

NATIONAL AGRICULTURAL STATISTICS SERVICE

Statement of  
Dr. Cynthia Clark, Administrator  
Before the  
Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration and Related Agencies

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to submit a statement for this Subcommittee's consideration in support of the fiscal year (FY) 2012 budget request for the National Agricultural Statistics Service (NASS). This agency administers the U.S. agricultural statistics program, which began at the United States Department of Agriculture (USDA) in 1863. NASS also conducts the quinquennial U.S. Census of Agriculture, first collected by the Department of Commerce in 1840. Both programs are aligned with the basic mission of NASS to provide timely, accurate, and useful statistics in service to U.S. agriculture.

FY 2012 Budget

The agency's FY 2012 budget request is \$165.4 million. It reflects the difficult choices we need to make to reduce the deficit while supporting targeted investments that are critical to long term economic growth and job creation. The FY 2012 budget proposes increased funds to enhance the agency's Agricultural Estimates essential annual County Estimates Program in support of agricultural producer safety nets and a cyclical increase for the Census of Agriculture to finalize preparations for the 2012 Census of Agriculture. The proposed increase for the county estimates program is mostly offset through methodological improvements for Livestock County estimates

and Livestock Prices Received, coupled with the proposed elimination of the July Sheep and Goats report and the NASS Agricultural Labor program.

### Agricultural Estimates

NASS's annual agricultural estimates reports are critically important to assess the current supply and demand in agricultural commodities. They are extremely valuable to producers, agribusinesses, farm organizations, commodity groups, economists, public officials, and others who use the data for decision-making. The statistics disseminated by NASS support fairness in markets ensuring buyers and sellers have access to the same official statistics at the same pre-announced time. This prevents markets from being influenced by “inside” information, which might unfairly affect market prices for the gain of an individual market participant. The efficiency of commodity markets is enhanced by the free flow of information, which minimizes price fluctuations for U.S. producers. Statistical measures help the competitiveness of our Nation's agricultural industry and have become increasingly important as producers rely more on world markets for their sales.

The U.S. food and agricultural sector relies on reliable statistical information. The NASS statistical program serves most U.S. agricultural commodity data needs and supplies important economic, environmental, and demographic data that informs policy decisions that impact the livelihood and quality of life of rural residents.

The proposed FY 2012 budget requests new funding of \$3.4 million to enhance the county-level statistics because the importance of these data have been magnified in recent years as the

Department's programs utilize the information to determine disposition of billions of dollars. The Risk Management Agency relies on NASS annual county estimates to administer crop insurance programs that provide U.S. farmers a safety net ensuring protection against unpredictable growing conditions. Additionally, the Farm Service Agency relies on NASS county level data to administer the Conservation Reserve Program, crop revenue support programs, and emergency assistance payments. Having accurate estimates from an unbiased data source, has added fairness and transparency to the overall process.

NASS recognizes that Federal budgetary decisions are difficult during this economically challenging time in our Nation and therefore reviewed its entire program for potential offsets for the requested increase to county estimates. Based on these efforts, we are proposing the elimination of the July Sheep and Goats report (the January Sheep and Goats report will continue to be published); the elimination of the NASS Agricultural Labor program; and more efficient methods to produce livestock county estimates and livestock prices received. The new processes will result in only a U.S. level for livestock prices received, eliminating State level estimates. Several individuals from NASS's Livestock Branch conducted an in-depth study into an alternative method of setting livestock county estimates. This new method takes the livestock estimates from the Census of Agriculture and applies the same proportions of county to state ratios to subsequent state-level board estimates. This process, known as "raking" was compared to past estimates set using a costly and time consuming data collection instrument and was found to have minimal differences in resulting county estimates. Analysts are allowed to intervene in instances where known swings in county inventories have occurred and manually adjust the modeled estimates. For the prices received program the Environmental, Economics and

Demographics Branch determined that only U.S. level prices were necessary to update the price index, therefore state-level estimates were determined to be unnecessary.

