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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 in support of the National Agricultural Statistics Service (NASS) 2013 budget request. NASS administers the U.S. agricultural estimates 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 the agricultural estimates and the census program align with the basic mission of NASS to provide timely, accurate, and useful statistics in service to U.S. agriculture.

2013 Budget

The agency's 2013 budget request is $179.5 million. The $20.8 million increase over the 2012 appropriation is entirely attributable to operational costs necessary to conduct the 2012 Census of Agriculture. In addition, the budget proposes increases in funds for the agricultural estimates program to enhance the agency's annual county estimates. However, NASS will offset the county estimates increase through efficiencies gained in opening the National Operations Center (NOC), which streamlines many functions.

Agricultural Estimates

The hundreds of agricultural estimates reports NASS issues annually are critically important to assessing current supply and demand in agricultural commodities. Producers, agribusinesses, farm organizations, commodity groups, economists, public officials, and others use the data for decision-making. The statistics NASS collects and disseminates ensure buyers and sellers have access to the same official statistics at the same pre-announced time, making markets fair and preventing them from being influenced by "inside" information. The free flow of information minimizes price fluctuations for U.S. producers, makes commodity markets more efficient, and makes our Nation's agricultural industry more competitive. The data have become increasingly important as producers rely more on world markets for their sales.

As stated above, the 2013 budget proposes to reallocate $3.381 million from efficiencies gained through the NOC. These funds will be used to enhance the accuracy of county-level crop production statistics, which USDA programs rely upon to determine disposition of billions of dollars.

The Risk Management Agency (RMA) relies on NASS annual county estimates to administer crop insurance programs that provide U.S. farmers with a safety net against unpredictable growing conditions. For example, in the 2010 growing season the indemnity payments from RMA's Group Risk Income Protection (GRIP) and Group Risk Plan (GRP) products for corn only were $38 million (in contrast to the $3.381 million proposal). The accuracy of NASS's county estimates directly impacts the costs for the GRIP/GRP products. The accuracy balances the cost to the individual producer and the public.

The Farm Service Agency (FSA) extensively uses NASS county-level data to administer the Conservation Reserve Program, crop revenue support programs, and emergency assistance payments. Without NASS's estimates FSA would be forced to seek out other sources of data at additional cost.

By providing accurate, objective estimates NASS helps these USDA programs be both fair and transparent. NASS has implemented a probability-based sampling design, but needs the additional resources to conduct telephone and personal visits to achieve adequate response and coverage rates to generate reliable county estimates. The probability-based survey design enables NASS to compute coefficients of variation and measure the accuracy of the final published estimates.

The increased funding needed to improve county estimates is offset by cost savings NASS is achieving from centralizing processing functions at the National Operations Center and from other efficiency improvements. The following savings are expected in 2013:

1) $2.7 million in savings due to the NOC. NASS designed the National Operations Center to provide the infrastructure and centralized capacity to increase telephone data collection and to train telephone and field interviewers through a standardized training protocol.

2) $681,000 in additional savings due to the new centralized virtual environment. NASS redesigned its systems to work in the centralized virtual environment of the NOC to enhance standardization and efficiency.

Census of Agriculture

NASS is currently preparing for the 2012 Census of Agriculture, which we will mail to the Nation's farmers and ranchers in December 2012. The Census of Agriculture is taken every five years and provides comprehensive data on the agricultural sector at the national, State, and county level. The Census of Agriculture is the only source for this information on a local level and is extremely important to the agricultural community.

- Members of Congress use the wide range of data in defining farm policy and identifying issues and questions during Farm Bill debates.
- Congressional and other policymakers use the valuable demographic database for developing public policy for rural areas.
- Agricultural organizations, suppliers, handlers, processors, wholesalers and retailers use detailed county-level information to better plan their operations.

In addition to the 50 States, NASS conducts Census of Agriculture programs in Puerto Rico, Guam, and the Commonwealth of the Northern Mariana Islands. NASS makes all data available on its website.

The authority to conduct the census of agriculture was transferred to USDA in 1997. Since then, NASS has taken several steps to improve this vital data series. For example, to make responding easier and to save costs, NASS offered respondents the option of reporting electronically during the 2007 Census of Agriculture, and will do so again in the 2012 Census. To improve coverage for the 2007 Census, NASS worked with community- based organizations, American Indians tribes, and other ethnic and minority groups to increase response and thus representation, and will do so again this time. Finally, NASS listens to Congress and industry on the need for

agricultural statistics in new areas; the 2012 Census of Agriculture includes an entire section on organic agriculture and will, for the first time, produce information on local foods and agro-forestry. Increasing response options, improving coverage, and meeting new needs are just a few of the successes achieved over the first censuses of agriculture conducted at USDA.

The 2013 budget includes a one-time increase of $20.8 million to conduct the 2012 Census of Agriculture, which occurs every five years. 2013 represents the greatest level of funding during the five year cycle. This increase includes the following costs:

1) Processing costs at the U.S. Census Bureau's National Processing Center ($11 million). NASS contracts with the Census Bureau's National Processing Center (NPC) in Jeffersonville, Indiana, for: labeling and mailing the initial questionnaire to all farmers and ranchers and up to two follow up reminders to those who do not respond; receiving and digitally scanning all returned forms; keying data from digital images; and transmitting the data to NASS.

