

**ECONOMIC RESEARCH SERVICE
STRATEGIC PLAN
2000-2005**

TABLE OF CONTENTS

| | |
|---|----|
| INTRODUCTION | 2 |
| LEGISLATIVE MANDATE | 2 |
| CUSTOMERS AND STAKEHOLDERS | 3 |
| PARTNERSHIPS AND CROSSCUTS WITH OTHER AGENCIES AND DEPARTMENTS | 3 |
| KEY EXTERNAL FACTORS | 5 |
| MISSION | 6 |
| GOALS | 6 |
| GOAL 1: The agricultural production system is highly competitive in the global economy | 7 |
| GOAL 2: The food production system is safe. | 8 |
| GOAL 3: The Nation’s population is healthy and well-nourished. | 9 |
| GOAL 4: Agriculture and the environment are in harmony. | 10 |
| GOAL 5: Enhanced economic opportunity and quality of life for rural Americans. | 12 |
| MANAGEMENT GOAL | 13 |
| GOAL 6: ERS effectively marshals its diverse capabilities and resources in support of Mission Area and Agency program goals. | 13 |
| LINKAGE OF GOALS TO ANNUAL PERFORMANCE PLAN | 15 |
| RESOURCES NEEDED | 15 |
| PROGRAM EVALUATION | 16 |
| ROLE OF EXTERNAL ENTITIES | 18 |

ECONOMIC RESEARCH SERVICE

INTRODUCTION

The Economic Research Service's (ERS) role is to provide high-quality, objective, relevant, timely, and accessible economic data and analysis on critical agriculture, food, natural resource, and rural issues confronting the United States.

LEGISLATIVE MANDATE

In 1961, ERS was established from components of the former Bureau of Agricultural Economics (BAE) principally under the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627). ERS's portfolio was expanded to include international work with the addition of country specialists from the Office of Foreign Agricultural Relations. ERS performs work under one appropriation item--economic analysis and research. ERS's FY 2000 budget was authorized at \$65.4 million by the FY 2000 Appropriations Act for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, 2000 (Public Law 106-78)

In response to ERS's legislative mandate and to the broadening scope of the Department of Agriculture's responsibilities, the ERS program has evolved over time:

- In the 1960's, the agency provided research and analysis to support programs aimed at improving agricultural and rural conditions.
- In the 1970's, with the Soviet Union's entry into world grain markets and concern about world food shortages and high food and energy prices, the Department's policy officials and World Board relied heavily on ERS's analysis and forecasting of commodity and food prices.
- In the 1980's, U.S. policies and those of other nations created incentives for surplus production and low commodity prices that--combined with high domestic interest rates--led to farm financial pressures. ERS responded by examining the implications not only for farmers, but also for rural places and people. Also during the 1980's, ERS moved increasingly to providing analysis in response to the growing national interest in environmental issues.
- In the late 1980's, in response to national concerns about nutrition and food safety, ERS expanded its research on the supply and delivery of food and the social and individual consequences of inadequate or unsafe food.
- In the early 1990's, low inflation and improved financial conditions for farm households turned ERS attention toward means of reducing Government's role in agriculture while providing a

- continuing safety net.
- In the late 1990's, as low prices and poor weather brought problems for some farmers, the safety net issues grew increasingly important, as did the need for understanding differences in the financial situations of farms of different sizes, in different regions, and producing different commodities. The increasing importance of off-farm income to rural financial conditions reinforced the agency's commitment to understanding how public policy affects rural economic activity and employment.
 - Also in the late 1990's, ERS was given responsibility for an in-depth program of research and analysis on food assistance and nutrition, while environmental and food safety issues continued to be high Departmental priorities.

CUSTOMERS AND STAKEHOLDERS

ERS stakeholders are its customers and partners, its staff, cooperators, and contractors. The ultimate beneficiaries of ERS's program are the American people, whose well-being is improved by well informed public and private decision making.

ERS has identified its customers to be policy makers and key institutions that routinely make or influence public policy and program decisions. ERS shapes its program and products principally to serve these key decision makers: USDA and White House policy officials and program managers; the U.S. Congress; other Federal agencies; State and local government officials; and domestic and international commodity, environmental, agribusiness, consumer, and other groups interested in public policy issues.