Additionally, NASS is undertaking a transformation of its business process for collecting, processing, analyzing, and disseminating agricultural statistics. NASS identified five operational initiatives that provide the opportunity to improve data quality, create business cost efficiencies, improve career opportunities to its staff, and position the agency to better serve the statistical needs of USDA and agricultural data users. These efforts include centralizing IT services throughout the agency; standardizing systems; collecting data in the field through the use of computer assisted telephone interviewing that relays the data into the NASS systems in real-time; centralizing telephone data collection; and utilizing video teleconferencing in lieu of certain travel. These efforts are being implemented without the request for additional funding and will eventually result in cost savings to the U.S. taxpayers.

### Census of Agriculture

NASS is currently preparing for the 2012 Census of Agriculture. The initial mail out to the Nation's farmers and ranchers will be in December 2012. The Census of Agriculture is taken every 5 years and provides comprehensive data at the national, State, and county level on the agricultural sector. The Census of Agriculture is the only source for this information on a local level and is extremely important to the agricultural community. These data were used extensively by USDA to help answer both internal and Congressional questions during the 2008 Farm Bill debate and will be as critical for the next Farm Bill. Detailed information at the county level helps agricultural organizations, suppliers, handlers, processors, and wholesalers

and retailers better plan their operations. Demographic information supplied by the Census of Agriculture also provides a very valuable database for developing public policy for rural areas. In addition to the 50 States, the Census of Agriculture programs are conducted in Puerto Rico, Guam, and the Commonwealth of the Northern Mariana Islands. Results from all of the censuses are made available on the NASS website.

The budget request includes a cyclical increase of \$8.5 million for the Census of Agriculture. The Census of Agriculture funding has historically been on a five-year cycle, keyed to the funding needs for each of the 5 years of the census cycle. The FY 2012 increase is necessary to prepare mail packages for distribution in early FY 2013, finalize the mail list, and collect data to provide an indication of coverage error for the Census.

The authority to conduct the Census of Agriculture was transferred to USDA in 1997. During the past 11 years, NASS has made significant strides to continually improve this vital data series. For the first time in history, respondents had the option of reporting electronically through the Internet on the 2007 Census of Agriculture. NASS also targeted improved coverage for the 2007 Census of Agriculture by working closely with Community Based Organizations and American Indians tribes and reservations to increase awareness of the importance of being represented. Finally, NASS continues to listen to Congress and industry on the ever expanding need for additional agricultural statistics. For example, the 2012 Census of Agriculture includes an entire section on organic agriculture. NASS will also publish a report by watershed using data from the 2012 Census of Agriculture. These are just a few of the improvements and successes achieved over the first decade of the Census of Agriculture at USDA.

## Major Activities of the National Agricultural Statistics Service

The ongoing expansion of global markets for U.S. goods and services continues to increase the need for modern and reliable statistical information. The surveys and censuses conducted by NASS contribute significantly to economic decisions made by policymakers, agricultural producers, lenders, transporters, processors, wholesalers, retailers and, ultimately, consumers. Lack of relevant, timely, and accurate data contributes to wasteful inefficiencies throughout the entire production and marketing system. An example of one of the many important surveys conducted by NASS is the Agricultural Resource Management Survey. This survey is conducted in cooperation with the USDA's Economic Research Service and is the primary input in developing the Nation's farm income statements used as one of the Nation's principal economic indicators.

The need for timely, accurate, and useful statistics on U.S. agriculture continues to be emphasized throughout the sector. A few examples highlight the importance these data have on the market place and agricultural producers ability to manage their operations. The importance of accurate agricultural data can be demonstrated through the ever expanding use of the NASS county estimates for administering farmer safety nets. Specifically, NASS county estimates impact billions of dollars insured through the Risk Management Agency's Group Risk Program and Group Risk Income Program. The difference of one bushel in an average county yield estimate may result in the incorrect decision on indemnity payments. Farmers trust and demand that these data be an accurate gauge for administering these very important safety nets.

NASS works cooperatively with each State Department of Agriculture throughout the year to provide commodity, environmental, economic, and demographic statistics for agriculture. This cooperative program, which began in 1917, has served the agricultural industry well and is recognized as an excellent model of successful State-Federal cooperation. Approximately sixty percent of the NASS staff is located in its 46 field offices; 21 of these offices are collocated with State Departments of Agriculture or land-grant universities. Working together helps meet both State and national data needs while minimizing overall costs by consolidating staff and resources, eliminating duplication of effort, and reducing the reporting burden on the Nation's farm and ranch operators. Covering all fifty States and Puerto Rico, NASS provides statistical information that serves national, State, and local data needs.

