

American Statistical Association Public Witness Testimony for the US Senate Committee on Agriculture, Nutrition and Forestry Hearing:

Agricultural Research and 2018 Farm Bill Implementation

July 16, 2019

Chair Roberts, Senator Stabenow and members of the committee, the American Statistical Association (ASA) is grateful to you for holding this hearing and for this opportunity to provide testimony. We are the oldest scientific professional association in the United States and have 18,000 members in industry, academia, and government. Founded in 1839 with a focus to help modernize the decennial census, the ASA has a long history of supporting the federal statistical agencies, which now of course include the Economic Research Service (ERS) and the National Agricultural Statistics Service as two of the designated "principal" federal statistical agencies.

In promoting the practice and profession of statistics, the ASA also has a long history of supporting statistics, the science of learning from data. Our discipline has played a fundamental role in agriculture, which has helped to improve crop yields by quantifying the effects of such factors as crop varieties, nutrients, and fertilizers. Indeed, many important statistical developments were born out of agricultural research. For example, Ronald Fisher, one of statistics' most important historical figures, developed his principles of experimental design in the context of agricultural field trials in the 1910s and 20s. Fisher invented statistical models to account for confounding factors affecting crop yields such as soil type and weather. These principles, along with new statistical methods, continue to have an important role in agricultural research, such as in precision agriculture where interventions are targeted to the needs of a crop at a specific location in a field.

Given the ASA's long history of supporting the federal statistical agencies and statistics contributing to food and agricultural research, we have repeatedly expressed profound concern

and opposition to the relocation of the ERS and National Institute of Food and Agriculture (NIFA) from their present location since the announcement last August.

The reasons for our concern and opposition are the following: (i) USDA's rushed process that also sidesteps congressional input and oversight; (ii) the detrimental impacts to the agencies and greater USDA mission area; (iii) the lack of justification for the moves and of transparency; (iv) the lack of consultation with experts and the stakeholder community; and (v) concern for the underlying motives for the moves and for the integrity of USDA science.

Despite USDA's history of careful consultation with Congress and stakeholders, USDA has rushed these moves and eschewed, ignored, or sidestepped such consultation in unilaterally deciding to relocate ERS and NIFA. We urge you as leaders of the US Senate Committee on Agriculture, Nutrition, and Forestry to tell Secretary Perdue to halt these relocations until Congress has considered the plans and given its consent in the FY20 appropriations bill.

If the moves are worth making, they are worth making through a methodical process that provides Congress the time it needs for consideration and incorporates stakeholder and expert input.

To the best of our knowledge, neither Secretary Perdue nor his staff consulted Congress or any of the USDA research community, including: (i) current or former leadership of the Research, Education and Economic (REE) mission area, ERS, or NIFA; (ii) any land-grant university representatives that have been USDA's partners in agricultural research since 1862; and (iii) USDA REE stakeholders and other research/analysis experts. While the USDA acknowledged some communications missteps regarding their initial announcement and have promised they are now listening to Congress and the research community, they have not heeded Congress's FY19 appropriations report language directing USDA to "include all cost estimates for the proposed move of the two agencies, as well as a detailed analysis of any research benefits of their relocation" as part of their FY20 budget justification or made changes to their initial relocations plans in a way that indicates they are taking the relocation concerns to heart. To their credit, USDA did retreat from their plans to administratively shift the ERS from its research arm to the office of the chief economist.

Secretary Perdue's June 13 announcement is a win for Kansas City but it comes at too great a cost for the nation. National policy is made in Washington, DC. It is common sense that ERS and NIFA, so vital to informing food and agriculture policy, should be located where national policy is made.

We all pay for a dismantled ERS that may never get back to its current <u>number-three ranking in</u> the world for agricultural economics research. Experts estimate that it will take at least five years for both agencies to get back to currently operating capacity.

The relocation disrupts the quality, breadth and timeliness of ERS' reports on topics ranging from trade and farm income to nutrition assistance and commodity projections to rural

economies and food safety. Being located outside DC also means it will be far removed from its primary audiences and collaborators, not to mention the rich talent pool so appealing to Amazon for its new headquarters. Such setbacks will affect the work of ERS in the long-run.

We will also pay for USDA's extramural research funding agency, NIFA, being dissociated from the planning and collaborations that happen in person in Washington with funding agencies for health, energy, international development, basic research and more. The interdisciplinary research NIFA coordinates with the other agencies is especially important to ensuring we keep a growing population fed and nourished on existing farmland.

In short, helping a local economy should not come at the expense of scientific research and evidence-based policymaking for food, agriculture and rural economies more broadly.

USDA has also asserted with little documentation that these moves will save taxpayers \$30 million annually. Their analysis is, in reality, a post-hoc justification for their move. As the cost-benefit analysis of the Agricultural and Applied Economics association demonstrated, the move will end up costing taxpayers. AAEA explains that USDA didn't include accurate rent estimates for other space in the National Capital Region or the cost of replacing the top talent leaving the agencies. Among the many other omitted considerations in the USDA cost justification are the additional costs of doing business from two locations; of leadership and staff having to travel between the two locations in addition to the locations they currently visit; of ERS and NIFA stakeholders needing to travel to Kansas City in addition to DC; and of the effects to the quality, breadth and timeliness of the agencies' work.

Beyond the discounted cost savings assertion, USDA's other justifications for the move fall short. The USDA stakeholder community has thoroughly dissected Secretary Perdue's rationale provided in the USDA short press release in August, which gave three main reasons: (i) "to improve USDA's ability to attract and retain highly qualified staff"; (ii) "to place these important USDA resources closer to many of its stakeholders"; and (iii) "to benefit the American taxpayers." It was asserted the realignment will "enhance the effectiveness of economic analysis at USDA." The ASA provided an especially thorough consideration of USDA's rationale and concluded the "likely negative effects of the USDA plans seem far greater than any supposed problems or asserted benefits."

