

Testimony of Katherine S. Evans before the House Agricultural Appropriations Subcommittee  
March 27, 2019

Thank you, Chairman Bishop, Ranking Member Fortenberry, and members of the Committee for the opportunity to speak with you about the implications of USDA's plans to realign and relocate the Economic Research Service (ERS) and relocate NIFA.

My name is Katherine (Kitty) Smith Evans. I worked in various capacities at ERS for 29 years, including 10 years as Associate Administrator, Acting Administrator, and Administrator. I subsequently served 5 years as Executive Director of the Council of Professional Associations on Federal Statistics, and am currently with the American Economic Association (AEA), a professional society of over 20,000 economists who rely on the accuracy of federal statistics.

I begin my testimony by describing what I believe will be the consequences of realigning ERS *from* the Research Education and Economics (REE) Mission Area of USDA *to* the Chief Economists' Office and of allocating a diminished total number of ERS positions between Washington, DC and to an as yet determined location outside of the DC Metropolitan Area. Later I turn to debunking several myths that the USDA Secretary's Office has perpetuated in its defense of these moves.

First, removing ERS from REE and putting it under the Chief Economist reduces assurances of the scientific integrity and objectivity of ERS statistics and research, and threatens the accuracy of its critical statistical products.

Under the Code of Federal Regulations, the office of the Under Secretary for REE and the Chief Scientist is explicitly and exclusively charged with upholding scientific integrity (<https://www.govinfo.gov/content/pkg/CFR-2018-title7-vol1/xml/CFR-2018-title7-vol1-part2.xml#seqnum2.21>). And so, they do! A number of actions by different REE Under Secretaries have countered attempts to prevent or delay publication of ERS research reports or statistical updates. By contrast, Delegations of Authority to the Chief Economists' Office include no such responsibility for scientific integrity and, in fact, require consideration of USDA Secretarial policy positions via the requirement that the Chief Economist's Office "Oversee and clear for consistency analytical assumptions and results of all ... domestic commodity supply and demand, including such estimates and analyses prepared for public

distribution by the Foreign Agricultural Service, the Economic Research Service, or by any other agency or office of the Department.” (<https://www.govinfo.gov/content/pkg/CFR-2018-title7-vol1/xml/CFR-2018-title7-vol1-part2.xml#seqnum2.29>) without regard to individual estimates’ scientific merit. There are good reasons to combine qualitative analysis, experience-based beliefs, and political realities along with research findings to inform Departmental projections and proclamations. But at the same time, it is critical that the Under Secretary responsible for research has cleared the technical basis and scientific integrity of the research methods and results used in such amalgamations.

Secondly, ERS is one of 13 agencies designated by OMB as Principal Statistical Agencies of the U.S., and USDA plans for ERS restructuring violate several principles laid out for these unique and valuable agencies. The National Academy of Sciences’ authoritative *Principles and Practices for a Federal Statistical Agency* (<https://www.nap.edu/catalog/24810/principles-and-practices-for-a-federal-statistical-agency-sixth-edition>) states that “to be credible, trustworthy, and unhindered in its mission, a statistical agency must maintain a position of independence from undue external influences...[and] avoid *even the appearance* that its collection, analysis, or dissemination processes might be manipulated for political or partisan purposes...” and that “a Federal statistical agency [must] have the necessary authority to protect independence.” The current separation of ERS from the Secretary’s Office and the protection afforded it by the Office of the REE Under Secretary, are important in assuring the agency’s independence. The proposed realignment would diminish that assurance

Statistical agencies require adequate resources to ensure the quality of statistics; to invest in new ways to measure our changing economy; and to protect the privacy and confidentiality of households and businesses, whose answers to government surveys and provision of administrative information are the basis of economic statistics. Among the critical practices laid out in *Principles and Practices for a Federal Statistical Agency* is “an active research program.” The President’s proposed 2020 budget for ERS would cut total funding for ERS from \$86.8 million to \$60.5 million, less \$15.5 million dedicated to relocation. ERS staff years would be cut from 330 to 160, 76 of which would be located in USDA Headquarters to focus exclusively on “core data analysis related to agricultural production.” Neither the remaining 84 staff years nor the reduced financial resources would be adequate for ERS’ on-going, high-quality economic

research programs in food assistance, food safety, rural economic development, natural resources and in other areas that have provided evidence-based evaluations to inform program and policy decision making.

