

Testimony of Catherine E. Woteki, Ph.D.
Former Chief Scientist and Under Secretary for Research, Education and Economics
Before the House Appropriations Agriculture Subcommittee
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Chairman Bishop, Ranking Member Fortenberry and members of the Subcommittee, thank you for the opportunity to testify today and share my views on the Secretary of Agriculture's proposed relocation of the Economic Research Service (ERS) and the National Institute of Food and Agriculture (NIFA) and on the realignment of ERS into the Office of the Chief Economist. I am Catherine Woteki and from 2010-2016 I held the position of Chief Scientist and Under Secretary for Research, Education and Economics (REE) at USDA. In that capacity, I had direct oversight responsibility for ERS and NIFA as well as for the Agricultural Research Service (ARS) and the National Agricultural Statistics Service (NASS).

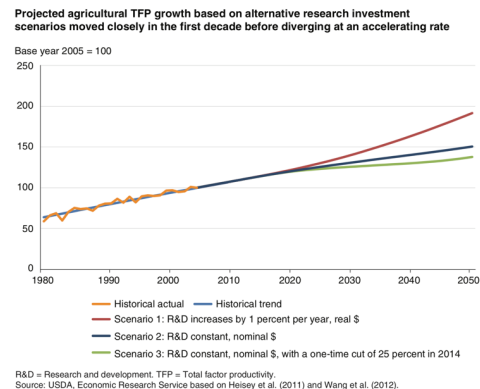
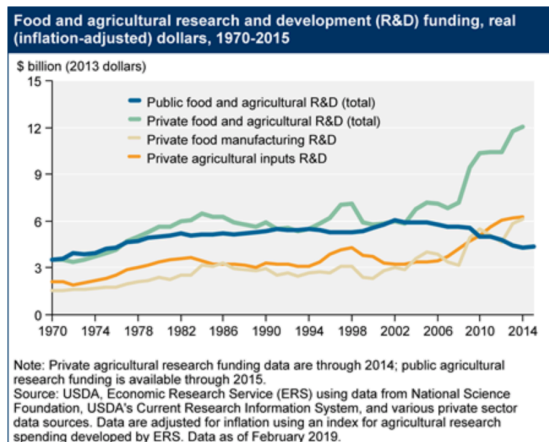
I am opposed to the Secretary's proposal and believe that it will significantly weaken the scientific enterprise that is so critical to America's food and fiber supply, and to economic and national security. There are four main reasons that I oppose the proposal: (1) structure and location are not the problem; (2) lack of justification, consultation and due process; (3) realigning ERS to report to the Chief Economist is a fundamental misreading of roles and responsibilities; and (4) enormous damage is being done to the agencies' functional capacity. I also believe that the proposal that is the topic of today's hearing should be considered together with the President's budget request for FY 2020 which was recently made public. Taken together, they undermine America's ability to address real threats to our food security and economic vitality.

Organizational structure and location are not the problem.

The major reason for my opposition is that the biggest problem facing agricultural research and statistics is not the organizational structure or the location of the agencies, rather it is the historic disinvestment in public funding that has occurred over the last 30 years. As shown in the graph¹ on the left below, the current level of funding for agriculture, food and natural

¹ Agricultural Research Funding in the Public and Private Sectors. <https://www.ers.usda.gov/data-products/agricultural-research-funding-in-the-public-and-private-sectors/>

resources research is less than in the 1980's as measured in inflation-adjusted dollars. Both Federal funding and state funding to support agricultural research have stagnated and the end result is that the US is in danger of losing its leadership role in areas critical to our long-term welfare.



This has implications for farmers and for our national security because since World War II productivity growth in the farm sector has come almost exclusively from science-based innovation or what economists call total factor productivity. Based on ERS research and shown in the graph² on the right above, we can expect little change in US farm sector's total factor productivity over the next few years, but beyond that it is expected to slow and how much our agricultural productivity will be harmed depends on the current and future amount of public investment and its coordination with other federal research agencies' programs.

In the meantime, some of our rivals have made substantial public investments in agricultural research. China's investment now surpasses ours. For the time being, the US is maintaining its scientific preeminence in agricultural fields as measured in publications, citations and patents, but each year we are losing ground to other countries that are providing more public support for agricultural research.

All of this has long-term implications for the national security of the United States. The 2019 Worldwide Threat Assessment of the US Intelligence Community³ identifies the erosion of the US lead in science and technology as one of ten global threats because research produces

² Wang, SL et al. 2015. Agricultural Productivity Growth in the United States, p. 56. https://www.ers.usda.gov/webdocs/publications/45387/53417_err189.pdf?v=0

³ Coats, D.R. Statement for the Record, Worldwide Threat Assessment of the US Intelligence Community, Senate Select Committee on Intelligence, January 29, 2019. <https://www.dni.gov/files/ODNI/documents/2019-ATA-SFR---SSCI.pdf>

disruptive technologies and threats to economic competitiveness. The assessment calls out rapid advances in biotechnology, including gene editing and synthetic biology, as posing new economic, ethical and regulatory challenges. At the same time that these technologies hold great promise for agriculture, they also introduce risks as adversaries may use them to develop biological warfare agents and threaten food security. A second global threat pertinent to agriculture is environmental and ecological degradation that is likely to fuel competition for resources, economic distress, and social discontent now and in the future. Drought, floods, wildfires, and soil degradation are intensifying and threatening food security on both domestic (viz. the recent Midwest flooding) and global scales which in turn can spur social unrest, migration and tension between countries. Agricultural research to develop resilient agricultural systems is key to being able to respond to more unpredictable and extreme weather patterns and provide for long-term food security at home and abroad.

