--	1
Total Permanent Positions	53	1	54	61	1	62	61	--	61
Unfilled Positions End-of-Year	--	--	--	--	--	--	--	--	--
Total, Permanent Full -Time Employment, End-of-Year	53	1	54	61	1	62	61	--	61
Staff Year Estimate	56	1	57	61	1	62	61	--	61

Note: Positions shown are appropriated; staff year estimate includes appropriated and reimbursed.

OFFICE OF THE CHIEF ECONOMIST

Appropriation Language

For necessary expenses of the Office of the Chief Economist, [$13,032,000] $13,175,000.

Lead-Off Tabular Statement

Appropriations Act, 2010	$13,032,000
Budget Estimate, 2011	13,175,000
Increase in Appropriation	+143,000

Summary of Increases and Decreases
(On basis of appropriation)

Item of Change	2010 Estimated	Pay Costs	2011 Estimated
Office of the Chief Economist	$13,032,000	+$143,000	$13,175,000

Project Statement
(On basis of appropriation)

	2009 Actual		2010 Estimated			2011 Estimated	
	Amount	Staff Years	Amount	Staff Years	Increase or Decrease	Amount	Staff Years
Office of the Chief Economist	$9,610,434	51	$13,032,000	62	+$143,000	$13,175,000	61
Unobligated Balance	230,566	--	--	--	--	--	--
Total Available or Estimate	9,841,000	51	13,032,000	62	+143,000	13,175,000	61
Transfer to Departmental Administration	810,000	--	--	--			
Total, Appropriation	10,651,000	51	13,032,000	62			

OFFICE OF THE CHIEF ECONOMIST

Justification of Increases and Decreases

An increase of $143,000 for the Office of the Chief Economist (OCE) consisting of:

(a) An increase of $143,000 to fund increased pay costs.

This increase is needed to maintain the current level of staffing to ensure that OCE can carry out its full range of responsibilities in an effective and timely manner. OCE would be adversely affected in its ability to execute its mission without the pay cost increase. OCE is a small staff office with nearly three-quarters of its budget used for salaries and benefits. OCE cannot continue to reduce non-salary expenses to absorb rising salary and benefit costs and maintain existing service levels.

Geographic Breakdown of Obligations and Staff Years
2009 Actual and Estimated 2010 and 2011

	2009		2010		2011	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
District of Columbia	$9,536,899	50	$12,956,920	61	$13,175,000	61
Stoneville, Mississippi	73,535	1	75,080	1	--	--
Subtotal, Available or Estimate	9,610,434	51	13,032,000	62	13,175,000	61
Unobligated Balance	230,566	--	--	--	--	--
Total, Available or Estimate	9,841,000	51	13,032,000	62	13,175,000	61

OFFICE OF THE CHIEF ECONOMIST

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	2009	2010	2011
Personnel Compensation:			
Washington, D.C.	$6,308,278	$7,755,000	$7,947,000
Field	52,303	54,000	--
11 Total personnel compensation	6,360,581	7,809,000	7,947,000
12 Personnel benefits	1,423,675	1,721,000	1,740,000
Total pers. comp. & benefits	7,784,256	9,530,000	9,687,000
Other Objects:			
21 Travel	204,141	259,000	259,000
22 Transportation of things	1,245	2,000	2,000
23 Rent, communications, and utilities	99,284	110,000	110,000
24 Printing and reproduction	51,622	68,000	68,000
25.1 Contractual services performed by other Federal agencies	343,538	457,000	457,000
25.2 Related expenditures	6,931	10,000	10,000
25.3 Repair, alternation, or maintenance of equipment, furniture, or structures	19,441	25,000	25,000
25.4 Contractual services - Other	354,665	1,754,000	1,754,000
25.5 Agreements	500,117	565,000	551,000
26 Supplies and materials	194,157	211,000	211,000
31 Equipment	50,190	40,000	40,000
43 Interest and dividends	847	1,000	1,000
Total other objects	1,826,178	3,502,000	3,488,000
Total direct obligations	9,610,434	13,032,000	13,175,000
Position Data:			
Average Salary, ES positions	$171,132	$176,291	$179,966
Average Salary, GS positions	$115,054	$118,937	$122,971
Average Grade, GS positions	14.6	14.6	14.6

OFFICE OF THE CHIEF ECONOMIST

STATUS OF PROGRAM

The Office of the Chief Economist (OCE) advises the Secretary of Agriculture on the economic implications of Department policies, programs, and proposed legislation. It serves as the focal point for: the Nation's agricultural economic intelligence and projections related to agricultural commodity markets; risk analysis and cost-benefit analysis related to international food and agriculture; sustainable development; energy issues related to the agricultural economy; agricultural labor; and global climate change. OCE is responsible for coordination, review and clearance of commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

Current Activities:

OCE provides policy and program analyses and advice for the Secretary on major issues affecting agriculture and rural America. The Immediate Office (IO) is addressing issues on: trade agreements and disputes; developments in agricultural commodity markets, such as effects of global weather developments and changes in production and trade patterns; economic issues related to plant and animal diseases; farm programs; crop insurance improvements; sustainable development in agriculture and rural communities; global climate change and agriculture; conservation programs; and agricultural labor.

The World Agricultural Outlook Board's (WAOB) primary mission is to provide reliable and objective economic forecasts for farmers and other participants in the food and fiber system. Functions include coordinating USDA forecasts of domestic and international agriculture; providing economic analysis related to global commodity markets; monitoring markets and agricultural weather; coordinating weather, climate, and remote sensing activities; and disseminating relevant information.

OCE clears all USDA significant, economically significant and major regulations for their regulatory impact analyses and risk analyses. OCE's Office of Risk Assessment and Cost-Benefit Analysis (ORACBA) reviews and approves statutorily required risk assessments for all major USDA regulations. ORACBA is a focal point for Departmental activities related to risk analysis, including inter-Departmental activities; risk communication; education on risk analysis methods; regulatory reviews to ensure cost-effective, less burdensome regulations; and the integration of economic analysis and risk assessment.

OCE's Office of Energy Policy and New Uses (OEPNU) coordinates economic analysis of energy issues across USDA and is responsible for implementing the Biodiesel Fuel Education Program (2008 Farm Bill). OEPNU conducts research on biofuel's net energy balance, market analysis of biobased products, energy use in agriculture, life-cycle analyses, and renewable energy technologies. OEPNU, along with other USDA agencies and the Department of Energy (DOE), assists in implementing the Biomass Research and Development Initiative which funds biomass research and development.

