

An Orientation to USDA's Economic Intelligence System

Presented by

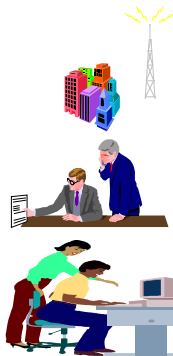
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Carol Skelly
E-mail: cskelly@oce.usda.gov*

USDA's Commodity Intelligence System

- Interagency Commodity Estimates Committees (ICEC's) are the foundation of USDA's commodity intelligence system.
- The system provides comprehensive, current situation and outlook (S&O) information for the major agricultural commodities.

The System's Clientele Groups

- Media and commentators.
- Decision-makers.
- University and extension analysts.



WAOB/ICEC Reports

- Monthly World Agricultural Supply and Demand Estimates (WASDE).



- Annual USDA Agricultural Baseline Projections.



- Weekly Weather and Crop Bulletin (A joint USDA and Department of Commerce Report).



Interagency Commodity Estimates Committees

- Draw on all relevant expertise within USDA.
- Construct country and global supply-demand estimates.
- Promote accuracy and consistency.

The Supply-Demand Balance Sheet Supply = Demand

- | | |
|--------------------|-------------------|
| • Beginning Stocks | • Domestic use |
| • + Production | • + Exports |
| • + Imports | • + Ending Stocks |

Sources of Information “The Net”

- | | |
|----------------------------|------------------------|
| • USDA Attache Reports | • U.S. Crop Surveys |
| • Official Country Reports | • Trip Reports |
| • Weather Analysis | • Media Reports |
| • Remote sensing | • Industry Information |

Screening Information “The Filter”

- Reliability of Source
- Balance Sheet Relationships

"The Filter"
Reliability of Source

- Is this source providing consistent data, good supporting information?
- Does the source have a political or market agenda?
- What is the source's track record?
- How many different sources confirm the same information?

"The Filter"
Balance Sheet Relationships

- The balance sheet is a simple but powerful tool:
 - supply = demand?
 - imports = exports?
 - yield is consistent with history? with weather?
 - stocks:use ratio reasonable?

The Economic "Story"

- Economic analysis is an important tool for screening information.
- Means analyzing data relationships to see if they are consistent with economic principles.
- Does "the story" make sense, both for individual countries and in the aggregate?
- ERS is the primary agency responsible, but in practice, most committee members contribute in varying degrees.

Website addresses

- WASDE: <http://www.usda.gov/oce/commodity/wasde/index.htm>
- Weekly weather and crop bulletin: <http://www.usda.gov/oce/weather/pubs/Weekly/Wwcb/index.htm>
- FAS monthly data and reports: <http://www.fas.usda.gov>
- Economic Research Service: <http://www.ers.usda.gov>