

House Committee on Agriculture
Farm Bill Audit

1. Program Name

National Agricultural Statistics Service

2. Subprograms/Department Initiatives

Agricultural Estimates and Census of Agriculture:

- i. 2008 Organic Production Survey,
- ii. Cash Rents Survey,
- iii. Prices Survey,
- iv. Specialty Crops Survey, and
- v. Civil Rights Report.

3. Brief History

a. 2008 Organic Program Survey: The 2007 Census of Agriculture showed more than 20,000 farmers engaged in organic production in the United States. As a follow-up to the 2007 Census, USDA conducted its first ever, wide-scale survey of organic agriculture.

b. Cash Rents Survey: NASS has been directed through the 2008 Farm Bill to collect cash rents data for use by the Farm Service Agency (FSA) in program administration. The Food, Conservation, and Energy Act of 2008, Section 2110, states,

“The Secretary (acting through the National Agricultural Statistics Service) shall conduct an annual survey of per acre estimates of county average market dry land and irrigated cash rental rates for cropland and pastureland in all counties or equivalent subdivisions within each State that have 20,000 acres of cropland or pastureland.”

The Cash Rents Survey is conducted annually by the USDA’s National Agricultural Statistics Service (NASS). The Cash Rents Survey obtains annual average cash rental rates by farmers and ranchers for all counties in the U.S. that meet the requirements outlined in the 2008 Farm Bill. This survey provides the basis for estimates of the current year’s Cash Rent paid for Irrigated Cropland, Non-irrigated Cropland, and Permanent Pasture. Data collection on the Cash Rents Survey is from February through mid July. The final 2011 Cash Rents estimates will be published on September 9, 2011. Data will be published at the county, district, State, and National level.

c. Prices Survey: The collection and publication of prices received by farmers gained importance with passage of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) and the importance continued with the passage of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

- d. Specialty Crops Survey: Issued in November 2009, this is the first time NASS has summarized and published the census of agriculture data for specialty crops.
- e. Civil Rights Report: FARM BILL Section 14006 TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS OR RANCHERS requires USDA to annually compile program application and participation rate data regarding socially disadvantaged farmers or ranchers: race, ethnicity, and gender for the entire US for each State and county.

4. Purpose/Goals

- a. 2008 Organic Program Survey: Through the Organic Production Survey, USDA's National Agricultural Statistics Service (NASS) gathered additional information on how the growth of organic farming is changing the face of U.S. agriculture. This survey gave organic producers an opportunity to share information about their industry and help ensure the continued growth and sustainability of organic farming in the United States. The survey results can be utilized to help shape decisions regarding farm policy, funding allocations, availability of goods and services, community development and other key issues. In addition, the information can help producers of organic agriculture make informed decisions about the future of their own organic production operations. The survey looked at organic farming during the 2008 calendar year, including:
 - Production of field crops, vegetables, fruits, tree nuts, berries, livestock and poultry
 - Production practices, including pest management, cover crops, crop rotation, rotational grazing, conservation tillage, water management and buffer zones
 - Production expenses
 - Marketing practices, including wholesale, retail and direct-to-consumer sales
 - Value-added production and processingThe survey included not only farm operations that are currently engaged in organic production, but those making the transition to organic agriculture.
- b. Cash Rents Survey: The Cash Rents Survey provides the per acre estimate of county average cash rent paid by farmers. Estimates derived from this survey supply basic information needed by farmers to make decisions for both short term and long term planning. The Cash Rents Report may also be used by individual producers in planning expenses for their agricultural operation or by Extension or University Staff in developing operating budgets for agricultural operations in their locale.
- c. Prices Survey: Farm commodity prices are subject to the market forces of supply and demand. However, in times of depressed commodity prices the government will make counter cyclical payments to producers to assist them. The 2008 Farm Bill continued many of the commodity programs introduced in the 2002 Farm Bill, adjusting payment levels and eligibility while introducing the ACRE program. The data showing prices

received by farmers is collected and published by NASS, and is critical to implementing and administering these programs.

- d. Specialty Crops Survey: The 2007 Census of Agriculture Specialty Crop publication provides data that supplement the 2007 Census of Agriculture, Volume 1. As a service to agricultural and economic data users, the 2007 data for specialty crops are published at the U.S. and state-level.
- e. Civil Rights Report: As stated in the Farm Bill “Using the technologies and systems of the National Agricultural Statistics Service, the Secretary shall compile and present the data compiled under paragraph (1) for each program described in the paragraph in a manner that includes the raw numbers and participation rates for (A) the entire United States; (B) each State; and (C) each county in each State.” The department will use the report to ensure all farm producers are treated equitably by departmental service providers.