PARTNERSHIPS AND CROSSCUTS WITH OTHER AGENCIES AND DEPARTMENTS

ERS depends heavily on working relationships with other organizations and individuals to accomplish its mission. Key partners include: the National Agricultural Statistics Service for some kinds of primary data collection; the Food and Nutrition Service, for cooperation on the ERS Food and Nutrition Research Program; universities for research collaboration; and the media as disseminators of ERS analyses. The following section highlights a few of the many areas of policy and program development and management on which ERS cooperates with (and supports the missions of) USDA agencies and other agencies and departments government wide

ERS goals and objectives crosscut extensively with concerns of other USDA agencies and many other government units. In some situations, ERS works in close partnership with other agencies to achieve mutual goals. In others, ERS simply provides independent economic analysis to other agencies for their use. For example:

- ERS works closely with the Foreign Agricultural Service, World Agricultural Outlook Board, and the Office of the U.S. Trade Representative to analyze the international agriculture and trade effects of the World Trade Organization (WTO) and other existing and proposed agreements. The Foreign Agricultural Service and the U.S. Agency for International Development regularly use ERS economic expertise in international technical assistance programs.
- ERS provides economic analyses central to the work of the Department's Interagency Commodity Estimates Committee (ICEC). The ICEC (World Agricultural Outlook Board, Farm Service Agency, Agricultural Marketing Service, Foreign Agriculture Service, and Economic Research Service) has responsibility for developing official estimates of supply, utilization, and prices for commodities; developing long-range commodity and agricultural-sector projections; and coordinating, reviewing, and clearing all commodity estimates and analyses prepared for public distribution by Department agencies.
- ERS cooperates with the Agricultural Research Service, Food Safety and Inspection Service, Agricultural Marketing Service, and Grain Inspection, Packers, and Stockyards Administration on the National Food Safety Initiative.
- ERS also works with the Agricultural Research Service in its research on genetic resources, biotechnology, and the assessment of public sector R&D and technology transfer.
- ERS works closely with the Food and Nutrition Service in developing priorities for and carrying out the extramural and intramural research activities of the ERS Food and Nutrition Research Program.
- ERS provides economic analyses used extensively by the Food Safety and Inspection Service.
- ERS supplies data and analysis on the farm sector's economic performance and on agricultural commodity and food prices to the U.S. Commerce Department's Bureau of Economic Analysis for production of their national economic accounts.
- ERS works with the Natural Resources Conservation Service and Farm Service Agency to support formulation and implementation of conservation and environmental programs, including the Conservation Reserve, Swampbuster, and the Environmental Quality Incentives programs. Such activities also bring ERS staff in close cooperation with staff of the Department of the Interior and the Environmental Protection Agency, as do ERS efforts to improve understanding of the economics of integrated pest management and resource-conserving production practices.
- ERS works with the Cooperative State Research, Education, and Extension Service, the Rural Business-Cooperative Service, and the Rural Utilities Service on the Rural Community Enhancement Program and the Rural Housing Program.
- ERS rural-urban categorizations are essential to the Department of Health and Human Services' administration of programs in rural areas.

KEY EXTERNAL FACTORS

ERS's success depends on its role as a national center of excellence for economic analysis on agriculture, food and nutrition, environmental, and rural issues. Policy makers and program managers are increasingly called upon to assess the efficiency and equity consequences of public policies, regulations, and programs. The demand for more and better information is accelerating in today's knowledge-based and increasingly complex society. ERS's role in informing and analyzing alternative public policy options is therefore growing in importance.

At the same time, ERS is being asked to do more with declining real resources. Essential to an effective response to these demands are telecommunication and computer technology developments that can enhance analytical capabilities and improve communication with customers and partners. ERS recognizes that getting its research and analysis to key customers in the form they want and at the right time matches the importance of doing excellent work on relevant topics. The agency must continue to invest in integrating useful new information technologies into agency operations. Innovation is key to ERS's ability to do more with fewer staff resources. Clearly, the Internet has offered significant opportunities for providing real time information to customers in easily usable forms. ERS is currently taking advantage of these opportunities with a major revision of its website. The Agency will need to sustain and constantly upgrade its efforts in this area. Increasing flexibility in procurement and personnel regulations also offers new opportunities for a more responsive, adaptable and efficient ERS.

