

House Committee on Agriculture
Farm Bill Audit

1. Program Name

Economic Research Service (ERS)

2. Subprograms/Department Initiatives

Economic Research and Analysis

3. Brief History

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).

4. Purpose/Goals

The mission of ERS is to inform and enhance public and private decision making on economic and policy issues related to agriculture, food, the environment, and rural development.

ERS has six strategic goals which correspond to each of the four USDA strategic goals. To achieve these goals, ERS enhances the understanding of policy makers, regulators, program managers, and those shaping debate of economic issues affecting agriculture, food, the environment, and rural development. Activities to support ERS' mission and goals 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 and retail food prices, food borne illnesses, food labeling, nutrition, food assistance programs, agrichemical usage, livestock waste management, conservation, agricultural productivity, technology transfer, 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 published and electronic reports and articles; special staff analyses, briefings, presentations, and papers; databases; and individual contacts.

5. Success in Meeting Programmatic Purpose/Goals

The long-term performance goal for the Economic Research Service is the successful execution of the ERS program of economic research and analysis to provide policy makers, regulators, program managers, and those shaping the public debate on agricultural economic issues with timely, relevant, and high quality economic research, analysis, and data to enhance their understanding of economic issues affecting food and agriculture. The key outcome of the ERS program is informed public and private decision-making on economic and policy issues related to agriculture, food, the environment, and rural development.

Central to effective ERS performance is successful completion of planned research that enhances understanding by policy makers, regulators, program managers, and those shaping the public debate of economic issues related to enhancing economic opportunities for agricultural producers. ERS research and management practices use

many methods to ensure that the direction of agency research activities reflects current and anticipated needs of ERS stakeholders and customers, that research and analysis produced by the agency adheres to disciplinary standards to ensure the highest possible quality, and that the agency's research products are delivered in a way that is accessible to customers.

ERS interacts with stakeholders and customers in many ways to ensure that the research agenda focuses on topics relevant to public and private decision makers. ERS regularly convenes workshops, stakeholder sessions, or other meetings in which the results of recent agency research are discussed, upcoming policy issues are identified, and questions for future research are explored.

ERS strategic planning activities include reviews of progress in meeting program plans and implementing revisions as necessary. ERS strategic planning includes discussions with customers and stakeholders on prospective research projects to meet anticipated needs of policy officials. Stakeholder conferences are used to help set priorities for ERS extramural funding programs. ERS management regularly discusses implementation of research activities with key customers and stakeholders including USDA Agencies, other Federal departments, Congressional staff and members, and private sector partners to ensure continued and improved agency effectiveness. Suggestions and ideas from our key customers informs our program planning process to ensure that ERS continues to provide the information, data, market outlook and analysis needed to inform decision making on economic issues related to food, agriculture, and rural America.

ERS uses independent expert review panels that evaluate the effectiveness of the ERS program of economic research and analysis to enable better informed decisions on food and agricultural policy issues. Over the past six years, review panels have assessed major segments of the ERS program. In each review, the external panels assess the relevance, quality, and performance of program plans, activities, and accomplishments. This assessment includes an evaluation using a quantitative analysis tool to rate portfolio effectiveness on a multi-category scale (excellent, adequate, needs improvement). The panel recommendations are used in agency strategic planning and priority setting. All past reviews have rated ERS performance as "Excellent."

**6. Annual Budget Authority (FY 2002-FY 2011)
(\$000)**

FY 2002: \$67,154
FY 2003: \$68,674
FY 2004: \$70,981
FY 2005: \$74,170
FY 2006: \$75,172
FY 2007: \$75,193
FY 2008: \$77,397
FY 2009: \$79,500
FY 2010: \$82,478

FY 2011: \$81,814

**7. Annual Outlays (FY 2002-FY 2011)
(\$000)**

FY 2002: \$69,892
FY 2003: \$70,262
FY 2004: \$65,543
FY 2005: \$72,847
FY 2006: \$72,778
FY 2007: \$72,760
FY 2008: \$77,707
FY 2009: \$79,719
FY 2010: \$67,927
FY 2011: \$82,000 (est.)

**8. Annual Delivery Cost (FY 2002-FY 2011)
(\$000)**

Annual Delivery Cost (FY 2002-FY 2011)
(\$000)

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Salaries and Expenses	34,157	32,945	39,621	39,675	40,781	42,311	45,080	48,897	52,361	52,400
Data Acquisition	4,000	6,500	6,950	10,450	10,027	10,250	13,116	16,407	16,095	16,199
Contracts, Agreements, and Grants	12,859	11,732	5,130	5,899	6,899	5,240	8,750	8,223	9,050	8,634
Direct costs			492	270	283	480	2,176	1,757	1,200	1,200
Indirect Costs*	16,029	17,243	18,637	17,743	17,015	16,335	7,908	3,606	3,037	3,381
Total Cost	67,045	68,420	70,830	74,037	75,005	74,616	77,030	78,890	81,743	81,814
Total FTEs	479	462	439	427	400	376	386	388	400	400

*Variances in Indirect Costs throughout the years are attributed to differences in charging data acquisition, contracts, and agreements to the budget object class for categories included in Indirect costs.

9. Eligibility Criteria
N/A

10. Utilization (Participation) Data
N/A

11. Duplication or Overlap with Other Programs

The four REE agencies are complementary and have distinct missions. The National Agriculture Statistics Service (NASS) conducts basic statistically valid surveys to create a body of data that reflects on-the-ground factual information. ERS constructs data series, using data from a variety of sources, to inform its program of research and market analysis. Data collected by NASS are used by ERS for its farm income estimates and research, and in the ERS program of market outlook and analysis. Other data and research in ERS, such as the food security statistics, rely on survey agreements with other Federal agencies such as the Census bureau. ERS provides data, research and analysis that support the wide range of program and policy issues of importance to USDA. ERS data, information and analysis meet the information needs of USDA policy makers and programs, and are used by the media, trade associations, public interest groups, and the general public. Findings are useful to inform policymakers and for continuously improving the quality of the market information that guides production decisions and risk management.

ERS provides social science research and analysis to complement the other scientific expertise of the REE agencies in multidisciplinary research. ERS collaborates with ARS in carrying out research to address the needs of U.S. agriculture, including research and data development to support rural prosperity, agricultural productivity, global food security, food safety, and better diets. ERS coordinates with NIFA regarding extramural funding priorities and identifying promising new areas for research.

ERS is 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 insecurity here and abroad. ERS is one of the 14 OMB officially-designated federal statistical agencies.

ERS collaborates with the staff of the Office of the Chief Economist and staff economists in USDA program agencies to provide data, research findings, and market analysis and outlook to support Departmental decision making on program implementation and development.

12. Waste, Fraud and Abuse

No such instances have to date been identified.

13. Effect of Administrative Pay-go

None

