

**Data Users Meeting  
Summary of Questions and Comments  
Chicago, Illinois  
November 2, 2009**

**Note: The following write-up presents a topical summary of issues discussed during the afternoon open forum. Discussions have been consolidated by topic.**

**AMS Prices/Country of Origin Labelling (COOL)**

A data user stated that with the implementation of COOL, we're suffering a \$.40 discount for Canadian products. When will we see it in the data? Warren Preston stated that AMS does not have the origin on the deeds. We do know the direct import for slaughter and there is no way for us to separate discounted animals. There has been no push from the Administration on this matter.

A data user followed up by stating the indications are that these are sold at discount. Warren Preston stated that AMS does not know. Sometimes they will enter a special code and we can distinguish A vs. B category.

A data user mentioned that inbound data makes it appear as though packers know if it is discounted through their use of category codes. Warren Preston indicated that although AMS cannot see a difference from COOL in price with cut outs, different categories are accounted for and then rolled up into cutout value.

A data user asked considering COOL, how confident are you in the value of the animals – is the value the price of the animal (before discounts) or is it the value the producer is getting (after discounts)? Does the value of imports include discounts for COOL? Mayumi Escalante stated that she is not sure, but likely does not include discount. The price should be fair market value. Warren Preston added that we are not seeing a consistent approach to how animals are being priced. If negotiated price, it could impact the price. There have been incidences of one packer that buys 4 different ways, so it is hard for him to come up with an average price.

A data user then commented that there is no way in my system to record discounts. Market News price is nearly the same, so I don't believe AMS discount has accounted for the discount. Warren Preston followed that he is not certain, but the prices are where they should be at the end of the year.

**Crop Report/Estimates**

A data user asked if the January Crop Report and Grain Stocks will be late due to the crop progress? Joe Prusacki stated that there is no December 1 forecast for corn or soybeans. We will publish the January Crop Report on January 12 as scheduled. Data collection will occur November 28 – December 15. Acres of soybeans and corn still standing (unharvested) will be counted as on-farm stocks. If the amount of unharvested acreage is quite large, we will decide if and when a re-interview is needed. We are not planning on it at this point but thinking through the options.

A follow-up question asked what do you mean by unharvested production will be counted as on-farm stocks? Joe Prusacki stated that as part of the survey, we ask the respondent to give us an expected yield on the unharvested acres. We then include that as on-farm stocks.

A data user then asked if the December 1 On Farm Stock estimate be skewed? Joe Prusacki stated that if there is a large amount of unharvested acreage, the on-farm stocks will be larger than usually seen. Lance Honig further explained that because unharvested production is considered on-farm stocks, any change in the small grains data due to the re-interview (to be published November 10) will be reflected in an equal change to on-farm stocks. It is a one for one change, within rounding rules.

A data user then asked for clarification that if corn unharvested is counted as on-farm stocks, how do you avoid double counting? Joe Prusacki then stated that NASS will ask the following:

- 1.) acres harvested and intend to harvest
- 2.) expected yield on whole acreage
- 3.) stocks currently on hand
- 4.) acres remaining to be harvested
- 5.) expected yield on those remaining acres

The unharvested production will be moved to on-farm stocks.

A data user asked that if January numbers are the final soybean harvested numbers, what happens if they cannot harvest those beans until March? Lance Honig stated that this year is like none other. There is a potential for a large unharvested acreage. However, we do have a revision process. If you recall, the January report will include both the 2009 data as well as the 2008 which could be revised. With that said, we are looking at what can be done if a large majority of the crop is not harvested. However, we are hoping for good weather the next several weeks, but until then, we just won't know.

A data user commented that 400,000 corn acres in ND were not harvested last year, but I did not see NASS account for it. Joe Prusacki stated that if and when NASS decides to do something about any unharvested acres, we will notify everyone.

A data user asked if NASS accounts for RMA preventative plantings? When 2009 was delayed, RMA showed huge preventive plantings that did not agree with NASS March to June numbers. Joe Prusacki stated that NASS only publishes actual planted acres. RMA is what the farmers wanted to plant. Lance Honig followed with RMA data can help as we interpret data changes between March and June, but not taken as a direct relationship. RMA and NASS also have different definitions. Jerry Gidell added that RMA is based on base acres, numbers may be irrelevant. Wheat may not be worked until March or April and farmers don't report row crops to RMA until the summer, which is too late for help with NASS' March or June publications.