National employment trends affect ERS's ability to obtain and retain a highly skilled and technically competent ERS work force. Low U.S. unemployment rates are resulting in a highly competitive hiring environment. The high level of academic training required for economic and other social science research and the need to achieve a more diverse workforce mean that ERS will continue its emphasis on recruitment, retention, student employment, career enhancement, training and retraining programs.

Changes in the larger policy context in which ERS operates will influence the content and orientation of ERS research and analysis. Changing perceptions about the role of government regulation have accelerated the search for effective and voluntary market-oriented measures as alternatives to traditional farm programs. At the same time, the more market-oriented policies and programs of the 1996 Federal Agriculture Improvement and Reform Act have raised policymakers' concerns about the volatility of prices in response to international shocks and weather, resulting in calls for new tools to manage price and market risk. In addition, the increasing scale and concentration of agricultural activities have raised environmental issues pertaining to waste management and issues about the role of market power. Rapidly changing economic, social, and medical environments have raised challenging questions about the nutritional quality and costs of good diets and food safety and their implications for individuals, society, and the food industry. International trade agreements are shifting the focus of trade disputes away from tariffs and toward issues relating to technical barriers to trade such as labeling of genetically engineered products and sanitary and phytosanitary measures that are not science based. And continued evolution of the demographic, economic, and industrial structure of rural areas will change

policy debates regarding the well-being of rural people and communities. As was demonstrated in the discussion of ERS's legislative mandate, the agency has always been expected to anticipate and respond to events and changing national concerns. Through its contacts with policymakers and academic experts, as well as the recognized expertise of its staff, ERS expects to keep pace with change as and before it occurs.

MISSION

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

GOALS

ERS shares the five goals described below with the other agencies in the Research, Education, and Economics (REE) mission area. In relation to the USDA strategic plan, the correspondence is as follows:

- **USDA Goal 1**, "Expand economic and trade opportunities for U.S. agricultural products," is supported by ERS Goal 1 and part of Goal 5.
- **USDA Goal 2**, "Promote health by providing access to safe, affordable and nutritious food," is supported by ERS Goals 2 and 3.
- **USDA Goal 3**, "Maintain and enhance the Nation's natural resources and environment," is supported by ERS Goal 4.
- **USDA Goal 4**, "Enhance the capacity of all rural residents, communities and businesses to prosper," is supported by ERS Goal 5.
- **USDA Goal 5**, "Operate an efficient, effective and discrimination-free organization," is supported by ERS Goal 6.

The continuing agency imperative is to deliver high-quality, objective, relevant, timely, and accessible socio-economic analyses on the priority issues outlined in the REE and ERS goals and objectives. Many ERS analyses have relevance to more than one goal and objective. Areas of work include, but are not limited to, global agricultural market conditions, trade restrictions, agribusiness concentration, farm and retail food prices, foodborne illnesses, food labeling, nutrition, food assistance programs, worker safety, agrichemical usage, livestock waste management, conservation, sustainability, genetic diversity, technology transfer, rural infrastructure, and rural employment. The goals and objectives in this strategic plan are consistent with the level of appropriations expected by the agency.

GOAL 1: The agricultural production system is highly competitive in the global economy

Objective 1.1

Enhanced understanding by policy makers, regulators, program managers, and those shaping public debate of economic issues affecting the U.S. food and agriculture sector's competitiveness, including factors related to performance, structure, risk and uncertainty, marketing, and market and nonmarket trade barriers.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify key economic issues relating to the competitiveness of U.S. agriculture.
- Use sound analytical techniques to understand the immediate and broader economic and social consequences of alternative policies and programs and the effects of changing macroeconomic and market conditions on U.S. competitiveness.
- Effectively communicate research results to policy makers, program managers, and those shaping the public debate regarding U.S. agricultural competitiveness.

Performance Measures

It is difficult to assess the impact of economic research and analysis in a meaningful fashion (see further discussion in the **Program Evaluation** section). ERS is moving away from the quantitative indicators used in the past because they failed to usefully measure impact. In measuring its effectiveness on Goal 1, ERS will provide narratives that capture information on the quality of ERS analysis, in terms of rigorous adherence to standards of disciplinary excellence, and also on anticipation of issues, the accessibility of the analysis, and, when possible, how the analysis contributed to informed decision making.

To be successful at contributing to Goal 1, ERS needs to conduct research in the areas listed below. These efforts will be communicated through the ERS website (www.ers.usda.gov), briefings and other presentations, and electronic and print publication of reports, staff papers, articles, and newsletters.

