

USDA Economic Research Service

Priorities for the 117th Congress and 2021-2025 Administration

The Economic Research Service's (ERS) mission is "to anticipate trends and emerging issues in agriculture, food, the environment, and rural America and to conduct high-quality, objective economic research to inform and enhance public and private decision making," which it has executed extremely well. Through most of the 2010's, it was [ranked #3 in the world](#) for institutions in the field of agricultural economics (out of 2,512 institutions).

ERS needs

- Support and flexibility to rebuild its staff, especially for senior leadership;
- Affirmation and commitment from the Department for its
 - independence and objectivity within the Research, Education, and Economics mission area
 - role as one of 13 principal Federal statistical agencies, thereby adhering to the directives of the Chief Statistician of the United States as set out in long-established Presidential executive orders.
- Further consideration of its optimal configuration

Mission, scope, and products

The Economic Research Service (ERS) is a statistical and social science research agency within USDA. The mission of ERS is to anticipate trends and emerging issues in agriculture, food, the environment, and rural America and to conduct high-quality, objective research to inform and enhance public and private decision making. The origins of ERS date back to 1905; in 1961, USDA created ERS with responsibility to conduct economic research and policy analysis that informs program and policy decisions throughout USDA. The ERS intramural research program consistently provides USDA program agencies with timely, high quality, respected, and objective analytical findings that allow them to evaluate, assess, and improve their service to the American public.

This public good research would not have been implemented by the private sector, nor conceived by most academic researchers on their own. It is fostered by intimate knowledge of and collaboration with the USDA program agencies, access to data and information only accessible within the USDA, and tackles topics that may be considered risky research ventures due to scale, the costs required to resolve sparsity of data, and, in some cases the short time period within which results are needed to guide policy or program decisions. The agency's research products are contained in policy briefs and the ERS web site and published as ERS peer reviewed Reports, in peer reviewed journals, and in popular outlets, and frequently cited by news media.

ERS' core mission covers inherently governmental functions and the production of public goods that are best delivered by an intramural research agency. These functions and products include: 1) research that builds on unique or confidential data sources or investments at the Federal level and is inherent in the role of a Federal Statistical Agency; 2) coordination for a national perspective or framework; 3) sustained investment and large teams to provide continuity for specific data, models and products; 4) direct service and attention to the U.S. Government's or USDA's long-term national goals which are not likely to be understood or valued by the private sector or academia; and 5) data and analysis that address questions that have a short-run payoff or immediate policy implications.

ERS research, data and analysis address topics serving the breadth of USDA Mission Areas, including:

- Agricultural Economy – farm sector performance and farm households' well-being; farm size and concentration; market analysis, data, and projections on commodity supply, demand, and prices; and Federal farm policies.
- Global Markets and Trade – major markets and competitors, economic impacts of exports and imports, trade barriers, and potential trade agreements
- Resources and Environment – economic impacts of conservation programs, efficacy of policies designed to protect the environment, and enhancing agricultural competitiveness through technology
- Food and Nutrition – U.S. food security, food and nutrition assistance programs, food choices and health outcomes, food access and store proximity, food retailing and marketing, and food prices
- Food Safety – societal benefits associated with reducing food safety risks, economic impacts of food hazards, and potential results of regulation versus industry decisions
- Rural Economy – investments in rural communities and drivers of rural economic performance, demographic change and its impact on rural communities

In addition to published reports and articles in each of those topic areas, closely-watched ERS products include: forecasts of farm business and household income, outlook reports covering major crops and livestock products and food price forecasts, annual 10-year projections for the farm sector; estimates of U.S. and international agricultural productivity, rural county typologies, annual report on food security of U.S. households and Cost Estimates of Foodborne Illnesses.

Opportunity

In the years ahead, the opportunity exists to restore and enhance the capacity of ERS to carry out its mission. ERS experienced significant departures of staff due to the abrupt relocation of about two-thirds of the Agency's functions from Washington D.C. to Kansas City, MO in September 2019. Attrition of 70 percent of staff and managers whose positions moved to K.C. severely degraded ERS' ability to deliver on mission-critical, time sensitive and mandated products. All told, ERS lost more than 2,000 years of experience in FY2020. On the plus side, ERS has had record success in hiring new staff, primarily in entry-level positions, since the relocation announcement. However, the skill sets needed to accomplish ERS' mission are highly specialized; new hires are talented, with strong technical skills, but will need

extensive mentoring and training to successfully fulfill the expectations for these positions. Renewed efforts, employing all needed flexibilities, to recruit senior staff and managers with the required specialized expertise are essential to conduct that mentoring and ensure that ERS Builds Back Better.