OCE's Climate Change Program Office (CCPO) coordinates the Department's climate change activities, representing the Department with other Federal Departments and Agencies, and providing advice and analysis on issues related to climate change for the Secretary and other senior USDA leadership. CCPO assists in the Department's efforts to establish technical guidelines to measure the greenhouse gas (GHG) benefits from conservation and land management activities. CCPO works with USDA agencies to integrate climate change and greenhouse gas reduction considerations into their activities, to establish research and programmatic priorities, and coordinate the implementation of actions to address the risks of climate change and mitigation responses. CCPO also facilitates USDA participation in the U.S. Global Change Research Program (USGCRP).

Selected Examples of Recent Progress:

World Trade Organization (WTO) and Trade Policy Support. IO staff supported on-going WTO negotiations by providing economic analysis, position papers, and other staff support. IO staff supported the Office of the United States Trade Representative (USTR) in the WTO cotton case, prepared analyses, and participated in the arbitration proceedings. IO staff also worked closely with USTR and coordinated USDA's response to trade challenges by foreign governments to U.S. poultry and biofuel subsidies. IO staff coordinated an inter-agency process to prepare U.S. domestic support notifications to the WTO.

Crop Insurance. The Chief Economist, as Chairman of the Board of Directors of the Federal Crop Insurance Corporation, presided over six public Board meetings during fiscal year (FY) 2009. The Board approved a series of new programs in FY 2009 including: an expansion of pilot programs to reduce premiums for producers using certain triple-stack GMO-traited corn varieties; quality insurance for tobacco producers; expansion of livestock gross margin insurance for dairy; a pilot program for quarantine insurance; and crop insurance for navel oranges. IO staff provided analysis to the Risk Management Agency (RMA) on topics including the Standard Reinsurance Agreement, premium rates, and methods for forecasting indemnities.

Domestic Agricultural Policy. IO staff provided assistance and analysis to Departmental agencies implementing commodity, conservation, renewable energy and other programs by reviewing and providing analysis of proposed program regulations, participating in inter-agency working groups, and helping to ensure effective and efficient program development. For example, the IO participated in the development and analysis of Departmental budget proposals; Conservation Reserve Program enrollment alternatives; options to assist dairy producers; sugar and other farm program issues; and the effects of climate change legislation on agricultural production, commodity prices, farm income, and retail food prices. The Chief Economist served on and provided biweekly briefing materials for the Department's Drought Task Force, which coordinates the Department's responses to ongoing natural disasters in the United States.

Trade Adjustment Assistance for Farmers. IO staff served on an inter-agency task force preparing the regulation for a new Trade Adjustment Assistance Program mandated in the February 2009 stimulus legislation. IO staff prepared the cost-benefit analysis for the proposed and final rule.

Agricultural Labor Activities. IO staff provided analyses and information focused on the unique characteristics of agricultural production, including the diversity in the demand for labor across agriculture, the seasonal demand for labor, the presence of children in the seasonal labor force, and the role of temporary workers in the agricultural sector. IO staff worked with the Department of Labor to amend its regulations regarding the certification of temporary employment of nonimmigrant workers employed in temporary or seasonal agricultural employment. IO staff met with officials from the Department of Labor prior to the release of a Notice of Proposed Rulemaking to amend the H-2A Temporary Worker Program, met with H-2A stakeholders to understand and assess various viewpoints concerning the yet to be published final rule, and provided analysis and other information regarding proposed changes to the H-2A Program.

Analytical Assistance to Congress. The Chief Economist was a witness at four Congressional hearings during FY 2009 addressing dairy policy and markets, energy and its impact on agriculture, and twice with the Secretary of Agriculture on the USDA budget. The Chief Economist participated in 42 briefings for members of Congress and Congressional staff during FY 2009, mostly on trade related issues. OCE staff conducted numerous additional briefings and analyses for the Congress on issues such as the 2008 Farm Bill, trade adjustment assistance, WTO disputes, domestic support notifications to the WTO, weather and market situation and outlook, and biobased products.

Sustainable Development Activities. The Director of Sustainable Development chaired the USDA Council on Sustainable Development, which worked to integrate the concepts of sustainable development into USDA policy and programs and served as a clearinghouse for the exchange of information. The Council played a major role in the May 2009 United Nations (UN) Commission on Sustainable Development

(CSD)-17, the policy cycle emphasizing agriculture. The Council coordinated USDA representation and inter-agency input for U.S. participation at CSD-17, where the two-year review and policy cycle included agriculture, rural development, land, desertification, drought, and Africa. Materials developed to support the 2008 review and the 2009 policy sessions included case studies, interventions, backgrounders and a national report detailing U.S. government efforts related to the six themes. The Director participated in the intra-Task Force work on Know Your Farmer-Know Your Food, the associated research subcommittee, the Farmers Market Consortium, and intra agency working groups on water and food security, integrated pest management, and sustainable consumption and production. Additionally, the Director presented the Department's positions and work on sustainability at numerous other meetings during FY 2009, including industry conferences, meetings of foundation executives, meetings of food policy fellows, the European Economic Commission, and the UN Regional Implementation Meeting-4.

Climate Change Analysis and Advice. CCPO continued to serve as a Department-wide coordinator for agriculture, rural, and forestry-related climate change issues and activities. CCPO provided leadership by coordinating USDA's research, programmatic, and policy support. CCPO staff provided more than 20 presentations and speeches to commodity groups, farm organizations, and forest and conservation groups on a wide range of climate change issues. A key activity for CCPO staff during FY 2009 was to define a role for agriculture in providing greenhouse gas offsets under a regulatory cap-and-trade system. CCPO staff provided options, analysis, and briefing memos for the Secretary of Agriculture and other senior Department leadership to help them evaluate the potential for agricultural and forestry greenhouse gas offsets and renewable energy under Federal climate change legislation. CCPO staff also helped to prepare the Secretary of Agriculture for his testimony before the House and Senate Committees responsible for developing the legislation. The CCPO Director testified before Congress four times over the preceding year on cap-and-trade legislation and on USDA's climate change programs, as well as presenting numerous briefings to Congressional staff.

CCPO staff also performed technical reviews of complex economic analyses prepared by the Environmental Protection Agency (EPA) of cap-and-trade legislative alternatives, and supported the Chief Economist in preparing a preliminary analysis of the House bill on agriculture. CCPO identified concerns with EPA modeling and drew on a cadre of technical experts across the Department to recommend improvements to EPA's approach.

Recognizing the need for coordination among the Department's science agencies, during FY 2009 CCPO staff led in the preparation of a strategic plan for USDA climate change science. The plan was prepared in time to be provided to the new Administration.

