USDA ERS Update

National Association of Agricultural Economics Administrators (NAAEA)

September 9, 2011

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Resource & Rural Economics Division
ERS celebrates 50th anniversary

• ERS founded on April 3, 1961 by USDA Secretary Orville Freeman
• Recommend “Founding Fathers” video of Willard Cochrane, John Schnittker and Kitty Smith discussing early days and ERS accomplishments:
  http://www.ers.usda.gov/AboutERS/ERSHistory/50thAnniversary/Videos
Topics

• Budget
  – Recent trends and components

• Agency priorities
  – Farm bill related research
  – Data and model investments
  – Investments in staff and data

• Looking forward
  – Next Administrator
  – FY 12 budget
Budget & staff stability in recent years

The graph shows the budget and staff years from FY 2002 to FY 2011. The black line represents the budget, and the yellow line represents staff years. The budget generally increases over the years, while staff years show a slight decrease and then stabilize.
Major spending categories

Appropriations & reimbursable funds

<table>
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<th>FY</th>
<th>Million dollars</th>
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<td>2011</td>
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- Other
- Extramural
- Data
- Salary
Investing in the future with new research staff

Hiring: October 1, 2008 to present

- MSc: [Diagram showing hiring numbers for MSc]
- New PhD: [Diagram showing hiring numbers for PhD, with breakdown for Markets, Food, and Resource, Rural, Farm]
- Mid-Career: [Diagram showing hiring numbers for Mid-Career, with breakdown for Markets, Food, and Resource, Rural, Farm]
Research priorities (farm bill)

• Farm commodity policy
  – Distribution of USDA program payments
  – Assessing Duplication in the U.S. Farm Safety Net
  – Redesigning ACRE: Alternative Aggregate Revenue Triggers
  – Risk Protection Overlap and Complementarity of ACRE and Crop Revenue Insurance
  – Alternative dairy policy: risk management and margin insurance
Research priorities (farm bill)

• Conservation policy
  – Rising Commodity Prices and the Conservation Reserve Program
  – Grassland to Cropland Conversion in the Northern Plains: The Role of Crop Insurance, Commodity, and Disaster Programs
  – Options for Improving Conservation Programs: Evidence from Economics Experiments
  – Economics of conservation compliance
Research priorities (farm bill)

• Rural development policy
  – Impacts of Regional Approaches to Rural Development
  – Rural Prosperity and Wealth Creation
  – Energy and rural communities

• Nutrition policy
  – SNAP UP: What’s Driving the Rapid Rise in the Number of Americans Getting Food Assistance?
Selected other research priorities

• Energy policy
• Food price levels and volatility
• Global agricultural productivity
• Water quality and agriculture
  – Nitrogen management
  – Chesapeake Bay TMDL
• Role of USDA’s food assistance programs in promoting food security and better nutrition for low income populations
Research investments

• Enhance commodity and conservation models
  – Convert baseline model to SAS-based platform (FAPSIM)
  – Enhance commodity policy and energy market components (PEATSIM)
  – New components for biofuels (FARM, REAP)
  – Long term capability for CGE model with environmental indicators (FARM)
New GIS based mapping tools

• Explore indicators
• Data provided for research
Extramural & data expenditures represent major investments

• Support and complement intramural research program
• Extramural competitive funding has evolved over time
  – FANRP
  – Environmental services (2010)
  – Behavioral
  – Invasive species
Extramural & data expenditures represent major investments (cont)

• Agricultural Resource Management Survey (ARMS) for farm business and household
  (www.ers.usda.gov/Briefing/ARMS)
  – Foundation of farm income estimates and research program
  – Resource for academic research

• Rural enterprise and rural community surveys
Extramural & data expenditures represent major investments (cont)

• Consumer data
  http://www.ers.usda.gov/Briefing/DietQuality/recommended_data.htm
  - Quarterly Food-at-Home Price Database (QFAHPD) supports research on economic determinants of food consumption
  - Flexible Consumer Behavior Survey (FCBS)—Modules added to N-HANES support research on diet-health connections
  - The National Household Food Acquisition and Purchase Survey (FoodAPS). A nationally representative survey of household food purchases and acquisitions.
Next Administrator

- Acting Administrators since May
- Job announcement closes September 15th. Posted on USAJOBS website
- Search firm: JDG Associates, Ltd.
Future budgets

- FY 2011 enacted: $81.8 million
- FY 2012
  - President’s budget: $85.97 million including initiatives for behavioral economics and data investments
  - House appropriation bill: $69.5 million
  - Senate agriculture appropriation committee: $77.7 million