2) Postage ($4.5 million). This includes the postage cost of three outgoing mailings (the initial letter to all farmers and ranchers and two reminder letters to those who have not responded) and all returned completed forms.

3) Data Collection ($5 million). After the third mailing, NASS will follow up with phone calls and personal enumeration to maximize response. Phone follow up is important to ensure that all counties have a high level of response and, in particular, to ensure that small and socially disadvantaged farms are adequately represented. Personal visits from a trained enumerator help ensure that large operations that need assistance are included in the census. Personal enumeration may also be important for Native American, minority and other populations reluctant to respond for language, lack of trust in government, or other reasons.

Major Activities of the NASS

Annual Surveys and the Census of Agriculture. The primary activity of NASS is to provide reliable data to meet the decision-making needs of the agricultural industry. The agency fulfills its mission through an annual agricultural estimates program and the quinquennial census of agriculture. 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. In many cases, NASS supplements crop surveys with field observations and measurements of plant counts. NASS also uses administrative data from other USDA, Federal and State agencies; data on imports and exports; and other survey data to ensure official estimates accurately represent agricultural inventories. NASS prepares estimates for over 120 crops and 45 livestock items that are published annually in more than 500 separate reports.

International Programs. 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 developing and emerging-market countries in Asia, Africa, Central and South America, and Eastern Europe. NASS assists countries in applying modern statistical methodology, including sample survey techniques. Accurate information about other countries is essential for successfully marketing U.S. farm products throughout the world. NASS has been an important contributor to the UN Global Strategy for Agricultural and Rural Statistics, contributing to better statistics for USDA global estimates of food supply.

Stakeholder Input. NASS annually seeks input from the public on determining priorities and improving its products and processes. It consults with customers and stakeholders through meetings of the Secretary of Agriculture's Advisory Committee on Agriculture Statistics, interaction with producers, data users meetings with 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 adjusted its agricultural estimates program and published reports, and has expanded electronic access capabilities.

NASS is 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 equal access to the information. All national statistical reports and data products, including graphics, are available on the Web, as well as in printed form, at the time they are released. Customers can electronically subscribe to NASS reports and download them in an easily accessible format using standard software. NASS also provides free Rich Site Summary (RSS) and podcast feeds to interested data users, who receive an alert or audio clip when content of interest is posted to the NASS Web site. A summary of NASS and other USDA statistical data is produced annually in USDA's *Agricultural Statistics*, available on the NASS home page, on CD-ROM disc, or in hard copy.

Collaboration with Other Agencies. NASS conducts special surveys and provides consulting services for 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 assisted 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, equine, farm finance, fruits and nuts, vegetables, and cropping practices.

For example, NASS conducts the Agricultural Resource Management Survey (ARMS) in collaboration with USDA's Economic Research Service. ARMS data are the primary input for the Nation's farm income statements—one of the country's principal economic indicators. These data are the basis for much of the targeted analysis conducted by USDA economists on the Farm Bill and other important issues.

NASS fills a continuing and urgent need for timely, accurate, and useful statistics on U.S. agriculture. Its data are regularly relied upon in discussions surrounding potential policies affecting agriculture. For example, NASS data were used in three recent Environmental Protection Agency (EPA) draft final rules: NASS fertilizer data were cited in "Regulation of Fuels and Fuel Additives: 2012 Renewable Fuel Standards"; Census of Agriculture data were used in "Data Requirements for Antimicrobial Pesticides"; and were used in developing "National Pollutant Discharge Elimination System (NPDES) Electronic Reporting."

An Enhanced Research Program. NASS is conducting a number of statistical and survey research projects to improve methods and techniques for collecting, processing, and disseminating agricultural data.

- Research on new computer edit procedures, once implemented, will eliminate manual editing and reduce analyst review.
- Research in small area estimation will enhance the quality of county estimates and provide users with measures of error. This project supports the increase in funding for the County Estimates Program allowing more county-level data to be published for specified crops.
- Research currently under way on statistical model-based techniques that estimate crop yield and livestock inventory will provide measures of reliability for the estimates.
- NASS's long-standing remote sensing research program is now providing data for covariates in the small area and crop yield models and producing real-time acreage and yield satellite data for acreage and production estimation in major corn and soybean States. Called the Cropland Data Layer (CDL), this tool's usability was enhanced in 2011 when NASS launched CropScape, a state-of-the art Web portal.

Through recent research, NASS developed a computer-assisted personal interview (CAPI) process utilizing a "thin client" approach for data transmission. This approach ensures security because data are not stored on computers used in the field but encrypted data is transmitted through broadband technology directly to agency computers. As a result, enumerators now use CAPI tablets to collect in-person interview data in the field. Using the tablets is almost cost-neutral because it eliminates paper questionnaires and the associated mailing, keying, and handling. It also facilitates going directly to computer based editing.

The growing diversity and specialization of the Nation's farm operations make producing accurate agricultural statistics more complicated. Research is under way to use CDL to redesign the area frame stratification procedures and to implement an improved area sample design in order to help NASS maintain good coverage of diverse agricultural producers and diverse commodities.

NASS is keeping pace with an increasingly complex agricultural industry to achieve cost savings through re-engineered processes. NASS has enhanced its research program; increased efficiencies from opening the NOC; developed new statistical and survey methodology; expanded modes of data collection, including electronic data reporting; and exploited computer intensive processing technology.

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