- Economic analyses on the linkage between domestic and global food and commodity markets and implications of alternative domestic policies and programs for competitiveness
- Economic analyses of factors changing the structure and performance of domestic and global food and agriculture markets, including institutional change, continuing regional integration, and the growing use of foreign direct investment, contracting, and vertical coordination
- Comprehensive economic assessment of the sources and magnitudes of price and income risks facing U.S. agricultural producers in the post-1996 Farm Act and post-World Trade Organization (WTO) policy environment, including analysis of the impacts on production, farm income, and risk resulting from producers' use of different risk management programs

- Analyses on the economic impacts of key WTO issues for agriculture, such as continued export subsidies, the implementation of tariff-rate quotas, the role of state trading enterprises, technical barriers to trade, nonfood outputs of production agriculture, and production and trade effects of domestic support, to benefit the participants in renewed negotiations for further trade liberalization in agricultural markets
- Economic analyses on how international environmental, food safety, and technology issues and policies affect U.S. agricultural trade
- Economic analyses of public and private agricultural research and development resources, returns to different types of research, and the comparative advantage of public, private, and mixed funding
- Economic analyses of the impacts of new technologies, like genetically enhanced crops, on production incentives, industry structure, and market systems

GOAL 2: The food production system is safe.

Objective 2.1: Enhanced understanding by policy makers, regulators, program managers, and those shaping public debate of economic issues relating to improving the efficiency, efficacy, and equity of public policies and programs designed to protect consumers from unsafe food.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify key economic issues relating to protecting consumers from unsafe food.
- Use sound analytical techniques to understand the immediate and long term efficiency, efficacy, and equity consequences of alternative policies and programs aimed at providing a safe food supply.
- Effectively communicate research results to policy makers, program managers, and those shaping efforts to protect consumers from unsafe food.

Performance Measures

Goal 2

It is difficult to assess the impact of economic research and analysis in a meaningful fashion (see further discussion in the **Program Evaluation** section). ERS is moving away from the quantitative indicators used in the past because they failed to usefully measure impact. In measuring its effectiveness on Goal 2, ERS will provide narratives that capture information on the quality of ERS analysis—in terms of rigorous adherence to standards of disciplinary excellence—and also on anticipation of issues, the accessibility of the analysis, and, when possible, how the analysis contributed to informed decision making. To assess the latter two factors, ERS will use customer feedback as much as possible.

To be successful at contributing to Goal 2, ERS needs to conduct research in the areas listed below. These efforts will be communicated through the ERS website (www.ers.usda.gov), briefings and other presentations, and electronic and print publication of reports, staff papers, articles, and newsletters.

- Analyses of the costs of foodborne illness and the benefits of safer food
- Comprehensive analysis of the costs and benefits of public and private policies to control, prevent, and reduce health risks in the food supply from farm to table
- Comprehensive economic analysis of the effects on agribusiness, food retailers, and consumers of public policies to promote food safety, including implementation of the Hazard Analysis and Critical Control Points (HACCP) systems in food production, food safety education campaigns, and research to develop new food safety interventions

GOAL 3: The Nation's population is healthy and well-nourished.

Objective 3.1: Enhanced understanding by policy makers, regulators, program managers, and those shaping public debate of economic issues relating to the nutrition and health of the U.S. population, including factors related to food choices, consumption patterns at and away from home, food prices, food assistance programs, nutrition education and food industry structure. Such understanding underpins the capacity to ensure equitable access to a wide variety of high-quality, affordable food.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify key economic issues affecting food prices and food consumption patterns.
- Use sound analytical techniques to understand the immediate and broader economic social consequences of the changing structure of the food industry and of policies and programs aimed at ensuring consumers equitable access to affordable food and to promote healthful food

- consumption choices.
- Effectively communicate research results to policy makers, program managers, and those shaping the public debate regarding healthful, nutritious diets.

Performance Measures

It is difficult to assess the impact of economic research and analysis in a meaningful fashion (see further discussion in the **Program Evaluation** section). ERS is moving away from the quantitative indicators used in the past because they failed to usefully measure impact. In measuring its effectiveness on Goal 3, ERS will provide narratives that capture information on the quality of ERS analysis—in terms of rigorous adherence to standards of disciplinary excellence—and also on anticipation of issues, the accessibility of the analysis, and, when possible, how the analysis contributed to informed decision making. To assess the latter two factors, ERS will use customer feedback as much as possible.