### **Foreign Crop Forecasts**

A data user stated that the Southern Hemisphere is so important for corn and soybeans. How do you set your Brazil and Argentina numbers? Paul Provance responded that FAS has ten regional analysts as well as one specifically focused on Argentina. We use satellite imagery, internet, government websites, media, etc. and weight them subjectively when setting the Argentina numbers. We also have one person dedicated to Brazil. Art Latterner stated that FAS also makes use of the GAINS reports and FAS has personnel in each of these countries. Gerald Bange stated that WAOB is working to build relationships with counterparts in these countries. Because of this work, these countries are publishing more data than they used to. WAOB is also

working with meteorologists in these countries and have found that there are more reporting stations that were being published and have gained access to their data. These countries have questioned why USDA does not use their numbers as published and we have explained that we have access to other data as well that sometimes indicated other projections. Art Latterner concluded by stating that data users can contact FAS analysts if there are concerns or questions about a certain country.

A data user commented that the USDA is working to help other countries get better or more data published, but are farmers still hiding numbers from the government? Gerald Bange stated that NASS deserves credit on this front. Many think it is FAS, but it often times is NASS that opens the door and these countries are very appreciative. We feel confident about the numbers coming from Brazil. Argentina, on the other hand, is more questionable given the turmoil in their government currently.

A data user asked to hear more on Gerald Bange's trip to China. Gerald Bange stated that he visited the Dalian Commodity Exchange. Their policy supporting corn appears to be keeping corn price higher than it should be. This is negatively impacting soybeans acres so it is puzzling why they have not changed the policy. They are experiencing a transportation problem – cannot move the commodities from the north, where they are produced, to the south where they are needed, which is surprising given their usual ingenuity. Would say that they are very open to talking with USDA since 1997 when China asked for NASS' help with a Chinese agricultural census.

A data user commented on China down playing soybean import needs. Why did China then turn around and import? Gerald Bange stated that there was a discussion about NGIOC's corn number going up while the WASDE reported a decrease based on drought conditions. The NGIOC did catch much heat from the Dalian group because they too felt the corn number was too high. Given this, it is unlikely that the NGIOC was trying to orchestrate anything. The NGIOC does not have access to as much weather as WAOB does. USDA has good communication with the NGIOC, but that is not the case with the Chinese Bureau of Statistics or Agriculture Minister, which tend to be more political.

A data user then followed up stating that given the numbers NGIOC put out, can we assume they do not have good field observations? Gerald Bange indicated that we have asked them to be more forthcoming with their information. They say that they get reports every two weeks, but they have yet to provide them for review. They are moving toward a free market, but it is still very centrally controlled.

A data user then followed that USDA needs to keep aware of this because it could cause huge revisions if they continue to change their data. Gerald Bange stated that WAOB reserves the right to publish numbers different than those published by foreign countries. Jerry Norton concluded that we know what numbers NGIOC is putting out, but WAOB looks at it independently taking into account other sources of data as well.

A data user asked that with all the discrepancies in rice data in India, what is a good resource? Gerald Bange stated that WAOB uses reports from FAS personnel in India. For more detail, call Andy Arenson. Art Latterner added that FAS relies on websites, embassy reports as well as two rice contacts in the country. ERS personnel mentioned that the ERS contact is Nathan Childs.

## **Objective Yield for Corn and Soybeans**

A data user asked if NASS yield data is based on 56 lb weights? Joe Prusacki stated 56 lbs is correct.

A follow up question was then asked citing that test weights are down and this could impact exports because of quality. Cars are failing standards and being returned. How long before we see this in the expected yields? Joe Prusacki stated this should be reflected in the November Crop Report. With Objective Yield, we should see 70 percent of the samples with lab weights this month. Adjustments will be made back to 56 lbs at 15 percent moisture. Jerry Norton noted that this will play a factor over time. We are looking at export pace, but it is too early in the season to see quality.

A data user asked about feed use and lower test weights? It will take more bushels to produce a pound of feed. Jerry Norton stated that unusual years lead to unusual use patterns. However, WAOB models have done a good job modeling things in the past.

