

NATIONAL AGRICULTURAL STATISTICS SERVICE

Statement of

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Before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration,
and Related Agencies

Mr. Chairman and members of the Committee, I appreciate the opportunity to submit a statement for this Committee's consideration in support of the fiscal year (FY) 2007 budget request for the National Agricultural Statistics Service (NASS). This agency administers the U.S. agricultural statistics program, which began in USDA in 1863. Since 1997, NASS has conducted the 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 2007 Budget

The agency's FY 2007 budget request is \$152.6 million. This is a net increase of \$13.3 million from the FY 2006 adjusted appropriations. The FY 2007 request includes programmatic increases to continue the restoration and modernization of the NASS core survey and estimation program (\$3.9 million), and to fund cyclical activities associated with preparing and conducting the Census of Agriculture (\$7.3 million).

Agricultural Estimates

NASS statistical reports are critically important to assess the current supply and demand in agricultural commodities. They are also 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 where buyers and sellers have access to the same official statistics at the same pre-announced time. This prevents markets from being unduly 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 relating to the competitiveness of our Nation’s agricultural industry have become increasingly important as producers rely more on world markets for their sales.

In FY 2007, NASS is requesting an increase of \$3.9 million and 6 staff years to fund the continuation of the restoration and modernization of the NASS core survey and estimation program. This increase is directed to continuing the modernization of the core survey and estimation program for NASS to meet the needs of data users at professionally acceptable levels of precision for state, regional, and National estimates. Decisions affecting billions of dollars in the U.S. food and agricultural sectors are facilitated in both public and private venues through access to reliable statistical information. The USDA-NASS statistical program serves most agricultural commodity data needs in the U.S., as well as supplies important economic, environmental, and demographic data that are used for policy that will impact the livelihood and quality of life of rural residents. Funding received in the FY 2004 through FY 2006 appropriations have been used to successfully improve the precision level from commodity

surveys conducted by NASS for state, regional, and National estimates through sample size increases and better survey response. Funding requested in FY 2007 promotes data quality by encouraging voluntary response through increased respondent awareness of market and policy reliance upon USDA-NASS statistical measures and by improving the data collection capabilities by local interviewers throughout the Nation.

Census of Agriculture

NASS is currently preparing for the 2007 Census of Agriculture scheduled to be mailed to the Nation's farmers and ranchers in December 2007. 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, which is extremely important to the agricultural community. 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. The 2007 Census of Agriculture is the first time respondents have the option of reporting electronically through the Internet. It also includes improved coverage of American Indians and expanded data on organic agriculture. Many additional improvements are being implemented to enhance the data from this comprehensive data source. Census of Agriculture programs are also conducted in Puerto Rico, Guam, and the Commonwealth of the Northern Mariana Islands as part of the census cycle. Results from all of the censuses are made available on the NASS website.

NASS is requesting a cyclical increase of \$7.3 million and 10 staff-years for the Census of Agriculture. The total Census of Agriculture budget request is \$36.6 million. The available funding includes monies to continue preparations for the 2007 Census of Agriculture. The increase will be used to collect data to measure coverage of the census mail list, prepare census mail packages, and prepare for data collection activities in FY 2008. This increase is comparable to a \$10.0 million increase required during the same period in the 2002 Census cycle.

Major Activities of the National Agricultural Statistics Service (NASS)

The ongoing expansion of global markets for U.S. goods and services continues to increase the need for modern and reliable statistical information. The periodic 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.

The need for timely, accurate, and useful statistics on U.S. agriculture has been highlighted in recent years due to several natural disasters. The catastrophic hurricanes which moved through Florida during the end of 2004 heavily impacted the citrus industry. The degree of this impact was measured by NASS through a special November forecast of citrus production. Normal processes do not include a November forecast. The special forecast allowed for a timely unbiased assessment of the damage resulting from the hurricanes. Likewise, the discovery of Asian Soybean rust in the United States resulted in heightened speculation of how growers

would react to the fast-spreading, yield-reducing disease. Data collected by NASS allowed for an early assessment of farmer awareness of soybean rust and how its discovery would affect planting decisions for the 2005 crop. Results were published in the 2005 *Prospective Plantings* report.

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. 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. The forty-six field offices in NASS, covering all fifty States and Puerto Rico, provide 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's 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 a format easily accessible by standard software. 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, which provide access to special statistical reports and information on current local commodity conditions and production.

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. For example, NASS has developed and released a new interactive mapping tool on the Internet. Data users can now customize maps using various data items from the Census of Agriculture. 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.

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. Periodic 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 as appropriate. NASS prepares estimates for over 120 crops and 45 livestock items which are published annually in more than 400 separate reports.

Approximately sixty percent of the NASS staff are located in the 46 field offices; 21 of these offices are collocated with State Departments of Agriculture or land-grant universities. NASS field offices issue approximately 9,000 different reports each year and maintain Internet pages to electronically provide their State information to the public.

NASS has developed a broad environmental statistics program under the Department's water quality and food safety programs. Until 1991, there was a serious void in the availability of reliable pesticide usage data. Therefore, beginning in 1991 NASS cooperated with other USDA agencies, the Environmental Protection Agency (EPA), and the Food and Drug Administration, to implement comprehensive chemical usage surveys that collect data on certain crops in specified States. NASS data allows EPA to use actual chemical data from scientific surveys, rather than worst case scenarios, in the quantitative usage analysis for a chemical product's risk assessment. Beginning in FY 1997, NASS also instituted survey programs to acquire more information on the post-harvest application of pesticides and other chemicals applied to commodities after leaving the farm. These programs have resulted in significant new chemical use data to help fill the void of reliable pesticide usage data. Surveys conducted in cooperation with the Economic Research Service (ERS) collect detailed economic and farming practice information to analyze the productivity and the profitability of different levels of chemical use. American farms and ranches manage nearly half the land mass in the United States, underscoring

the value of complete and accurate statistics on chemical use and farming practices to effectively address public concerns about the environmental effects of agricultural production.

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 conducted 151 special surveys in FY 2005 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, Africa, 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. This past year, NASS provided assistance to Armenia, Belize, Brazil, China, El Salvador, Georgia, Guatemala, Honduras, Mexico, Nicaragua, Panama, Russia, Sudan, and the Ukraine. In addition, NASS conducted training programs in the U.S. for

220 visitors representing 30 countries. These assistance and training activities promote better U.S. access to quality data from other countries.

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 through numerous individual contacts. As a result of these activities, the agency has made adjustments to its agricultural 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 the statement for the record.