5. Success in Meeting Programmatic Purpose/Goals

- a. 2008 Organic Program Survey: Data were collected, edited, analysis conducted and results released on February 3, 2010. There was an 87 percent response rate and NASS counted 14,540 USDA certified and exempt organic farms.
- b. Cash Rents Survey: The survey has been conducted each year since the 2008 Farm Bill was enacted. Published results have been made available to FSA and the general public for 2008, 2009, and 2010 as mandated by the farm bill. The 2011 results will be published on August 4, 2011.
- c. Prices Survey: NASS has maintained this important data series for many years, making this critical data available to FSA and the general public. Data are published each month in the *Agriculture Prices* report - a Principal Economic Indicator of the United States.
- d. Specialty Crops Survey: A volume was published on this subject in November 2009 at the US level and state level. An additional volume was published for Outlying Areas including Puerto Rico, U.S. Virgin Islands, Guam, and the Commonwealth of Northern Mariana Islands.
- e. Civil Rights Report: NASS has participated with the department in an ongoing process for several years to fulfill this important section of the FARM BILL: “(1) ANNUAL REQUIREMENT.--For each county and State in the United States, the Secretary of Agriculture (referred to in this section as the 'Secretary') shall annually compile program application and participation rate data regarding socially disadvantaged farmers or ranchers by computing for each program of the Department of Agriculture that serves agricultural producers and landowners—

(A) raw numbers of applicants and participants by race, ethnicity, and gender, subject to appropriate privacy protections, as determined by the Secretary; and

(B) the application and participation rate, by race, ethnicity, and gender, as a percentage of the total participation rate of all agricultural producers and landowners.

NASS has created a web-based tool that will provide participation rates for every applicable USDA program at the state and county level. NASS has worked with other agencies in developing a format the agencies can use to submit participation data to the database which the web-based tool uses. This software works to facilitate data queries for USDA program Agencies who will load program application and participation data and will be maintained by the Department. As per the Farm Bill, both percentage rate and number of applicants and participants will be available. NASS has also summarized the data for total agricultural producers at the appropriate levels which will be used as the denominator in the participation rate calculation.

6. Annual Budget Authority (FY2002-FY2011)

NATIONAL AGRICULTURAL STATISTICS SERVICE						
	Budget Authority from the Farm Bill					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Grand Total
a. 2008 Organic Production Survey - Farm Bill funds transferred to NASS through Farm Service Agency (FSA) Commodity Credit Corporation (CCC)	1,000,000					1,000,000
b. Cash Rents Survey - Reimbursable Agreement with FSA CCC	800,000	4,811,132	5,700,000	5,700,000	4,275,000	21,286,132
c. Prices Survey - Reimbursable Agreement with FSA CCC	2,486,000	2,800,000	2,800,000	2,800,000	2,800,000	13,686,000
d. Specialty Crops Survey*	-	-	-	-	-	-
e. Civil Rights Report*	-	-	-	-	-	-
Grand Total	1,800,000	4,811,132	5,700,000	5,700,000	4,275,000	22,286,132
*The Farm Bill directed work to be done on Specialty Crops Survey and Civil Rights Report but no funds were given through the Farm Bill.						

7. Annual Outlays (FY2002-FY2011)

Budget authority is the authority provided by public law to enter into financial obligations that will result in immediate or future outlays of funds. Outlays are the issuance of checks, disbursement of cash, or electronic transfer of funds made to liquidate a federal obligation. Outlays may be from unexpended balances of prior-year budgetary resources plus the current budgetary resources.

For example: The Farm Bill authorized \$1.0 million dollars in 2008 for the Organic Production Survey but most of those funds were obligated and spent in 2009.

The Farm Bill directed work on Specialty Crops and Civil Rights but no funds were provided in the Farm Bill. NASS used resources from the Census of Agriculture to summarize data needed for the survey and report. This data is considered a special tabulation of the Census, a service provided under Census of Agriculture authority.

