



STATEMENT FOR THE RECORD

Submitted to the U.S. Senate Committee on Agriculture, Nutrition, and Forestry

"Agricultural Research and 2018 Farm Bill Implementation"

July 18, 2019

328A Russell Senate Office Building

Washington, D.C.

Chairman Roberts, Ranking Member Stabenow, and members of the committee:

Thank you for holding a hearing on Agriculture Research and 2018 Farm Bill Implementation. National Farmers Union (NFU) represents approximately 200,000 family farmers, ranchers and rural residents, and works to protect and enhance the economic well-being and quality of life for family farmers and ranchers and rural communities across the country.

The relocation of the U.S. Department of Agriculture's (USDA) Economic Research Service (ERS) and National Institute of Food and Agriculture (NIFA) currently underway is misguided and without apparent justification. NFU opposes the relocation of these important research agencies because the process has lacked meaningful public input, relocation will serve to devalue public agriculture research, and the process is likely to have a detrimental effect on agency operations.

NFU first adopted a position against the proposal and sent a letter to Secretary of Agriculture Sonny Perdue in September 2018 articulating our concerns. NFU remains troubled by the premise of the proposed relocation and the process by which the relocation has been carried out to-date.

NFU's Policy and Background Information

NFU is a strong supporter of public agriculture research that is unbiased, data-driven, and free from political influence. Our grassroots, member-driven policy "supports increased funding for public agricultural research" and notes that reductions in state and federal funding for agriculture research and the "increase in private research has reduced the sharing of information and increases costs of production inputs."¹

ERS and NIFA are integral to our public agricultural research system and play major roles in helping farmers and ranchers improve productivity, natural resource stewardship, and access global markets. In the face of great economic and environmental challenges, the work of these agencies in helping family farmers and ranchers succeed is critical. Moreover, the USDA Research, Education, and Economics (REE) mission area invests approximately \$3 billion² annually in publicly funded food and agriculture research, including through ERS and NIFA, which benefits millions of people across the country. Thus, any changes made to these agencies has far-reaching consequences.

A process without strong public input or justification

The proposal does not adequately address how USDA will improve the agencies' effectiveness in serving family farmers and ranchers through the relocation process. The process to relocate these agencies has lacked meaningful public input that would better inform decision-making. The proposal was developed

¹ National Farmers Union. *Policy of the National Farmers Union*. March 2019.

² Jim Monke. Congressional Research Service (CRS). "Agricultural Research: Background and Issues." October 6, 2016.

without apparent stakeholder input or an initial, publicly available cost-benefit analysis. Additionally, USDA has failed to provide strong evidence for the reasons it offered to justify the move.

It is not evident that physically locating ERS and NIFA away from the Washington, DC area constitutes moving the agencies closer to “stakeholders.” Rather, relocation outside of the National Capital Region could significantly reduce the access important decision makers have to these agencies, thus diminishing the importance and influence of these agencies and their work. The President’s own FY2020 Budget Proposal clearly states that ERS’s “key clientele includes White House and USDA policy officials; program administrators/managers; the U.S. Congress; other Federal agencies; State and local government officials; and organizations, including farm and industry groups interested in public policy issues.”³ Since the majority of these stakeholders are located in Washington, DC, the proposed relocation would serve to diminish agency effectiveness and cross-collaboration.

Regarding USDA’s stated need to reduce costs, the Department released a cost benefit analysis along with its announcement of Kansas City as the relocation site. USDA claims it will save “nearly \$300 million nominally over a 15-year lease term on employment costs and rent.”⁴ This claim is at the very least contestable. According to a review of USDA’s cost-benefit analysis by the Agricultural and Applied Economics Association (AAEA), the proposed move could cost taxpayers \$83 to \$182 million dollars.⁵ The AAEA economists that reviewed USDA’s analysis claim USDA overstated the cost of keeping the agencies in the National Capital Region and failed to account for the value of research and data lost through resignations and retirements.

Harm to agency operations and function

In USDA’s initial announcement of its intention to relocate the agencies, it cited difficulty recruiting employees to the Washington, DC area due to high cost of living and long commutes.⁶ However, no evidence has been provided for these recruitment challenges, and to date the relocation process has resulted in significant loss of knowledgeable and experienced staff.^{7 8} Ultimately, this loss of staff may

³ “2020 USDA Explanatory Notes – Economic Research Service.” <https://www.obpa.usda.gov/16ers2020notes.pdf>

⁴ USDA. “Secretary Perdue Announces Kansas City Region as Location for ERS and NIFA.” June 13, 2019. <https://www.usda.gov/media/press-releases/2019/06/13/secretary-perdue-announces-kansas-city-region-location-ers-and-nifa>

⁵ AAEA. “AAEA review finds that USDA benefit-cost analysis underestimates the true cost of relocating researchers to Kansas City.” June 19, 2019. <https://www.aaea.org/UserFiles/file/Report-MovingUSDAResearchersWillCostTaxpayers-AAEAReport2019june19final.docx.pdf>

⁶ USDA. “USDA to Realign ERS with Chief Economist, Relocate ERS & NIFA Outside DC.” August 9, 2018. <https://www.usda.gov/media/press-releases/2018/08/09/usda-realign-ers-chief-economist-relocate-ers-nifa-outside-dc>

⁷ The American Federation of Government Employees (AFGE). “Mass Exodus Projected If USDA Forces National Institute of Food and Agriculture Workers to Relocate.” July 10, 2019. <https://www.afge.org/publication/mass-exodus-projected-if-usda-forces-national-institute-of-food-and-agriculture-workers-to-relocate/>

⁸ AFGE. “USDA Economic Research Service Faces Mission Catastrophic Attrition with September Move.” June 26, 2019. <https://www.afge.org/publication/usda-economic-research-service-faces-mission-catastrophic-attrition-with-september-move/>

lead to disruptions in NIFA's grant and program delivery and ERS's research, analysis, and reporting. Disruptions to the functioning of these agencies could have significant detrimental impact on family farmers and ranchers.

Moreover, the move is negatively affecting the welfare of several hundred federal employees and their families. Employees were given only one month to choose to relocate or resign their positions. Employees were asked to make this decision about relocation without a final decision about a building location in the Kansas City region. USDA has recently indicated it will secure a temporary building site in the Kansas City area because it has not managed to find a permanent location, thus potentially requiring multiple office moves.

It is troubling that the President's FY2020 budget request, which includes the directive to relocate ERS and NIFA, also includes a discontinuation of research at ERS that is vital to farmers, ranchers and rural communities. In particular, the budget request states that "ERS will discontinue research relative to farm, conservation and trade policy, and on investments in agricultural research and development."⁹ Also proposed is the elimination of research and extramural agreements such as drought resilience, new energy sources, local and regional food markets, beginning farmers and ranchers, invasive species, markets for environmental services, and on food safety. Food and nutrition issues and all research and statistics related to the rural economy are also proposed for removal from ERS's purview.

Conclusion

We thank the committee again for the opportunity to submit testimony. We believe the proposal and process to-date is broadly detrimental to family farmers, ranchers, and rural communities, and we oppose the relocation of ERS and NIFA. NFU stands ready to provide any additional support or information the committee may need in evaluating and considering USDA's proposal and process to-date.

Sincerely,



Roger Johnson,
President

⁹ USDA. "2020 Budget: Explanatory Notes for Committee on Appropriations, Volume 1." Page 16-6. <https://www.obpa.usda.gov/USDA2020CJ.pdf>