Global Change Task Force. The Director of CCPO continued to chair the Department's Global Change Task Force, utilizing the task force to ensure that all USDA agencies with a responsibility for climate change are kept informed of Departmental and Administration priorities and are included in reviews, assessments, analyses, and communication efforts. Task force participants include the Agricultural Research Service (ARS), Economic Research Service (ERS), National Agricultural Statistics Service (NASS), National Institute of Food and Agriculture (NIFA), Forest Service (FS), National Resources Conservation Service (NRCS), Farm Service Agency (FSA), Foreign Agricultural Service (FAS), RMA, Animal and Plant Health Inspection Service (APHIS), and Agricultural Marketing Service (AMS), among others.

International Climate Change Agreement. CCPO continued to represent the Department in ongoing international negotiations on climate change and supported the full reengagement of the U.S. in the international negotiations to establish a comprehensive agreement on climate change. CCPO provided extensive analytical and technical support to the Department of State and the Council on Environmental Quality in developing strategies to address climate change and deforestation internationally. Throughout FY 2009, CCPO managed an interdisciplinary team that included FAS and FS staff in providing technical support to the Secretary of Agriculture and the Department of State in preparation for the December 2009 international climate change negotiations.

Supply and Demand Monitoring and Reporting. WAOB continued to publish the monthly *World Agricultural Supply and Demand Estimates* (*WASDE*) report, which provides official world and U.S. supply and utilization estimates and forecasts for grains, oilseeds, and cotton; and official estimates and forecasts for U.S. sugar, red meat, poultry, eggs, and milk. All monthly *WASDE* reports were released as scheduled. Inter-agency committees chaired by WAOB staff cleared all USDA economic outlook reports released during the year.

Responding to the shift towards 24-hour commodity trading, and at the request of the Chicago Mercantile Exchange (CME), WAOB worked with USDA's National Information Technology Center to enable the *WASDE* report to be posted to the Internet as close as possible to the official 8:30 a.m. release time. After implementing several technology and process improvements, WAOB reduced the posting delay from as much as 5 minutes to consistently less than 15 seconds.

During FY 2009, the current *WASDE* report was downloaded an average of 29,300 times per month from the OCE Web site and 7,600 times per month from the USDA-Cornell Web site, a site operated by Cornell University through a partnership relationship with USDA. In addition, 9,197 subscribers to a Cornell-managed LISTSERV system received the *WASDE* report every month. Archived WASDE reports were downloaded from the USDA-Cornell Web site an average of 64,300 times per month.

End-users reported no errors and leveled no significant criticisms at USDA forecasts. Post-lockup briefings were presented every month to the Secretary and radio interviews were recorded by WAOB for USDA. WAOB also produced daily internal market highlight reports and a weekly oral briefing for senior staff regarding current agricultural market developments.

WAOB staff prepared numerous special economic reports and weather assessments for the Secretary, the Chief Economist, and other U.S. Departments and Agencies. For example, WAOB provided an assessment of price volatility in agricultural commodity markets to the U.S. Commodity Futures Trading Commission inter-agency task force on fund investment in agricultural futures markets; provided information to staff of the Senate Permanent Subcommittee on Investigations regarding extraordinary price fluctuations in futures markets during 2008; and assessed the impact of an erratic Southwest Monsoon on India's 2009 summer rice crop. WAOB staff also worked with USDA's Office of Energy and FSA to provide input to EPA regarding appropriate soybean yields through 2022 for use in the analysis of land use impacts of biofuels under the Renewable Fuel Standard (RFS) II, provided a balance sheet analysis of the 2009 soybean crop for NASS as part of its effort to ensure the accuracy of the crop estimate, and provided independent analyses and information to the Chief Economist on early impacts of the H1N1 influenza pandemic on corn prices and demand, ethanol producer margins, blending incentives and capacity utilization, feed grain supply situation as affected by early planting delays, and the summer crop situation for corn, wheat, and ethanol producers. WAOB staff also prepared an assessment of the impacts of Country of Origin Labeling (COOL) for the Secretary of Agriculture, analyzed trade and price data for the U.S., Canada, and Mexico to assess whether the preliminary and final rulings had an impact on trade flows and price differentials between the markets, and provided support to the Chief Economist for the Brazil WTO cotton case.

Baseline Projections. In February 2009, WAOB oversaw publication of inter-agency 10-year baseline economic projections which provided timely insight and strategic planning information for the President's budget, agricultural producers, other agribusinesses and policy officials.

Briefings and Media Events. The WAOB Chairman recorded monthly post-WASDE report release telephone interviews for USDA radio and the Berns Bureau, and along with other WAOB staff, delivered numerous speeches and briefings explaining USDA's commodity situation and outlook projections to industry groups, including the TD Newcrest Commodity Conference, Pennsylvania Feed and Grain Summit, Green Markets Conference, National Academy of Sciences Board on Agriculture and Natural Resources, Manitoba Agriculture, Food, and Rural Initiatives Livestock Data Users Meeting, Cotton Beltwide Economics and Marketing Conference, Cotton Committee of the National Council of Farmer Cooperatives, Arkansas Farm Bureau Annual Meeting, the Commodity and Agricultural Policy Committee

of the American Bakers Association, National Biodiesel Board annual meeting, American Fats and Oils Association annual meeting, Purdue Top Farmer Workshop, and Food and Agriculture Sector Coordinating Council. WAOB staff also provided briefings on USDA's commodity analysis and estimates process to international delegations from Australia, Brazil, Bulgaria, China, and West Africa.

At the invitation of the Dalian Commodity Exchange, the WAOB Chairperson presented a keynote address at the International Corn Industry Conference in Dalian, China highlighting corn supply and demand prospects in the U.S. and China and the importance of accurate and timely agricultural data reporting. The trip was a continuation of an ongoing effort by WAOB and NASS to encourage greater openness and rigor in the development and release of China's agricultural statistics and foster improvement in its agricultural situation and outlook programs.

The USDA-WAOB Chief Meteorologist presented papers at World Meteorological Organization (WMO) sponsored workshops in Beijing, China and New Delhi, India. After each workshop the Chief Meteorologist chaired a WMO-Commission for Agricultural Meteorology expert team meeting. At the request of the Bangladesh government, the Chief Meteorologist served as an expert team member reviewing the Bangladesh Meteorological Department to assess agrometeorological needs. WAOB staff also participated in the annual NASS Data Users Conference in Chicago.

Weather Analysis. The Joint Agricultural Weather Facility (JAWF), which includes staff from WAOB and the National Weather Service (NWS), published the *Weekly Weather and Crop Bulletin (WWCB)*, issued the daily *Morning Weather Summary*, prepared national agricultural weather summaries, and contributed to the weekly *U.S. Drought Monitor*, which is produced jointly by USDA, NWS, and the Drought Mitigation Center in Lincoln, Nebraska. All weekly *Weather and Crop Bulletins* were released on time and without incident. The weather component of the "Daily Agricultural Highlights" and the "Weekly Weather and Economics Briefing" were delivered as scheduled to the Secretary, Under Secretary for Farm and Foreign Agricultural Services, and other senior USDA staff. WAOB also prepared briefing materials for the Chief Economist in support of USDA's Drought Task Force.