USDA's credibility in presenting a justified and transparent case for moving ERS and NIFA was further undermined by the absence of a publicly available cost-benefit analysis and the use of misleading data. In supporting their claim that ERS suffered a staff attrition problem, USDA reported the ERS had a 4.5 percentage point greater annual average attrition rate than the rest of USDA for the past five years. It was Later revealed the administration used attrition data that included summer interns. More accurately, the ERS annual attrition rate is less than 1% higher than the whole of USDA for permanent employees for the last five years (FY13–FY17), according to data provided by the USDA to Sen. Pat Roberts and Sen. Debbie Stabenow. These actions

also present concerns for practicing sound evidence-based policymaking and being stewards of objective, reliable data.

USDA has been unable to show that recruitment has been an overly burdensome challenge for either agency or that any challenges will be lessened in Kansas City. Indeed, especially for ERS, recruitment is likely to be more of a challenge outside Washington, DC. The Office of Personnel Management noted last fall the challenge of recruiting economists and other science-related professionals and put in place direct hire—appointing authorities and a new pay system. Therefore, recruiting challenges will likely be greater in Kansas City, at least for economists where the expected lower pay will negate any cost-of-living gains. The Washington area has several advantages for hiring specialized professionals as noted already by Amazon's decision to place its second headquarters there. Among the advantages are the many opportunities for dual-career households. For economists specifically, the other three of the top four ranked agricultural economics research institutions in the world are all in the Washington, DC, area.

Because USDA's stated rationale doesn't come close to justifying the relocation, there is broad concern for other motives, which is part of our grave concern for the <u>integrity of USDA science</u>. Secretary Perdue's relocations of ERS and NIFA and realignment of ERS appear, at least, to disregard the work of ERS and NIFA and, at worst, as an attempt to undermine their work. The secretary's budget requests to slash ERS funding indicate a desire to undercut the work of ERS. USDA's requirement that its scientists label their journal-published work as "preliminary"— finally <u>reversed last month after an outcry</u>—also seems more an attempt to undermine USDA science than good policy. If Secretary Perdue had consulted with scientific leaders and experts before announcing his ERS and NIFA plans or had made course corrections since, perhaps we wouldn't be as concerned for USDA scientific integrity. Our concerns would also likely be lessened if there were a Senate-confirmed—with broad bipartisan support—chief scientist in place at USDA. One role of the chief scientist is to protect USDA scientific integrity.

Without a Senate-confirmed chief scientist and other checks in place for the integrity of science at USDA, we call on the US Senate to protect the integrity of USDA science and evidence-based policymaking by at least slowing down the relocation.

The opposition to Secretary Perdue's plans has been broad. The ASA is one of many groups opposing the moves. In June, 177 organizations signed a letter to Senate appropriators urging they block the USDA moves. In March, 108 organizations signed a letter to House and Senate appropriators urging they block the USDA moves. The chief scientists and REE undersecretaries from the previous two administrations have also actively opposed the moves, including in testimony before the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies and a letter to Congress that has since been signed by 79 other leaders in the land-grant university system. Former USDA officials and leaders of federal statistical agencies also voiced their concerns in October. In November, the ASA Board of Directors issued a statement of concern for the USDA Economic Research Service and on the vital and unique role of federal statistical agencies. We attach these letters.

NB: Rather than appending the letters for this online version, we provide links to the letters (as copied from the ASA letters page):

- ASA joins letter signed by 170 other organizations expressing concern for the integrity of USDA science and urging the US Senate to immediately take all steps necessary to support agricultural research, 6/26/19.
- 100+ organizations Agriculture, Food, and Science Organizations Urge Congress to Block USDA ERS/NIFA Moves, 3/25/19 (full committee); press release.
- ASA joins 57 other organizations in thanking Congressional appropriators for language to protect
 the USDA Economic Research Service and National Institute of Food and Agriculture, <u>2/1/19</u> (<u>full</u>
 committee).
- Former USDA chief scientists and research undersecretaries, along with dozens of current and former university agricultural leaders, write to congress urging they "intervene to stop the restructuring of REE at least until there has been a comprehensive independent study and full consultation with the stakeholder community." Appropriators, authorizers.
- 60 organization write congressional appropriators requesting that no FY19 funds be used for the relocation or realignment of the USDA Economic Research Service or the National Institute of Food and Agriculture, <u>11/13/18</u>.
- ASA joins letter to Congressional appropriators asking they convey to USDA that it not take any
 action to implement any part of the ERS and NIFA relocations and realignment during continuing
 resolution, 10/10/18.
- ASA helps organize letter to Congress opposing USDA ERS actions signed by 56 former USDA and statistical agency officials; <u>authorizers 10/9/18</u>, <u>appropriators 10/9/18</u>.
- ASA thanks Congressional leaders questioning, raising concerns, and/or opposing USDA plans for the Economic Research Service; <u>Roberts/Stabenow</u>,
 9/17/18; <u>Bishop/Delauro/Pingree/Pocan</u>; <u>Minority Whip Hoyer</u>; <u>Norton</u>; <u>Cardin/Kaine/Van</u> <u>Hollen/Warner</u>.
- ASA President urges the Economic Research Service be kept in Washington, DC are and in the research arm of the US Department of Agriculture, 8/22/18 (agriculture committees); 8/22/18 (agriculture appropriations subcommittee); AAEA letter, 8/28/18; Friends of Agricultural Statistics, Agriculture Committee, Agriculture Appropriations; National Institute of Food and Agriculture (NIFA), Congress 9/6/18; NIFA, USDA 9/6/18.