NASS has been a leader among Federal agencies in providing electronic access to information. All reports issued by NASS' Agricultural Statistics Board are made available to the public at a previously announced release time to ensure that everyone is given equal access to the information. All national statistical reports and data products, including graphics, are available on the Internet, as well as in printed form, at the time they are released. Customers are able to electronically subscribe to NASS reports and can download any of these reports in an easily accessible format using standard software. NASS also provides free Rich Site Summary and Podcast feeds to interested data users. This technology sends an alert or audio clip directly to data users when content of interest is posted to the NASS Web site. A summary of NASS and other USDA statistical data are produced annually in USDA's *Agricultural Statistics*, available on the Internet through the NASS home page, on CD-ROM disc, or in hard copy. All forty-six NASS field offices have home pages on the Internet that provide access to special statistical reports and information on current local commodity conditions and production.

The primary activity of NASS is to provide reliable data for decision-making based on unbiased surveys each year, and the Census of Agriculture every five years, to meet the current data needs of the agricultural industry. Farmers, ranchers, and agribusinesses voluntarily respond to a series of nationwide surveys about crops, livestock, prices, chemical use and other agricultural activities each year. Surveys are conducted during the growing season to measure the impact of weather, pests, and other factors on crop production. Many crop surveys are supplemented by actual field observations in which various plant counts and measurements are made.

Administrative data from other State and USDA agencies, as well as data on imports and exports, are thoroughly analyzed and utilized by the agency to supplement survey data. NASS prepares estimates for over 120 crops and 45 livestock items which are published annually in more than 500 separate reports.

NASS's Statistical Research Program is conducted to improve methods and techniques used for collecting, processing, and disseminating agricultural data. This research is directed toward achieving higher quality census and survey data with less burden on respondents, producing more accurate and timely statistics for data users, and increasing the efficiency of the entire process. Graphical products simultaneously displaying progress and condition were developed to make it easier for data users and analysts to see the effects of conditions on the crop.

Research has also allowed NASS to utilize real-time acreage and yield indications based on remote sensing methodology to assist in estimating acreage and production for select major corn and soybean States. This adds another objective measure to aid in accurately forecasting current year crop production. The growing diversity and specialization of the Nation's farm operations have greatly complicated procedures for producing accurate agricultural statistics. Developing

new sampling and survey methodology, expanding modes of data collection, including electronic data reporting, and exploiting computer intensive processing technology enables NASS to keep pace with an increasingly complex agricultural industry.

NASS conducts a number of special surveys, as well as provides consulting services for many USDA agencies, other Federal or State agencies, universities, and agricultural organizations on a cost-reimbursable basis. Consulting services include assistance with survey methodology, questionnaire and sample design, information resource management, and statistical analysis. NASS has been very active in assisting USDA agencies in programs that monitor nutrition, food safety, environmental quality, and customer satisfaction. In cooperation with State Departments of Agriculture, land-grant universities, and industry groups, NASS conducts over 200 special surveys each year covering a wide range of issues such as farm injury, nursery and horticulture, farm finance, fruits and nuts, vegetables, and cropping practices. All results from these reimbursable efforts are made publicly available.

NASS provides technical assistance and training to improve agricultural survey programs in other countries in cooperation with other government agencies on a cost-reimbursable basis. The NASS international program focuses on the developing and emerging market countries in Asia, Central and South America, and Eastern Europe. Accurate foreign country information is essential for the orderly marketing of U.S. farm products throughout the world. NASS works directly with countries by assisting in the application of modern statistical methodology, including sample survey techniques.

NASS annually seeks input on improvements and priorities from the public through the Secretary of Agriculture's Advisory Committee on Agriculture Statistics, interaction with producers at major commodity meetings, data user meetings with representatives from agribusinesses and commodity groups, special briefings for agricultural leaders during the release of major reports, and numerous individual contacts. As a result of these activities, the agency has made adjustments to its statistics program, published reports, and expanded electronic access capabilities to better meet the statistical needs of customers and stakeholders.

This concludes my statement, Mr. Chairman. Thank you for the opportunity to submit this statement for the record.