JAWF prepared numerous early warnings and assessments of significant weather events that affected agriculture as well as informational memoranda for the Chief Economist and other senior USDA staff. In FY 2009, these included analyses of the impact of a Florida freeze on citrus and specialty crops, a drought in California, the geographical shift in U.S. beef cow production due to drought, and the impact of extensive Red River Basin flooding on major crops. WAOB staff conducted bi-monthly meetings of the USDA Remote Sensing Coordination Committee and coordinated USDA's contribution to the National Aeronautics and Space Administration's annual *Aeronautics and Space Report of the President.*

WAOB continued to actively participate in and support the WMO, which promotes agro-meteorological applications for sustainable food production activities. The Chief Meteorologist served on the eight-member WMO Commission for Agricultural Meteorology (CAgM) Management Group, which formulates commission policy, develops strategic planning, and evaluates the progress of all program areas.

During FY 2009, the *Weekly Weather and Crop Bulletin (WWCB)* was accessed an average of 14,100 times per month from the OCE Web site and downloaded 8,600 times per month from the Cornell Web site. An additional 3,222 subscribers receive the bulletin through the Cornell LISTSERV service. Archived *WWCBs* were accessed an average of 57,000 times per month from the Cornell Web site and the daily *U.S. Agricultural Weather Highlights* was accessed an average of 3,100 times per month. WAOB's *Major World Crop Areas and Climatic Profiles* publication was accessed an average of 29,000 times per month.

WAOB conducted periodic meetings of the USDA Remote Sensing Coordination Committee and actively took part in and supported WMO activities. Country participation in the World Agrometeorological Information System (WAMIS), a global Web server for advisories, data, and agricultural weather products hosted by the WMO, increased from 37 countries in 2008 to 45 in 2009. WAMIS was conceived, funded, and developed by OCE/WAOB.

USDA Agricultural Outlook Forum. WAOB staff planned, coordinated, and chaired the program committee for USDA's 2009 Agricultural Outlook Forum, *"Global Agriculture & Rural America in Transition."* Secretary Vilsack keynoted the Forum, followed by Lawrence Summers, Director of the National Economic Council and Assistant to the President for Economic Policy. The Forum's plenary session featured CEOs and speakers from Syngenta, Land O'Lakes, Cambridge Energy, and the Gates Foundation. The 2-day program attracted 1,795 attendees and included 28 sessions on major issues affecting rural America, including commodity economics, farm policy, technology, energy, food safety, and food security. Between February 28 and March 31, Forum speeches were downloaded from the OCE Web site a total of 131,000 times and audio files were downloaded 1,578 times.

Internet Access to Economic Forecasts and Climatic Data. WAOB, together with NASS, ERS, and FAS, continued its longstanding partnership with Cornell University's Albert R. Mann Library to provide a major public Web site for USDA economic reports, forecasts and databases. The *WASDE* report is one of the most popular free e-mail subscriptions offered by the Cornell Web site.

Analyses Reviewed. ORACBA staff continued to review or coordinate inter-agency reviews of risk assessments and cost-benefit analyses that supported significant USDA regulatory actions. In FY 2009, these reviews included work on BSE, Listeria in ready-to-eat meat and poultry products, citrus diseases, forest land management programs, organic marketing programs, and animal welfare regulations. ORACBA staff reviewed regulatory analyses for USDA commodity programs, changes to national environmental policy documentation implementing procedures, biotechnology programs, and invasive species control programs. These regulatory reviews supported implementation of new programs and delivery of existing programs across all USDA mission areas. ORACBA reviewed analyses for 45 USDA proposed and final rules during FY 2009.

Risk Analysis Leadership and Consultation. ORACBA provided guidance to USDA agencies developing risk assessments related to forest management programs, imported fruits and vegetables, nutrition, foodborne pathogens, and animal diseases, including BSE and foot-and-mouth disease. ORACBA participated in the scientific review of the EPA pesticide risk assessments. ORACBA also actively participated in the 18-agency Risk Assessment Consortium to enhance communication and coordination among the agencies with food safety responsibilities and promote scientific research that will facilitate risk assessments. Such research assists USDA regulatory agencies in fulfilling their specific food-safety risk management mandates.

During FY 2009, an ORACBA scientist served on the Food and Drug Administration's (FDA) Transmissible Spongiform Encephalopathies Advisory Committee. An ORACBA scientist was an expert at the Joint Food and Agriculture Organization/ World Health Organization Expert meeting on Application of Nanotechnologies in the Food and Agriculture Sectors. ORACBA reviewed draft International Plant Pest Convention guidelines, recommended changes, and contributed to formulating the U.S. position on the guidelines. An ORACBA scientist was selected to serve as a Food Quality Protection Act Science Review Board Member for a meeting of the EPA's Federal Insecticide, Fungicide, and Rodenticide Act Scientific Advisory Panel. ORACBA staff provided substantive consultations to EPA on numerous science policy documents, on cumulative and aggregate risk assessment methods under the Food Quality Protection Act, and fumigant emission models. In the area of homeland security, ORACBA applied risk analysis to the challenges of protecting the food supply and critical infrastructure and reducing the risk and severity of animal disease outbreaks. An ORACBA economist served on the United Nations Methyl Bromide Technical Options Committee for the Montreal Protocol and provided economic assessments of the feasibility of agricultural production systems that avoid stratospheric ozone depleting inputs.

Risk Communication and Outreach. ORACBA continued to improve risk communication among USDA analysts concerning developments in risk assessment and economic analysis. ORACBA also provided risk assessment studies to analysts worldwide. ORACBA conducted numerous seminars, workshops, and consultations on risk analysis for government groups and land-grant universities. ORACBA staff presented risk assessment results and regulatory analyses at professional meetings for government, industry, and

university scientists and economists and published articles on nanotechnology, food safety and invasive species in peer reviewed scholarly journals. ORACBA staff reviewed scientific and economic papers for professional journals and for USDA publications. ORACBA disseminates an electronic newsletter informing approximately 700 subscribers of developments in risk assessment and training opportunities.

Risk Assessment Education and Training. ORACBA scientists presented research on food safety control mechanisms and chaired sessions on microbial risk assessment and animal pathogens and human exposure at the Society for Risk Analysis annual meeting. ORACBA presented research on nanotechnology exposure assessment to government, academic and industry risk assessors at the Society for Risk Analysis workshop on NanoRisk Analysis: Advancing the Science for Nanomaterial Risk Management. ORACBA worked closely with the Joint Institute for Food Safety, the University of Maryland, and the FDA to promote both basic and advanced courses in risk assessment methods. ORACBA staff delivered lectures on ecological risk assessment and environmental policy at local universities. ORACBA's Risk Forums featured nationally prominent speakers on risk assessment in the fields of public health, economics and dietary exposure to chemical risks.