A data user asked if 70 percent of Objective Yield will be mature in November, what was it in October? Joe Prusacki stated that about 30 percent was in the labs in October and he expected the remaining, roughly 70 percent in the labs in November.

A data user asked what were the Objective Yield percentages of soybeans mature in October? Lance Honig stated that he was unsure of the exact figures, but it was a very small percentage.

A data user asked that due to the lateness of this year's crop and grain weights seen in objective yield, to what extent will those be incorporated into the November and December releases? Joe Prusacki stated that NASS conducts the objective yield surveys in October and November as usual. August and September months are mostly modeled. By October, 50 - 60 percent of the crop is usually harvested. This October, it was much less. The data from November's objective yield is likely to be like the normal October data. Lance Honig added that an analysis is done on each sample and given the maturity code. The data is modeled.

A follow-up question was asked if the sample in October was not mature, would you assume it will go to full stage? Joe Prusacki stated that NASS will take the actual ear sample and weigh it. Lance Honig added that because it was not mature in October, we will go back in November. If it is not mature in November, we will go back in December.

A data user asked what is the data collection period for objective yield? Lance Honig stated that data collection is usually from about the 27<sup>th</sup> of the month until the 4<sup>th</sup> of the month.

## **Objective Yield for Wheat**

A data user asked for an explanation on the removal of Objective Yield for spring and Durum wheat. Was the survey conducted or discontinued before August? When was it decided? If there is bias in this survey, are you likely to remove others from the objective yield survey? Joe Prusacki stated that NASS has been doing Objective Yield in the northern tier (MN, ND, etc...) since 1994. Spring and Durum wheat objective yield has been an August only observation for decades. We are looking at multiple months of data for several commodities which allows us to see change. With only one month of data for Durum and spring, we don't get good data. There is no use going in July because the crop in the area is barely out of the ground. A notice on this change was included in ASB reports. A notice to our email subscribers as well as posting on our website was made in July. NASS is not planning to cut other objective yield surveys at this time.

However, we are tasked with allocating the scarce source of government funds while still providing principal economic indicators.

### **Price Forecasting**

A data user requested a clarification on if the average price received is weighted by sales or price encountered at elevator? Gerald Bange commented that we are trying to forecast the end-of-season average price. Jerry Norton stated it is not a cash price, includes forward pricing. WAOB uses stocks, NASS prices, etc. in modeling what the average price will be at the end of the year.

A follow-up question was asked about how has price setting changed over time? Jerry Norton stated it has become harder as more forward price sales occur and less cash price transactions. WAOB models on stocks/use ratio, which has changed overtime. Stocks have been more volatile with the increase in ethanol. Future models are more heavily used. Farmers are marketing differently now than they have in the past.

A data user asked if there have been any thoughts on getting different commodity (corn) prices (high moisture, futures price, cash, etc). Are there long term plans to forecast for these areas? Gerald Bange said this has not been discussed. This year has been a difficult year because of the delay, moisture content, etc. WAOB is looking at futures market as well, but it too can be misleading. Jerry Norton stated that price forecasts are used for farm program payment projections.

A data user stated the price survey asks bushels bought and price paid. However, does it account for weight or damage? Joe Prusacki stated that yes, there are the questions asked. Price is for any weight, despite damage. It encompasses all quantities and qualities as well as forwarding prices.

### **Resurvey**

A data user commented that NASS did a spring wheat re-interview and asked what is the potential for another after the December report? Joe Prusacki stated that NASS conducted a re-interview of spring wheat, Durum wheat, oats, and barley producers who reported in September that not all of their crop was harvested. Any changes will be released in the November Crop Report. As for the row crops, we are thinking about it. We are at about 20 percent harvested on corn this week when we are generally at 60 – 70 percent. However, when is a good time to re-interview? When will the farmers be able to get the harvest completed – December, March, April...? What about memory bias? There is still a chance that a few weeks of good weather in November could allow for much harvesting before the end on the year.

A data user commented that due to the late planting this year and last and the huge change between March and June numbers, is there any thought to pushing back the March Intentions or June Acreage reports? Joe Prusacki stated that NASS has done a re-interview the last two years. However, this is two out of the last 30 years. We are hoping this is an anomaly and things will return to normal next year.