To be successful at contributing to Goal 3, ERS needs to conduct research in the areas listed below. These efforts will be communicated through the ERS website (www.ers.usda.gov), briefings and other presentations, and electronic and print publication of reports, staff papers, articles, and newsletters.

- Forecasts of the consumer price index for food and analysis of its determinants
- Economic analysis of the food marketing system to understand factors affecting the competitiveness and efficiency of the food industry
- Economic analyses of changes in the industrial organization of the food sector, such as vertical coordination, and their effect on consumers
- Enhanced ERS annual estimates of the quantity of food available for human consumption, measures of disappearance and loss in the food system, and reconciliation of this series with the Department's estimate of quantity of food eaten by the public
- Economic analysis of how people make food choices, including demands for more healthful, more nutritious, and safer food, and of the determinants of those choices, including prices, income, education, and socio-economic characteristics
- Analysis of the benefits and costs of policies to change behavior to improve diet and health, including nutrition education, labeling, advertising, and regulation
- Economic analyses of decisions to eat away from home and the implications of this trend on health and patterns of retail demand
- Evaluation and economic analysis of the impacts of the Nation's domestic food and nutrition assistance programs, including the Food Stamp Program; the Special Supplemental Nutrition Program, for Women, Infants, and Children; the School Lunch Program; and the Child Nutrition Programs

GOAL 4: Agriculture and the environment are in harmony.

Objective 4.1

Enhanced understanding by policy makers, regulators, program managers, and those shaping the public debate of economic issues relating to development of Federal farm, natural resource, and rural policies and programs to protect and maintain the environment while improving agricultural competitiveness and economic growth.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify key economic aspects of the interactions among natural resources, environmental quality, and the agriculture production system.
- Use sound analytical techniques to understand the immediate and broader economic and social consequences of alternative policies and programs to protect and enhance environmental quality associated with agriculture.
- Effectively communicate research results to policy makers, regulators, program managers, and those involved in the public debate regarding agricultural resource use and environmental quality.

Performance Measures

It is difficult to assess the impact of economic research and analysis in a meaningful fashion (see further discussion in the **Program Evaluation** section). ERS is moving away from the quantitative indicators used in the past because they failed to usefully measure impact. In measuring its effectiveness on Goal 4, ERS will provide narratives that capture information on the quality of ERS analysis—in terms of rigorous adherence to standards of disciplinary excellence—and also on anticipation of issues, the accessibility of the analysis, and, when possible, how the analysis contributed to informed decision making. To assess the latter two factors, ERS will use customer feedback as much as possible.

To be successful at contributing to Goal 4, ERS needs to conduct research in the areas listed below. These efforts will be communicated through the ERS website (www.ers.usda.gov), briefings and other presentations, and electronic and print publication of reports, staff papers, articles, and newsletters.

- Analyses on the profitability and environmental effects of different production management systems, such as organic farming systems, confined animal operations and precision agriculture, and analyses of the effects of using genetically engineered crops on farm profitability and the environment
- Analysis of the costs and benefits of resource-conserving technologies and production practices, such as conservation tillage and integrated crop management and assessment of how resource factors and constraints affect the adoption of resource-saving technologies
- Analysis of the benefits and costs of agricultural policies and programs that could improve

- environmental quality and increase agricultural competitiveness and analysis of the cost effectiveness, equity, and effectiveness of conservation policies and programs
- Analyses of changes in environmental policies and regulations for agricultural production, including the impacts of new water quality regulations on animal waste management
 - Analyses of the linkages between biological diversity, sustainability, and the economic performance and competitiveness of the U. S. agricultural system
 - Assessment of the environmental impacts of changing trade policies and their effects on U.S. agricultural production and competitiveness. Analysis of consequences of international agreements to improve global sustainability
 - Analysis of the effects of global climate change on agricultural production, of the relationships between climate change, agriculture, and environmental quality, and of the consequences of practices to mitigate carbon emissions
 - Analysis of the relationship between resource endowments, the success of small farms, and farm risk management
 - Assessment of the demands for rural amenities produced by agricultural land, including aesthetic landscapes, wildlife habitats and recreation opportunities and analysis of the impact of urbanization and the role of public programs intended to protect rural amenities, such as farmland preservation efforts

GOAL 5: Enhanced economic opportunity and quality of life for rural Americans .