Justification, consultation and due process are lacking.

The Secretary's plan did not have appropriate review and consultation prior to sending out the request for expressions of interest from states, and the reasons provided for moving the agencies don't hold water. As my colleagues have pointed out in their testimony, there was no consultation with the Land Grant Universities – the 150-year partners with USDA for research, education and Cooperative Extension – about the wisdom of relocating the agencies outside of the Washington, DC area. USDA appears to have violated its own requirements as detailed in departmental regulation⁴ requiring that any agency reorganization and/or relocation has to go through a thorough review of the costs and benefits, the potential effects on employees, and the impact on civil rights. None of that appears to have been done last August when the Secretary precipitously solicited proposals from communities to host the 700 staff members employed by ERS and NIFA.

Secretary Perdue offered three reasons why he made the proposals and, based on my six years as Under Secretary and Chief Scientist, none of them make sense. Neither NIFA nor ERS experienced any extraordinary issues with recruitment and retention in those 6 years. They do face one issue that all science agencies face, and that is that government salaries have a hard time competing with academic and private sector jobs. Moving the agencies outside of the DC area

⁴ Departmental Regulation 1010-001. Organization.
<https://www.ocio.usda.gov/sites/default/files/docs/2012/DR1010-001.htm>

won't fix that problem, it will only decrease salaries and lessen the ability of two-career families to find meaningful employment for both partners. The second reason that Secretary Perdue offers is that this will place them closer to their stakeholders but he doesn't define who those stakeholders might be. My experience is that having ERS and NIFA in DC makes it easier for them to consult with their stakeholders, as well as their federal colleagues. Finally, the Secretary says that taxpayers will save on lower costs but, because no analysis is provided, this is an empty statement. During my tenure at USDA, the department began implementing a long-term plan to cut down on rented office space. The plan focuses on renovating the South Building and moving agencies from rented space back in and much thought and consideration had been given to the plan. Using the end of NIFA's rented space in the Waterfront Centre as the impetus to relocating the agency is a red herring. The end of the lease was long-anticipated and planned for.

Moving ERS to OCE is a fundamental misreading of roles and responsibilities.

Moving ERS to report to the Office of the Chief Economist (OCE) is a fundamental misreading of its role in the research and statistical functions of USDA and possibly a violation of the 1994 USDA Reorganization Act. ERS is a research agency and one of the 13 Federal statistical agencies that are covered by OMB directives to safeguard against political interference. Within the REE mission area, ERS functions as an independent agency, and also as a key contributor of social and economic research in the multidisciplinary approach to solving agricultural problems that is described in the REE Road Map for Agriculture Research and Action Plan⁵. Although the REE Under Secretary is a political appointee, his/her role is to set broad priorities for research and to assure the scientific integrity of the work produced by the four agencies. The Chief Economist is a career civil servant, however his role is to support the Secretary's policy initiatives and to act as the Secretary's Sherpa in international matters. I believe that moving ERS to report to the Chief Economist will open the agency to political interference in the scope of research it undertakes as well as in the release of its scientific and statistical products. Compounding this, the President's budget for FY 2020 proposes severe cuts to ERS research in such fields as agricultural markets and trade, farm conservation, food assistance, nutrition and diet quality, the rural economy and food safety. The severity of these cuts raises questions about the future evidence base of economic research that is so consequential for USDA's program decisions and Congress's policy decisions.

⁵ REE Action Plan, <https://www.usda.gov/sites/default/files/documents/usda-ree-science-action-plan.pdf>

In 1994, Congress passed a law reorganizing USDA and establishing the position of Under Secretary for Research, Education and Economics⁶. It instructs the Secretary of Agriculture to delegate to the Under Secretary “those functions and duties under the jurisdiction of the Department that are related to research, education and economics (emphasis added).” And the law also requires that the Secretary obtain public comment on proposed reorganizations when “delegation of major functions ... to any agency or office of the Department” occurs. The Secretary must provide advance notice to the public about a reorganization and opportunity to comment. That was not done prior to the Secretary’s announcement last August.

Maybe some of OCE’s ongoing work that is more statistical in nature, like publication of the WASDE, should be moved to REE where it better aligns with NASS and ERS. Once the door for reorganization is opened, all worthy proposals should be considered and have the opportunity for open discussion and review of the merits.

The functional capacities of ERS and NIFA are being damaged.

Finally, moving ERS and NIFA will cause loss of key staff that will take many years to recruit and train. Since the Secretary’s announcement last August, the agencies report losing 3-5 employees a week. Now that the lists are published of which positions will stay in DC and which will be moved to another location, we can expect more attrition. The President’s 2020 budget calls for more planned attrition in ERS by requesting a reduction of 170 staff years from 330 in 2019 to 160 in 2020. These dramatic staff cut proposals will only hasten departures. The jobs in both ERS and NIFA are highly specialized jobs and require training and experience to perform well. We are losing capacity to perform the agencies’ key functions even before the relocation site is identified with no assurance that capacity can or will be rebuilt.

In conclusion, I would like to note that former Under Secretaries, past NIFA Directors and ERS Administrators and most Administrative Heads of Agriculture at Land Grant Universities oppose the Secretary’s proposal. I want to thank the members of this committee for holding this oversight hearing and providing the opportunity for me to share my views on what I consider to be a proposal that is ill-considered and terribly damaging to our long-term future. I look forward to your questions.

⁶ Department of Agriculture Reorganization Act of 1994. <https://www.govinfo.gov/content/pkg/STATUTE-108/pdf/STATUTE-108-Pg3178.pdf>

