

The Value of Economic Information to U.S. Agricultural Policymakers

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- Both the U.S. Department of Agriculture and the Congressional authorizing committees for federal agricultural policy have long emphasized the importance of having good data and economic analyses to support the policymaking process
- Almost since the beginning of the federal focus on U.S. agriculture nearly 170 years ago, collecting statistics and conducting analyses has been a part of the mixture.

In at the Start of USDA

- U.S. Department of Agriculture established in 1862; Division of Agriculture in U.S. Patent Office previously
- One of the first offices established by the new Commissioner was a Division of Statistics in 1863
- That Division was combined into a Bureau of Statistics in 1902, along with Foreign Markets



U.S. Patent Office Building, which housed USDA from 1862 to 1868 (in the basement)

- Secretary James Wilson added an Office of Farm Management to the Bureau of Plant Industry in 1903
- In 1922, that office was upgraded into a Bureau of Agricultural Economics
- In 1925, the passage of the Purnell Act allowed agricultural economic issues to be researched at agricultural experiment stations for the first time
- The Economic Research Service was first established in 1961, as was the Statistical Report Service, now known as the National Agricultural Statistics Service

Addressing Agricultural Data in Congress

- The Committee on Agriculture was established as a standing committee of the House in 1820
- Five years later, a similar step was taken in the Senate, now formally the Committee on Agriculture, Nutrition, and Forestry
 - Agricultural economics and research is the top subject listed under its jurisdiction
- One of the first legislative acts dealing solely with agriculture was an appropriation of \$1,000 for the Patent Office to collect agricultural data in 1839



Importance of Economic Information to Congressional Policymakers

- All Congressional Committees have to pay attention to some sets of economic information, but the House and Senate Agriculture Committees rely heavily on a range of data and economic analyses to do their work
- Both Committees generally have a professional economist on staff
 - Only 5 of 20 House Committees have such positions
 - Only 2 of 16 Senate Committees have such positions
 - Plus the Joint Committee on Taxation and Joint Economic Committee

- I served as the Chief Economist on the Democratic staff of the Senate Agriculture Committee through two farm bills
- In that capacity, I was charged with tracking and communicating key economic information and analyses to my boss
- Because we had a relatively small staff during the time we were in the Minority, I also had a significant legislative portfolio

Key Sources of Economic Information and Analyses: CBO and GAO

- All Committees have to abide by the Congressional Budget rules in promulgating new programs or modifying existing programs
- Unless waived, those rules require a budget reduction or revenue increase to offset increases in projected spending
- The Congressional Budget Office (CBO) is the official scorekeeper on such matters
 - CBO puts out budget ‘baselines’ to have an official record of status quo program spending against which new or modified programs are compared
- The Government Accountability Office (GAO) also generates mainly qualitative analyses of key programs upon request

- Committee leadership also rely on food and agricultural policy centers to conduct analyses of the impact of potential changes to key programs under their jurisdiction, including the following:
 - Food and Agricultural Policy Research Institute (University of Missouri and Iowa State)
 - Agricultural and Food Policy Center (Texas A&M)
 - Center for Agricultural and Rural Development (Iowa State)
 - Agricultural Policy Analysis Center (Univ. Tennessee)
 - Center for Budget and Policy Priorities (Washington DC)

- My boss liked to be kept apprised of the prevailing market prices for key crops and livestock and Iowa crop conditions, especially when he was spending time there
- Regularly reviewed the following USDA publications:
 - WASDE
 - AMS Market News
 - Weekly Crop Progress Report
 - Crop Production
 - Planting Intentions
- Also regularly accessed USDA databases, like ARMS, FATUS, RMA Summary of Business, and CCC spending

What USDA Reports Do Farmers Look At?

- Farm Journal Foundation works with a couple dozen farmers from 18 states on global food security issues
- I queried them on their use of USDA and other public data and reports
 - Most look at the same reports I did while on Senate Ag
 - They all recognize their private marketing consultants rely heavily on USDA data
 - Most also utilize data and reports from their state's land grant university on crop budgets, custom rates, pest control, production practices
 - One farmer has 'lost faith in the ability of U.S. government to do anything without politicizing it'

Concluding Remarks

- Economists on the House and Senate Agriculture Committees, and by extension the members they work for, rely heavily on economic data and analyses provided by a number of public sector institutions, both at federal and state level
- Bottom line, they want to know how their proposed policy changes will affect the well-being of farmers and other program beneficiaries

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