BioPreferred. OEPNU continued its involvement in biobased products research, focusing on better understanding the current use of biobased products in complex assemblies, such as automobiles, powered equipment, building construction, and electronics assemblies. Several initial workshops have been held with representatives from the automobile industry, architectural firms, and property developers to better understand the opportunities for biobased components. Plans have been developed for follow-up workshops and interviews with these entities in the upcoming year.

In addition, OEPNU staff has continued to provide briefings for and research support to USDA's Departmental Management in the development of a labeling program for biobased products. OEPNU is contributing financial support for the market research supporting development of the labeling program.

Biodiesel Fuel Education Program. OEPNU continued to track activities, outcomes, and coordinate efforts under the national Biodiesel Fuel Education Program. The primary objective of the program is to educate the public and others on the benefits of biodiesel. Twice a year OEPNU convenes a USDA inter-agency panel to review progress on program goals, including the development of an education outreach system that delivers useful and consistent information about the benefits of biodiesel. Funding for the program was reauthorized by the Food, Conservation and Energy Act of 2008 for each of the fiscal years 2008 through 2012. Today more than two thirds of Americans are familiar with the benefits of biodiesel, more than twice as many before the program began just five years ago.

Net Energy Balance of Corn. The net energy balance of corn ethanol is positive and has been increasing over time. In OEPNU's forthcoming research report "2008 Energy balance for the Corn-Ethanol Industry," the net energy balance of corn ethanol is found to be greater than two (2). This means that for each BTU of energy used in production, transportation to the ethanol plant, and conversion to ethanol and byproducts of corn, more than 2 BTUs of energy are produced. Advances in crop productivity, increased energy efficiency of agriculture, and technologic advances and energy efficiency of ethanol plants contributed to the improved net energy balance estimate.

Energy and Bioenergy Analysis. Recent concerns about energy security and high oil prices have focused greater attention on agriculture and energy issues. During FY 2009, OEPNU coordinated contributions to the analyses and review of EPA's Notice of Proposed Rule Making and draft Final Rule for the implementation of the Energy Independence and Security Act of 2007 renewable fuels standard provisions. OEPNU participated and contributed to a number of DOE workshops and conferences including Indirect Land Use; Energy Efficiency and Renewable Energy technology platform review, exploring options for utilizing biomass for power generation, and biomass production and utilization for liquid transportation fuels. OEPNU reviewed proposed renewable energy legislation and testimonies by administration officials; prepared numerous Departmental correspondences; completed numerous staff analyses for the Office of the Secretary and the Chief Economist, including work on biodiesel, sugar and corn ethanol, fertilizer issues,

bioproducts, energy legislation, wind, and energy use; published and distributed USDA's internal newsletter on renewable energy; and reviewed a number of requests for funding for renewable energy projects for the Rural Development Mission Area. OEPNU staff participated on numerous interagency working groups and committees, workshops and/or conferences sponsored by Federal agencies, academic institutions, and industry organizations that addressed energy issues, including biomass production, indirect land use and policy, feedstocks, infrastructure, transportation, investment, and rural wealth.

Cooperative Research. OEPNU continued to conduct cooperative research work with a number of academic institutions, including Iowa State University, Purdue University, University of Minnesota, University of Florida, and University of Georgia. Research spanned a wide range of topics that included health benefits from ethanol production and use, land-use, policy simulations, biobased market analyses, reduction of greenhouse gas emissions associated with indirect land uses, changes through higher crop yields, policy, and on-farm greenhouse gas reduction strategies; identification and assessment of critical factors for success of a biomass conversion plant for agricultural, yard (residential), and wood residues; power grid infrastructure issues, price volatility, and bioindicators. Research reports, chapters in books, journal publications, and papers for conferences were prepared. Work was initiated with the Milken Institute to conduct a series of workshops addressing barriers to renewable power and financing options supporting renewable power development (two workshops were held in FY 2009 and one is planned for FY 2010). Work was also initiated with Tuskegee University to conduct an economic assessment of the development of a wood pellet industry for heat and power production by low resource farmers in Alabama.

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Summary of Budget and Performance
Statement of Department Goals and Objectives

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

OCE has 5 strategic goals and 6 strategic objectives that contribute to all of the Secretary's strategic goals, but specifically to assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving and ensure our national forests and private working lands are conserved, restricted, and made more resilient to climate change, while enhancing our water resources.

USDA Strategic Goal	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
All USDA Strategic Goals	**Agency Goal 1:** Ensure the Secretary of Agriculture receives timely, independent, objective economic analyses on critical Departmental program and policy issues.	Objective 1.1: Provide economic intelligence and analysis to support Departmental policy and program decisions.	Chief Economist and Immediate Office	Key Outcome 1: USDA leadership understand the economic implications of Department policies, programs and proposed legislation
	Agency Goal 2: Significant and economically significant regulations affecting the public are based on sound, objective, and appropriate risk assessments and economic analysis.	Objective 2.1: Review and support regulatory impact analyses and risk assessments for significant and economically significant USDA regulations.	Office of Risk Assessment and Cost-Benefit Analysis	Key Outcome 2: Significant and economically significant regulations proposed by USDA are based on sound scientific and economic analysis

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USDA Strategic Goal	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
USDA Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving	**Agency Goal 3:** Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets.	Objective 3.1: Coordinate release of timely and objective estimates of agricultural commodity supply, demand, and prices.	World Agricultural Outlook Board	Key Outcome 3: 12 monthly *World Agricultural Supply and Demand Estimates* (WASDE) reports issued
	Agency Goal 4: Coordinate Departmental energy policy, programs, and strategies.	Objective 4.1: Analyze renewable energy, bioenergy, and biobased product policies and programs.	Office of Energy Policy and New Uses	Key Outcome 4: Energy analysis meets the needs of senior USDA leadership
USDA Strategic Goal: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources	**Agency Goal 5:** Coordinate Departmental climate change policy, programs, products, and strategies.	Objective 5.1: Coordinate USDA climate change policy, programs, and products. Objective 5.2: Establish technical guidelines measuring GHG benefits from conservation and land management activities.	Climate Change Program Office	Key Outcome 5: Increased participation of farmers, ranchers, and forest landowners in greenhouse gas markets

Key Outcome 1: USDA leadership understand the economic implications of Department policies, programs, and proposed legislation.