Objective 5.1: Enhanced understanding by policy makers, regulators, program managers, and those shaping public debate of economic issues affecting rural development, including factors related to farm finances and investments in rural people, businesses and communities, and of economic issues relating to the performance of all sizes of American farms.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Identify key economic issues relating to rural economic development and farm viability.
- Use sound analytical techniques to understand the immediate and broader economic and social consequences of how alternative policies and programs and changing market conditions affect rural and farm economies.
- Effectively communicate research results to policy makers, program managers, and those shaping the public debate on rural economic conditions and the performance of all sizes and types of farms.

Performance Measures

It is difficult to assess the impact of economic research and analysis in a meaningful fashion (see further discussion in the **Program Evaluation** section). ERS is moving away from the quantitative indicators used in the past because they failed to usefully measure impact. In measuring its effectiveness on Goal 5, ERS will provide narratives that capture information on the quality of ERS analysis—in terms of rigorous adherence to standards of disciplinary excellence—and also on anticipation of issues, the accessibility of the analysis, and, when possible, how the analysis contributed to informed decision making. To assess the latter two factors, ERS will use customer feedback as much as possible.

To be successful at contributing to Goal 5, ERS needs to conduct research in the areas listed below. These efforts will be communicated through the ERS website (www.ers.usda.gov), briefings and other presentations, and electronic and print publication of reports, staff papers, articles, and newsletters.

- Improved understanding of the structure and financial performance of U.S. farms and the farm sector and of the linkages between farming and other sectors of the U.S. and local economies
- Improved farm typology and enhanced data from annual Agriculture and Resource Management Study surveys (ARMS) about risk attitudes and management, adoption of new technologies, and evolving niche markets that will allow better understanding of opportunities for success of farms of all sizes
- Analyses of rural financial markets and how the availability of credit—particularly Federal credit—spending, taxes, and regulations influence rural economic development
- Economic analyses on the changing size and characteristics of the rural population and the implications of these changes for rural economies, including skill development in the resident labor force
- Analysis on economic structure and performance of non-farm economic activities in rural areas
- Analysis on the impacts of the changes in State and Federal welfare and entitlement programs on rural economies and people, including the impacts on housing markets, labor force participation, and migration

MANAGEMENT GOAL

GOAL 6: ERS effectively marshals its diverse capabilities and resources in support of Mission Area and Agency program goals.

Goal 6 reflects the Mission Area management initiative established in the REE Overview plan, stated there as follows: “Effectively marshal the diverse capabilities and resources of the Research Education, and Economics (REE) agencies.” ERS administrative support is performed with ERS resources by the REE mission area’s Administrative and Financial Management (AFM) staff in the Agricultural Research Service. However, ERS does face a variety of management challenges beyond the administrative

activities carried out by AFM.

Objective 6.1

ERS provides an environment that supports staff accomplishment and development and cultivates excellence in research and information dissemination, actively valuing diversity and treating all—staff and customers—with dignity and respect.

Time Frame for Completion

Ongoing

Strategies for Achieving the Objective

- Incorporate the Secretary's civil rights goals and priorities throughout Agency operations
- Recruit broadly and at a diverse mix of institutions for all positions, including student internships where the aim is to encourage students to consider educational and career paths that will help diversify the discipline of agricultural economics and ultimately the ERS professional workforce.
- Use the Hispanic Association of Colleges and Universities (HACU) and Washington Internship for Native Students (WINS) internship programs to expand the base for intern recruitment.
- Establish relationships with minority-serving institutions to facilitate recruiting and to support a research program that aids USDA officials in assessing policy impacts on under-served communities.
- Incorporate in the ERS research and analysis program, when appropriate, evaluations of the impacts or potential impacts of programs and policy decisions on under-served and socially disadvantaged populations.
- Provide high quality human resource development opportunities, including short- and long-term training for staff and managers, planned on-the-job experience, and, when possible, career enhancement positions.
- Develop a management information system that facilitates planning, tracking and evaluating the agency's output, service to customers, and success in meeting its goals.
- Transform ERS information dissemination to a web-based system that will provide customers the specific information they need, when they need it, and in a readily usable form.

