Air Resources Activities at ERS

USDA Agricultural Air Quality Task Force Meeting
November 28-30, 2006

Dr. Marc Ribaudo
Economic Research Service
ERS Mission

• ERS is the main source of economic information and research from USDA

• ERS brings the perspective of economic analysis to critical issues confronting farmers, agribusiness, consumers, and policymakers
Air Quality Research

• Report status and trends of indicators related to air quality
• Assess potential impacts on air resources of USDA policies that affect technology choices at the farm and ranch level
• Assess potential impacts to agricultural sector of environmental policies that protect air quality
Air Resource Indicators

- Tillage practices
- Conservation practices
- Chemical input use
- Manure production and use
- Wind erosion
Agricultural Resources and Environmental Indicators

Assess Conservation Program Design

Examines the characteristics of farms participating in USDA conservation programs that have adopted conservation-compatible practices

Examines the potential environmental gains and economic adjustments under different working-land payment program designs
Assess Environmental Policies

Examinnes the potential environmental and economic tradeoffs if the animal sector were confronted with both air and water quality requirements.

Analyzes the performance of alternative incentive designs and payment levels if farmers were paid to adopt land uses and management practices that raise soil carbon levels.
Research on commodity markets affected by ethanol demand

**USDA's Baseline Projections** suggest that corn use by ethanol producers will grow much faster than corn use by other industries.

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<th>Billion bushels</th>
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- **Feed and residual**
- **Exports**
- **Fuel ethanol**
- **Other food, seed, and industrial uses**

Note: Feed and residual corn use is calculated by subtracting the other three categories plus ending stocks from total supply. Thus, the term "residual" refers to a statistical residual.

Source: *USDA Agricultural Baseline Projections to 2015.*
New Project – Privately Funded Conservation

• Which ecosystem services might farmers sell (including carbon sequestration)?
• What are the impediments to formation of working markets?
• What roles might government (USDA) play to support the creation and function of these markets?
ERS, in collaboration with NASS, collects and processes data on production practices, conservation practices, and input use for major crops in major crop producing states.