*Principles and Practices for a Federal Statistical Agency* additionally asserts that “coordination and collaboration with other statistical agencies [is]critical for the effective, principled operation of a statistical agency.” Such coordination and collaboration require a lot of face-to-face contact and hands-on teamwork -- interactions that would be difficult and expensive to accomplish if the bulk of ERS is located outside of the DC area where the other 12 Principal Statistical Agencies are located.

### **What’s at stake?**

Agencies of the USDA and the Congress would have decidedly less access to informed, objective, research-based information to consider in making program and policy decisions.

The Economic Research Service’s intramural research program has been guided by the needs of public-sector food, agricultural, natural resource and rural community decision-makers. It provides objective, policy-relevant research to advance our understanding of complex relationships that inform thinking about and taking action on everything from farm finance to food waste, from research and productivity to rural health care, from soil conservation to commodity markets, and more. While economic researchers outside of ERS also have addressed these topics, they lack the mandate to work with and on the issues of USDA program agencies, as well as ready access to some program data and the general trust of those agencies.

The public sector can likely kiss goodbye such things as:

- ERS’ formidable and impactful intramural and extramural research programs on economic and behavioral factors affecting the success of USDA food and nutrition programs, including: Supplemental Nutrition Assistance Program (SNAP); Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); National School Lunch Program; School Breakfast Program; Child and Adult Care Food Program; Summer Food Service Program; and After-School Snacks and Suppers
- The kind of ERS natural resource program evaluation that demonstrated the extent to which conservation incentive programs could be enhanced by tying receipt of commodity and price

support payments to participation in NRCS soil and water conservation programs (a linkage referred to as conservation compliance) -- research that led to conservation compliance becoming law.

- ERS' work to measure domestic support policies that helped lay the foundation for the Uruguay Round Agreement on Agriculture. ERS research on the multiple factors affecting trade and their complex interactions with one another have been critical to the agency's continuing and resource-intensive development and updating of economic models that can be used for just-in-time analysis informing trade policy and negotiations.
- ERS research on rural America that addresses the economic, social, spatial, demographic, farm and nonfarm factors that affect the income and poverty status of rural residents, and derives implications for rural economic development programs.

Expected drastic reductions in staff levels and financial resources would also likely lead to the elimination or reduced frequency of statistical measures, including those describing household food purchases and acquisitions, commodity market dynamics, farm and farm household income, agricultural productivity, agricultural trade multipliers, food waste, and food security. Under the conditions created by the intentions of the Secretary's Office, it simply will not be possible to retain all current statistical series and maintain their accuracy. Legions of statistics-dependent individuals and groups, including academic researchers, students, agribusinesses, trade associations and public interest organizations, would be affected.

**Some quick myth-busting:**

- The USDA Secretary's Office insists that ERS has historically (prior to 1994) been under the Chief Economist. This is absolutely false. From its establishment in 1961 through 1994, ERS reported to an Assistant Secretary for Economics who was explicitly given responsibility for the quality and integrity of ERS and NASS (then the Statistical Research Service) research and statistics. A separate responsibility was for producing inter-agency projections of commodity markets. An ancillary group under the Assistant Secretary for Economics was a small Policy Advisory group -- a staff function that is not unlike what the Chief Economist's staff does now. Before 1961, there was no ERS. From 1961-1994, there was no Chief Economist. After 1994, ERS reports to the Under Secretary for REE.

- The Secretary's Office seems to think that the statistical and research products of ERS are developed principally for farmers and ranchers. While farmers and ranchers are among many who benefit from knowledge about markets and farm and farm household income, the vast majority of beneficiaries of ERS research and statistical collections are the administrators of USDA programs evaluated by ERS, and food and agricultural policy decision makers, including those in Congress. The portfolio of evidence-based research findings and statistics from ERS inform policy and program decisions across numerous dimensions, including food assistance programs, rural development efforts, natural resource and conservation programs, food safety, international trade negotiations, and food policy.
- The Secretary's Office points to the fact that many USDA agencies are located outside of Washington, DC as a rationale for relocating ERS. That is true, but agencies like NRCS, RMA, and FSA are running programs that do assist farmers and ranchers directly, regulatory agencies like GIPSA and FSIS need to be able to work in the field, and very large agencies like ARS are able to tailor their national program to distinct and different regional needs and are distributed across America. There is no compelling reason for national-level program and policy evaluation to be located outside of Washington, DC.