Performance Measures

- Managers take a pro-active role in dealing with Equal Employment Opportunity (EEO) complaints when they occur, engaging seriously in informal attempts at resolution, including use of Alternative Dispute Resolution, and providing requested information on a timely basis.
- Through the summer intern program, other student programs and cooperative efforts with minority-serving institutions and other institutions with significant numbers of minority students, ERS contributes to development of a more diverse pool of job candidates with training and

- experience in economic research.
- USDA program agencies rely on ERS research and analysis to evaluate the impacts or potential impacts of programs and policy decisions on under-served and socially disadvantaged populations.
 - The ERS budget reflects substantial emphasis on training and career development.
 - Development of the ERS Performance Management Information System is completed and use of the system becomes integrated into ERS reporting and management processes.
 - The new ERS website establishes ERS as the premier provider of real-time, real-value economic analysis to the agency's primary customers via the World Wide Web.

LINKAGE OF GOALS TO ANNUAL PERFORMANCE PLAN

ERS's annual performance plan goals relate directly to the goals and objectives in the strategic plan. Performance measures will assess the extent to which ERS informs decision making by policy makers and other key customers by providing them with high-quality, objective, relevant, timely and accessible economic analyses on agriculture, food, environmental, and rural issues.

ERS is in the process of going beyond the metric measures in past performance plans and reports to develop performance measures that reflect more accurately the agency's effectiveness in carrying out its mission and meeting the goals set out in this strategic plan. Measuring the impacts of research can be difficult because impacts often only become clear over time and are usually hard to assess in a quantitative fashion. The broad performance measures listed under each of the strategic goals will serve as a guide to developing those new measures for the performance plans.

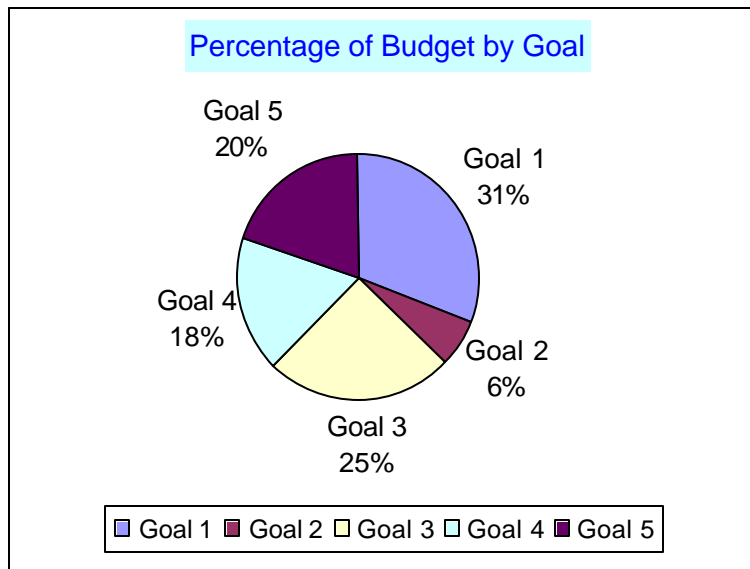
Revised performance goals and objectives based on this plan will permit ERS to include narratives covering characteristics of ERS output that demonstrate that ERS analyses were high quality, objective, relevant, timely, and accessible. The narratives will cover ERS anticipation of issues and the timeliness of output, review prior to release, customer views on relevance and accessibility of ERS analyses, and how ERS analyses contributed to informed decision making.

RESOURCES NEEDED

Success in achieving its program goals will depend on the agency's success in managing its resources. ERS will continue to seek to recruit and retain a diverse, well-trained, knowledgeable, and productive staff that effectively works together to deliver the agency's comprehensive research and analysis program. To conduct economic research, ERS requires a core of staff with advanced training and experience in the economics discipline. The number of minorities who have that training and experience is very small. For that reason, ERS employs a strategy aimed at encouraging growing diversity in the pool of students with agricultural economics and economics degrees. In addition, ERS is reviewing its

workforce plans to ensure that the mix of staff appropriately balances its highly trained social scientists with staff who have critical support skills. If a structure can be developed that includes a broader mix of skills, it will better serve the agency’s research needs and increase its ability to recruit a more diverse staff. Training and other kinds of employee development will continue to be essential to enhancing the staff’s technical competence and their understanding of ERS’s mission, the needs of its customers, and their roles in meeting those needs. On an ongoing basis, ERS needs to retain its current excellent staff and seeks to do that through providing a variety of work and training opportunities, first-rate information

technology, generous office space, and a supportive environment.