Long-term Performance Measure: The Secretary of Agriculture and other senior USDA leadership are satisfied with the Chief Economist and IO staff support of Departmental programs across all mission areas. Measurement of the performance of the Chief Economist and IO staff is qualitative and is provided by direct feedback to the Chief Economist from the Secretary and other senior leadership. The baseline performance is providing excellent support. The target performance is continued excellent support.

Selected Past Accomplishments toward Achievement of the Key Outcome:
Chief Economist and Immediate Office (IO) – The Chief Economist and IO supported Departmental programs across all mission areas by reviewing and providing economic analysis of proposed program regulations, participating in interagency working groups, and helping to ensure effective and efficient program and policy development. Selected past accomplishments include:

- Chief Economist and IO staff provided policy and program analysis and advice to the Secretary and other key leadership in the areas of international trade agreements, risk-sharing institutions, crop insurance, commodity and conservation programs, sustainable development, climate change, agricultural labor, and alternative/renewable energy;

- Chief Economist chaired the Board of Directors of the Federal Crop Insurance Corporation (FCIC), chaired the Capper-Volstead Act Committee, and served on the USDA Energy Council;
- Led and coordinated cross-mission area work on sustainable development and agricultural labor markets, including chairing the USDA Council on Sustainable Development, representing USDA in international multilateral environmental negotiations, and other issues as requested by the Secretary.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:
The Chief Economist and IO expect to provide substantially the same level of support in FY 2011 to Departmental programs across all mission areas. The IO will utilize a small, professional staff of senior economists to prepare reports, analyses, and briefings to provide economic information, analysis, and policy and program advice to the Office of the Secretary. Key expected accomplishments are:

- Provide analysis and advice to the Secretary and other key leadership in the areas of commodity and conservation programs, agricultural market conditions, climate change, alternative/renewable energy, agricultural labor, sustainable development, international trade agreements, risk-sharing institutions, and crop insurance;
- Chair Board of Directors of the FCIC and Chair Capper-Volstead Act Committee;
- Represent USDA on U.S. delegations to international discussions of sustainable development, international trade, or other issues and provide objective assessment of the effects of proposals made in international forums that would affect agreements, treaties or other obligations of the Department;
- Lead and coordinate cross-mission area work on sustainable development, including chairing the USDA Council on Sustainable Development; and
- Support Department efforts with respect to issues related to agricultural labor and immigration reform.

Key Outcome 2: Significant and economically significant regulations proposed by USDA are based on sound scientific and economic analysis.

Long-term Performance Measure: Review 60 regulatory impact analyses and risk assessments for the Department. The baseline performance is reviewing 60 regulatory impact analyses and risk assessments. The target performance is to continue to review 60 regulatory impact analyses and risk assessments.

Selected Past Accomplishments toward Achievement of the Key Outcome:
Office of Risk Assessment and Cost-Benefit Analysis (ORACBA) staff reviewed significant and economically significant regulations primarily intended to affect human health, safety or the environment, ensuring they were based on appropriate risk assessments and economic analyses supporting the selection of cost-effective hazard management options. Selected past accomplishments include:

- ORACBA staff provided substantive reviews of risk assessments and economic analyses supporting implementation of Farm Bill programs, including regulations to establish the catfish inspection program (Food Safety and Inspection Service [FSIS]) and to ensure fair contracting and trade practices in livestock and poultry markets (Grain Inspections, Packers and Stockyards Administration [GIPSA]);
- Reviewed risk assessments and economic analyses for regulations to protect plant health from diseases such as citrus canker and citrus greening and importation of Argentine lemons, to ensure appropriate and cost-effective risk mitigations and enable trade. Other reviews dealt with control of invasive species, e.g. importation of plants for planting (nursery stock); and
- Provided scientific expertise and advice in support of food safety and trade, including serving on the Joint Food and Agricultural Organization-World Health Organization expert panel on the food safety implications of nanotechnology in food and agriculture and development of criteria for determining the applicable regulatory standard for Listeria monocytogenes in ready-to-eat food.

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Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:
ORACBA expects to provide substantially the same level of support in FY 2011 to Departmental programs across all mission areas by ensuring that all significant and economically significant regulations proposed by USDA are based on sound scientific and economic analysis. ORACBA relies on a small staff of senior economists and scientists to review USDA regulatory packages. Key expected accomplishments are:

- Review approximately 60 cost-benefit analyses and risk assessments; and
- Produce 12 issues of *ORACBA News* and hold periodic risk forum training seminars.

Key Outcome 3: 12 monthly *WASDE* reports issued.

Long-term Performance Measure: Issue 12 monthly *WASDE* reports each year providing timely, comprehensive, objective agricultural commodity supply, demand, and price estimates, providing a benchmark for U.S. and global markets to assess and respond to expected changes in supply and demand and thereby contributing to efficient price discovery in agricultural markets. The baseline performance is issuing 12 *WASDE* reports. The target performance is to continue to issue 12 *WASDE* reports.

Selected Past Accomplishments toward Achievement of the Key Outcome:
World Agricultural Outlook Board (WAOB) – WAOB staff coordinated the development and release of consistent and accurate market-sensitive agricultural commodity estimates in the monthly *WASDE* report, a Principle Federal Economic Indicator. Selected past accomplishments include:

- WAOB staff issued 12 monthly *WASDE* reports and reviewed and assured consistency across a broad range of situation and outlook products issued by other agencies in USDA, including briefings, written reports and market updates, data, special analyses, and long-range forecasts;
- Provided an annual comprehensive situation and outlook forum for agriculture that incorporates the viewpoints of and participation by analysts from USDA, academia, and the private sector; and
- Prepared numerous special economic reports on diverse topics and weather assessments for the Secretary and Chief Economist, including an analysis of the Renewable Fuels Standard and USDA's baseline ethanol assumption, the impact of tightening U.S. feed grain stocks, the impact of Red River flooding on the barley and spring wheat crops, the impact of the California drought, and the impact of the Florida freeze on the sugarcane and citrus crops.

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:
WAOB expects to provide substantially the same level of support to the Department in FY 2011 by serving as USDA's focal point for economic intelligence and the commodity outlook for U.S. and world agriculture. WAOB relies on a small staff of senior commodity analysts and meteorologists to continuously monitor and analyze all available information sources to perform the organization's mission of facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive, consistent, timely and objective estimates, forecasts, and projections of agricultural commodity supply, demand, and prices. Key expected accomplishments are:

- Issue 12 monthly *WASDE* reports and 52 weekly Weather and Economics Briefing reports;
- On a rotational basis, prepare issues of the weekly U.S. Drought Monitor, produced jointly with the National Weather Service and the National Drought Mitigation Center in Nebraska;
- Organize the annual USDA Agricultural Outlook Forum; and
- Prepare economic assessments of current market issues or weather events at the request of the Chief Economist and other senior Department staff.