Although a portion of the staff remained in Washington and new hires have been made, the agency's ability to provide data, analysis, and research across the fields of its mission has been seriously compromised by the erosion of expertise and institutional knowledge. Moreover, its standing and effective operation both as an intramural research agency and as an independent statistical agency have been eroded by inappropriate intervention by offices within USDA with different objectives and a failure to adhere to the shared principles and practices of the Federal statistical system. Nonetheless, a return to its former effectiveness and preeminence is possible with existing budgetary resources and within the established framework of Federal human capital, management, and statistical procedures.

Challenges and Priorities

Recognizing the reality that the agency now operates in two cities, the ERS Administrator should have the authority to determine whether future hires are best placed in Washington or Kansas City. This flexibility will enable the Administrator to balance the requirements of the agency's data and analytical functions with its attractiveness to new researchers who have a preference for one location over the other.

Within the Department, the Secretary should acknowledge the independence and objectivity of ERS as an agency within the Research, Education, and Economics (REE) mission area, as established in statute and Department regulation. By delegation from the Secretary, the REE Undersecretary has sole oversight of the agency's program and publications, to be carried out in coordination, with, but not in subordination to, other parts of USDA, including the Office of the Chief Economist, the Office of Communications, and the program agencies in the other mission areas. Moreover, the ERS Administrator has, and should retain, the sole right to establish and ensure compliance with pre-determined release dates and final approval for the release of all ERS publications, as is currently established in USDA DR 9800-001. Compliance with [USDA Scientific Integrity rules and regulations](#) around the objectivity, quality, and communication of scientific activities should also be closely observed to instill public confidence in findings and products.

The Department should recommit to ensuring that ERS, as one of 13 principal Federal statistical agencies, adheres to the directives of the Chief Statistician of the United States as set out in long-established Presidential executive orders. These directives protect the objectivity and credibility of ERS data and analysis and procedures for the public release of them. For example, control of the electronic release of information should rest solely with the ERS administrator, without intervention by Department-level information technology officials. As well, the directives provide safeguards against inappropriate actions by policy officials that compromise the agency's objectivity, its credibility, and its value to the American public.

Recruiting and retaining senior leadership is critical to rebuilding the agency's research and data program. Indeed, this is a human capital challenge for science agencies across the Federal government. In the case of ERS, attrition was exacerbated with the departure of experienced staff that followed after relocation, leaving the agency rudderless. Only three of fifteen ERS branch chiefs were retained, and only one made the move to KC. For example, ERS lost senior managers and senior researchers who

directed and collaborated on essential work on climate change and natural resource management and conservation, on Federal nutrition and food assistance, and on rural economic development. The Office of Personnel Management has formally recognized the critical shortage of economists in Federal service, and ERS can adopt existing OPM processes, which include pay banding and direct-hire authority for STEM positions, to attract the senior leadership it needs. And, not knowing what funds will be available – the last three President’s budgets cut ERS programs by 50-60% -- hinders good planning, as it does across the government, but is a particular constraint for ERS when its prime recruiting season occurs just when budget uncertainty is greatest.

Finally, the conduct of the agency’s work on commodity production, marketing, trade, and policy should receive particular scrutiny due both to the immediate importance of this program in informing policy and to the recent and the impending depletion of the required human capital resources available within ERS and elsewhere in USDA. It is also worthwhile considering the advantages of moving the whole of the Department’s commodity situation and outlook program, including the World Agricultural Outlook Board, to Kansas City. Indeed, of all the components of the ERS mission, this is the work that most logically belongs in farm country, although at present the bulk of the relevant resources are in Washington. In considering the future of the commodity market analysis at ERS and USDA, the Department should convene and canvass all stakeholders, including farmers and private sector firms and Congressional policy makers. Land grant faculty and administrators should participate, too. In addition to being users of the program output, their universities are the traditional source for recruitment of USDA commodity specialists, but there are now few US citizens in that pipeline.

Resources

- [Economic Research Service website](#)
- [Principles and Practices for a Federal Statistical Agency: Sixth Edition](#). National Academies of Sciences, Engineering, and Medicine. 2017.

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Supporting Organizations

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