A follow-up question commented that NASS did a re-interview in August, but the numbers did not change. But in September, new administrative data became available and several states saw big changes. Why is that? Joe Prusacki stated that hindsight is 20-20. In 2008, NASS conducted a major resurvey with extra samples. In 2009, rather than resurvey, we just added a corn harvested question to the August Ag Yield survey (soybeans harvested are already part of the August program).

Another follow-up question asked why were there fewer samples in 2009? Joe Prusacki stated that NASS used the normal survey size for the 2009 survey. The 2008 flooding got more media attention and we added more samples. But maybe we should have done the same in 2009.

A data user then commented that changes in September were in unexpected states. Why wasn't more of this picked up on the August survey? Greg Preston stated that the 2008 flooding was a more clearly defined area. We had remote sensing to tell us exactly where the event occurred and where we should target our sample. However, the 2009 situation was both more widespread and sporadic. One farmer reported getting his acreage planted while his neighbor could not because he waited a week. It just was not feasible for NASS to go in and re-interview the entire sample. We relied on the usual August sample to give us an intention.

### **Small Farms**

A data user commented that the new Administration appears to be very interested in the little guys. Is their pressure to stop collecting data from the big guys? Gerald Bange stated that WAOB is interested in all sectors of agriculture. Not sure how things will be in the future. The Outlook Conference focus this year will be different than it has in the past, but that does not mean USDA is not interested in "big" farms. Export/Import data used to be major focus, but it is now more of a humanitarian focus and helping other countries to become more self-sufficient and develop more stable incomes.

### **Trade Data**

A data user mentioned that soybean exports are a reoccurring issue. The gap between the Census and the AMS numbers is growing. It was 40 million bushels this year. It is a misrepresentation on what is left if we cannot tell what has been exported. What is the census doing to rectify this? Art Latterner stated that there is a lag in the census data.

The data user then mentioned that they are not talking about inspections. Jerry Gidell stated that inspections are done at the ports. Trading done via train or trucks into Canada and Mexico are not always inspected.

A data user then followed up with a comment that it is not train or truck shipments to Canada or Mexico. The census is reporting higher export numbers to countries like the EU. Mayumi Escalante stated that exporters are required to report ahead of time their export intentions. Therefore, because these are estimates, they may not always match exactly what is inspected and exported.

A data user asked if there is a census guide on what products are where when looking at the trade data and the HS Code for meat products? Mayumi Escalante stated that information can be found on CROS or at [rulings.customs.gov](http://rulings.customs.gov). Some of these are old because it is a historic collection. You can go to Customs themselves. We use international standards system, but often times we hear people say they have problems rectifying how things are classified from country to country, e.g. it leaves Russia as one code and comes to the U.S. as another.

A follow-up question was asked that in the EU, the discrepancy on meat is often 3 times what we can rectify. Mayumi Escalante suggested that they should call the Census to question them about their coding.

A data user stated that we need the trade data more timely. We still wait the same amount of time as we did 20 years ago. Mayumi Escalante stated that she does not know about the last 20 years, but the publication has moved up three days in the last seven years. We are still reliant on when the data becomes available from Canada. Electronic receipt of data has helped, but paper is still used in some places.

A data user asked about scanner data? Can it be used to backfill last year since it is required on a monthly basis? A representative from ERS stated that ERS understands that you have been asking for this data and we have been trying to get the data in place and available, but it is not ready yet.

A data user asked that if Census data on imports is slow, when can we get pork data from USDA? Pete Burr stated that export sales are important and we are doing analysis on whether to add them, like we have for beef. The next step will be to talk with the industry on what is actually needed. Exporters will need to buy-in because of the commitment to data reporting and legislative nature – once in, you're in forever. Beef took seven years because of what is needed, so it will take a while before pork could be available.

A follow-up question was asked if it can be done on a voluntary basis? Pete Burr said that voluntary reporting is not an option. Once it is in place, it is a requirement for the exporters.

A data user asked about the export of 45 million tons of DDGS? Pete Burr stated that people are interested and it is a growing sector. But there is no push to move forward. Focus is now on pork.