Key Outcome 4: Energy analysis meets the needs of senior USDA leadership.

Long-term Performance Measure: The Secretary of Agriculture and other senior USDA leadership are satisfied with OEPNU energy analysis and coordination activities. Measurement of the performance of

OEPNU is qualitative, provided by direct feedback from the Chief Economist and other senior USDA leadership. The baseline performance is providing excellent energy policy analysis and coordination. The target performance is to continue to provide excellent energy policy analysis and coordination.

Selected Past Accomplishments toward Achievement of the Key Outcome:
Office of Energy Policy and New Uses (OEPNU) – OEPNU staff supported coordination of Departmental energy policy, programs, and strategies. Selected past accomplishments include:

- Provided assessments, reports, briefings, speeches, and analyses on renewable energy activities;
- Sponsored and helped coordinate workshops to support infrastructure finance to increase capacity of the Rural Utility Service (RUS) electric grid and high voltage transmission system, expanding its ability to support opportunities for rural renewable energy generation and transmission. Recent workshops focused on research and development needs and scaling enterprise financing challenges; and
- Supported/helped organize the "Transition to a Bioeconomy" conference series with the Farm Foundation, including "Global Trade and Policy Issues" and "Tools for Extension."

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:
OEPNU expects to provide substantially the same level of support to the Department in FY 2011 serving as a focal point for energy and agriculture issues. OEPNU relies on a small staff of senior economists to conduct economic analysis and provide policy advice on energy and agriculture issues, hold conferences and workshops to increase understanding of renewable and alternative energy, and implement the USDA Biodiesel Fuel Education Program. Key expected accomplishments are:

- Provide assessments, reports, briefings, speeches, and analyses for senior USDA staff and other policymakers on renewable energy activities;
- Continue cooperative research activities on renewable energy and biobased products with academic and other institutions, expanding understanding of bioenergy and biobased feedstock markets; and
- Sponsor/help coordinate 1-2 workshops a year supporting infrastructure finance to increase capacity of the RUS electric grid and high voltage transmission system and expand its ability to support opportunities for rural renewable energy generation and transmission.

Key Outcome 5: Increased participation of farmers, ranchers, and forest landowners in greenhouse gas markets.

Long-term Performance Measure: As a new initiative, the Climate Change Program Office (CCPO) long-term performance measure will be under development in FY 2010 and a baseline for performance will be established in FY 2011.

Selected Past Accomplishments toward Achievement of the Key Outcome:
The CCPO staff coordinated USDA climate change policy, programs and strategies and began planning the new program to establish technical guidelines to measure GHG benefits from conservation and land management activities. Selected past accomplishments include:

- Worked with twenty three other governments to establish a Global Research Alliance on Agricultural Greenhouse Gases that will broaden networks of research and enhance scientific capabilities on agricultural greenhouse gas mitigation;
- Provided technical support for senior Department and Administration officials on cap-and-trade legislative options being considered by Congress; and
- Provided technical guidance and information on options for the treatment of forests and agriculture to the Department of State that contributed to the Copenhagen Accord.

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Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:
The CCPO expects to provide substantially the same level of support in FY 2011 by coordinating Departmental climate change policy, programs and strategies. CCPO relies on a small staff of senior economists and scientists to prepare reports, analyses, and briefings providing information to the Office of the Secretary on important climate change issues, ensure the Department is a source of objective and accurate analytical assessments of the effects of climate change and proposed mitigation strategies, and represent the Department in international climate change meetings. Key expected accomplishments are:

- Develop revised technical greenhouse gas reporting guidelines that can meet the needs of voluntary greenhouse gas registries, USDA programs, and a potential federal greenhouse gas offsets market;
- Coordinate Departmental climate change policy, programs, strategies, and products;
- Conduct analysis, long range planning, research, and response strategies related to climate change mitigation and adaptation and liaison with other Federal agencies; and
- Coordinate with Natural Resources Conservation Service (NRCS), Forest Service (FS), and Farm Service Agency (FSA) in integrating greenhouse gas considerations into USDA conservation programs.

Strategic Goal Funding Matrix
(On basis of appropriation)

	2009 Actual		2010 Estimated			2011 Estimated	
	Amount	Staff Years	Amount	Staff Years	Increase or Decrease	Amount	Staff Years
Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.							
WAOB	$4,857,925	28	$5,146,000	30	$10,000	$5,156,000	28
OEPNU	1,509,104	8	1,536,000	8	10,000	1,546,000	8
Total, Goal	6,367,029	36	6,682,000	38	20,000	6,702,000	36
Goal: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources.							
CCPO	--	--	2,904,000	8	15,000	2,919,000	8
All Goals							
Chief Economist, IO	2,232,716	8	2,236,000	8	91,000	2,327,000	9
ORACBA	1,010,689	7	1,210,000	8	17,000	1,227,000	8
Total, All Goals	3,243,405	15	3,446,000	16	108,000	3,554,000	17
Total, Available	9,610,434	51	13,032,000	62	143,000	13,175,000	61

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Summary of Budget and Performance
Key Performance Outcomes and Measures
(Dollars in Thousands)

Goal – Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.

Key Outcome: 12 monthly *World Agriculture Supply and Demand Estimates* (WASDE) reports issued. WAOB coordinates the preparation and release of the report, which provides comprehensive, timely, and objective estimates of major agricultural commodity supply, demand, and prices. This Federal economic indicator establishes a benchmark for U.S. and global commodity markets to assess and respond to expected changes in commodity supply and demand, contributing to efficient market price discovery and well-functioning agricultural commodity markets.

Key Performance Measure:
- Measure #1: Issue 12 *World Agricultural Supply and Demand Estimates* (WASDE) reports.

Key Performance Target:

Performance Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
a. WASDE reports issued	12	12	12	12	12	12
b. Dollars	$3,311	$3,636	$3,728	$3,644	$3,860	$3,919

Key Outcome: Energy analysis meets the needs of senior USDA leadership. OEPNU provides economic and policy analysis and helps to coordinate Departmental energy research in the areas of renewable energy, bioenergy, and biobased products and markets.

Key Performance Measure: OEPNU does not have a quantitative performance measure. The type of work in this program varies from year to year depending on the needs of the Chief Economist, the Office of the Secretary, and the Department. Although no quantitative performance measure is appropriate, assessments of program performance are obtained by feedback from the Chief Economist and the Office of the Secretary.

Key Performance Target:

Performance Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
a. Economic analysis, reports, studies, and conferences on agriculture and energy issues	N/A	N/A	N/A	N/A	N/A	N/A
b. Dollars	$1,480	$1,687	$1,548	$1,321	$1,344	$1,352

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Goal – Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources.