ERS will continue to use the expertise of its partners and stakeholders to supplement and complement its own resources, as well as to anticipate breaking issues. The agency will continue to provide staff with first class information technologies and services to

underpin its analyses. Technology is also key to effectively and efficiently communicating with customers, stakeholders, and partners. A continuing challenge for ERS and its partners is to develop cost-effective survey and other methods to obtain data needed to support economic analysis of complex agricultural, food, environmental, and development issues.

In FY 2000, ERS budget resources in support of the Agency’s five program goals were allocated as follows:

- Competitive agriculture–31 percent
- Food safety–6 percent
- Healthy, well-nourished population–25 percent
- Environment and agriculture in harmony–18 percent
- Enhanced rural economic opportunity–20 percent

The resources for Goal 6 are included under the program goals.

PROGRAM EVALUATION

It is difficult to establish clearly that decision makers base their decisions on ERS research and analysis. Decision makers take into account a variety of factors, only one of which is economic analysis. In fact, assessing the impacts of research is recognized as a difficulty throughout the research community. However, ERS is involved in a continuous process of systematically evaluating the impacts of its work and looking at the factors that affect impact: quality, timeliness, relevance to customers' needs, and the appropriateness of the means of dissemination. As part of that process, ERS will continue to routinely provide customers many opportunities for feedback, conduct rigorous and appropriate peer reviews before analysis is released, and use a wide variety of proven and innovative dissemination systems. Successful contributions to professional conferences and journals will test the appropriateness and rigor of the research methods underpinning ERS analysis with respect to disciplinary standards.

Besides routine use in annual performance measurement of the indicators above, ERS will from time to time conduct broad reviews of critical aspects of the agency's programs. As an example, the National Academy of Sciences National Research Council (NRC) provided oversight for a 2-year review of the ERS program that was completed in 1998. Their recommendations focused on ensuring that ERS analysis meets disciplinary standards, is relevant for and highly accessible to public and private decision makers, and is conducted in a cost-effective manner. In anticipation of and in response to those recommendations, ERS has taken a number of significant actions. The agency created an internal peer review system for social science positions called the Economist Position Classification System and, by mid-2000, all nonmanagement social science positions had been reviewed under the system. In addition,

the agency reviewed its information dissemination processes and undertook a major website redevelopment aimed at establishing the World Wide Web as the Agency's primary means of dissemination of its research and analysis.

Also based on recommendations of the NRC study, ERS plans to conduct from time to time broad reviews of critical aspects of the agency's programs. As the first of those program reviews, ERS will undertake an external review of its program of work on China's agriculture and agricultural policy. The review will take into account four essential attributes of services provided by ERS—quality, relevance, timeliness, and credibility—and provide recommendations for the future direction of the China program. **(Expected completion: March 2001)**

As part of its ongoing effort to ensure the relevance of its program, each year, ERS sponsors a priority-setting conference for its Food and Nutrition Assistance Research Program. Scholars, researchers, and policy officials from around the Nation review ERS's research priorities in food assistance and nutrition and provide guidance and feedback on the scope and direction of ERS's research program in this area. **(Annual)**

An additional evaluation effort underway is an extensive study of the public and private supply of and demand for economic information on commodity markets. ERS is conducting the study, though the data and survey portions were contracted out to the National Agricultural Statistics Service/USDA and Mathematica Inc. The goal of the study is to understand ERS's role and effectiveness in providing market information that will contribute to development of sound public policies, better managed public programs, and competitive market conditions. **(Expected completion: March 2001.)**

Because effective evaluation of program impacts of research can be elusive, ERS has initiated a collaborative university-ERS effort to measure the impacts of social science research. The project involves five case studies, including risk management research, food safety research, estimates of bias in the consumer price index, contributions to the Uruguay Round of trade agreements, and transferable pollution discharge permits. Although not all of the case studies are focused on ERS, the results prove helpful to the Agency in considering means of measuring impacts and in targeting its research toward areas where impact will be greatest. **(Preliminary results provided August 2000; additional results expected: September 2001.)**

ROLE OF EXTERNAL ENTITIES

The ERS Strategic Plan was prepared by Federal employees only, which is in accordance with the Government Performance and Results Act requirements. No consultants or contractors were used.