Key Outcome: Increased participation of farmers, ranchers, and forest owners in greenhouse gas markets. CCPO coordinates Department-wide agriculture, rural, and forestry-related climate change policy, programs, and products. CCPO is also leading the work of establishing technical guidelines measuring the greenhouse gas benefits from conservation and land management activities.

Key Performance Measure: CCPO is a new initiative beginning in FY 2010. The type of work in this program varies from year to year depending on the needs of the Chief Economist, the Office of the Secretary, and the Department. Although no quantitative performance measure is appropriate, assessments of program performance are obtained by feedback from the Chief Economist and the Office of the Secretary.

Key Performance Targets:

Performance Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
a. Performance Measure #1 Coordinate USDA climate change policy, programs, and products	N/A	N/A	N/A	N/A	N/A	N/A
b. Dollars	--	--	--	--	$668	$671
a. Performance Measure #2 Percent completion of development of technical guidelines for measuring the GHG benefits from conservation and land management activities	N/A	N/A	N/A	N/A	New Initiative	Establish Baseline
b. Dollars	--	--	--	--	$1,365	$1,372

Key outcomes and performance measures under each of the agency's strategic goals as outlined below:

All Strategic Goals

Key Outcome: USDA leadership understands the economic implications of Department policies, programs, and proposed legislation. The objective of the Chief Economist and IO is to provide an economic underpinning to all Departmental program and policy issue consideration and decisions through briefings, papers, and speeches.

Key Performance Measure: The Chief Economist and IO do not have a quantitative performance measure. The type of work in this program varies from year to year depending on the needs of the Office of the Secretary and the Department. Although no quantitative performance measure is appropriate, assessments of program performance are obtained by feedback from the Office of the Secretary.

Key Performance Target:

Performance Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
a. Policy and program analysis and advice for the Secretary of Agriculture	N/A	N/A	N/A	N/A	N/A	N/A
b. Dollars	$2,013	$1,655	$1,674	$1,886	$1,881	$1,755

Key Outcome: Significant and economically significant regulations proposed by USDA are based on sound scientific and economic analysis. A major regulation concerns human health, safety or the environment and has an annual economic impact of at least $100 million in 1994 dollars. ORACBA conducts a thorough analysis that makes clear the nature of the risk, alternative ways of reducing it, the reasoning that justifies the proposed rule, and compares the likely costs and benefits of reducing the risk.

Key Performance Measure:

- Measure #1: 60 reviews of cost-benefit analyses or risk assessments and provisions of substantial regulatory analysis technical assistance and leadership.

Key Performance Target:

Performance Measure	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
a. Review cost-benefit analyses, risk assessments	60	60	60	60	60	60
b. Dollars	$914	$827	$814	$805	$983	$997

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Summary of Budget and Performance
Full Cost by Department Strategic Goal

Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating and economically thriving				
PROGRAM	**PROGRAM ITEMS**	**2009 Amount ($000)**	**2010 Amount ($000)**	**2011 Amount ($000)**
World Agricultural Outlook Board (WAOB)				
	WASDE Reports Issued	$3,644	$3,860	$3,919
	Weekly Weather and Crop Bulletins Issued	425	450	433
	Weather/Crop Impact Assessments	789	836	804
	Total Costs	**4,858**	**5,146**	**5,156**
	FTEs	*28*	*30*	*28*
	Performance measure: *WASDE* reports issued			
	BY Performance	12 issues	12 issues	12 issues
	Cost per issue (unit cost)	304	322	327
ECCP-Office of Energy Policy and New Uses (OEPNU)				
	Bio-/Renewable Energy/Biobased Product Analysis	$1,321	$1,344	$1,353
	Biodiesel Fuel Education Program	75	77	77
	Increase BioBased Product Purchases/Labeling	113	115	116
	Total Costs	**1,509**	**1,536**	**1,546**
	FTEs	*8*	*8*	*8*
	Performance measure: Economic analyses, reports, studies, and conferences on agriculture and energy issues			
	BY Performance	N/A	N/A	N/A
	Cost per measure (unit cost)	1,321	1,344	1,353
Total for Strategic Goal				
Total Costs for Strategic Goal		**$6,367**	**$6,682**	**$6,702**
	FTEs	36	38	36

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Strategic Goal: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources				
PROGRAM	**PROGRAM ITEMS**	**2009 Amount ($000)**	**2010 Amount ($000)**	**2011 Amount ($000)**
ECCP-Climate Change Program Office (CCPO)				
	Coordinate USDA Climate Change Policy, Programs, and Products	--	$668	$671
	Climate Change Analysis and Advice	--	871	876
	Establish Greenhouse Gas Guidelines and Tools	--	1,365	1,372
	Total Costs	**--**	**2,904**	**2,919**
	FTEs	--	8	8
	Performance measure: Coordinate USDA climate change policy, programs, and products			
	BY Performance	--	N/A	N/A
	Cost per measure (unit cost)	--	668	671
	Performance measure: Percent completion developing technical guidelines for measuring the GHG benefits from conservation and land management activities			
	BY Performance	--	N/A	Establish baseline
	Cost per measure (unit cost)	--	1,365	1,372
Total for Strategic Goal				
Total Costs for Strategic Goal		--	**$2,904**	**$2,919**
	FTEs	--	*8*	*8*

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All Strategic Goals				
PROGRAM	**PROGRAM ITEMS**	**2009 Amount ($000)**	**2010 Amount ($000)**	**2011 Amount ($000)**
Chief Economist and Immediate Office (IO)				
	Economic Analysis	$1,885	$1,881	$1,755
	Sustainable Development	202	207	211
	Agricultural Labor Issues	145	148	151
	Climate Change and Alternative Energy	--	--	210
	Total Costs	**2,232**	**2,236**	**2,327**
	FTEs	*8*	*8*	*9*
	Performance Measure: Economic policy, program analysis, and advice for the Secretary of Agriculture			
	BY Performance	N/A	N/A	N/A
	Cost per measure (unit cost)	1,886	1,881	1,755
Office of Risk Assessment and Cost-Benefit Analysis (ORACBA)				
	Review Regulatory Impact Analyses	$331	$404	$410
	Review Risk Assessments/Economic Analyses	475	579	587
	Conduct Seminars and Training	116	118	120
	Collaborate on Risk Related Research	89	109	110
	Total Costs	**1,011**	**1,210**	**1,227**
	FTEs	*7*	*8*	*8*
	Performance Measure: Review cost-benefit analyses and risk assessments			
	BY Performance	60	60	60
	Cost per activity (unit cost)	13	16	17
Total for All Strategic Goals				
Total Costs for All Strategic Goals		**$3,243**	**$3,446**	**$3,554**
	FTEs	15	16	17
Total for All Strategic Goals		**$9,610**	**$13,032**	**$13,175**
	FTEs	51	62	61