NATIONAL AGRICULTURAL STATISTICS SERVICE						
Outlays of Farm Bill funds						
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Grand Total
a. 2008 Organic Production Survey - Farm Bill funds transferred to NASS through FSA CCC	\$12,355	\$987,645	\$0	\$0	\$0	\$1,000,000
b. Cash Rents Survey - Reimbursable Agreement with FSA CCC	\$800,000	\$4,811,132	\$5,700,000	\$5,700,000	\$4,275,000	\$21,286,132
c. Prices Survey - Reimbursable Agreement with FSA CCC	\$2,486,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$13,686,000
Outlays of NASS funds for Farm Bill directed activities						
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Grand Total
d. Specialty Crops Survey*	\$0	\$15,413	\$9,438	\$0	\$0	\$24,851
e. Civil Rights Report*	\$1,512	\$4,320	\$9,720	\$11,448	\$0	\$27,000
Grand Total	\$813,867	\$5,818,510	\$5,719,158	\$5,711,448	\$4,275,000	\$22,337,983
*NASS redirected funds to fulfill the Farm Bill direction. NASS used resources from the Census of Agriculture to summarize data needed for the survey and report. This data is considered a special tabulation of the Census, a service provided under Census of Agriculture authority.						

8. Annual Delivery Cost (FY2002-FY2011)

NASS programs are very integrated; most of the surveys are done from questionnaires with the farmers and ranchers. The questions cover a wide variety of crops; farming and ranching practices; operator characteristics (primary occupation, sex, age, race, and Spanish, Hispanic, or Latino origin); farm size and type of ownership (family, partnership, corporation, other). NASS produces over 500 reports derived from this data.

NATIONAL AGRICULTURAL STATISTICS SERVICE						
	Annual Cost of Surveys					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Grand Total
a. 2008 Organic Production Survey - Farm Bill funds transferred to NASS through FSA CCC						
Salary expenses Subtotal	\$12,355	\$987,645	\$0	\$0	\$0	\$1,000,000
FTEs	0.0	6.2	0.0	0.0	0.0	6.2
2008 Organic Production Survey - funds appropriated to NASS						
Salary expenses Subtotal		\$174,410	\$441,040	\$0	\$0	\$615,450
Contracts	\$0	\$485,897	\$0	\$0	\$0	\$485,897
Printing	\$0	\$0	\$45,008	\$0	\$0	\$45,008
Postage	\$0	\$59,947	\$0	\$0	\$0	\$59,947
Subtotal	\$0	\$720,254	\$486,049	\$0	\$0	\$1,206,303
FTEs	0.1	4.6	4.1	0.0	0.0	8.8
Total	\$12,355	\$1,707,899	\$486,049	\$0	\$0	\$2,206,303
Total FTEs	0.1	10.8	4.1	0.0	0.0	15.0
b. Cash Rents Survey - Reimbursable Agreement with FSA CCC						
Salary expenses Subtotal	\$800,000	\$4,811,132	\$5,700,000	\$5,700,000	\$4,275,000	\$21,286,132
FTEs	7.4	44.3	52.5	52.5	39.4	196.0
c. Prices Survey - Reimbursable Agreement with FSA CCC						
Salary expenses Subtotal	\$2,486,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$13,686,000
FTEs	22.9	25.8	25.8	25.8	25.8	126.0
d. Specialty Crops Survey* - Funds appropriated to NASS						
Salary expenses Subtotal	\$0	\$13,313	\$4,438	\$0	\$0	\$17,750
FTEs	0.0	0.1	0.0	0.0	0.0	0.1
e. Civil Rights Report* - Funds appropriated to NASS						
Salary expenses	\$1,512	\$4,320	\$9,720	\$11,448	\$0	\$27,000
FTEs	0.0	0.0	0.1	0.1	0.0	0.2
Grand Total	\$3,299,867	\$9,336,664	\$9,000,206	\$8,511,448	\$7,075,000	\$37,223,185
Grand Total FTEs	30.4	81.0	82.5	78.4	65.2	337.4

*The Farm Bill directed work to be done on Specialty Crops and Civil Rights but funds were not given from the Farm Bill. NASS used resources from the Census of Agriculture to summarize data needed for the survey and report. This data is considered a special tabulation of the Census, a service provided under Census of Agriculture authority.

9. Eligibility Criteria

- a. 2008 Organic Production Survey: USDA-certified organic producers; Producers exempt from USDA certification; Producers transitioning to organic identified from the 2007 Census of Agriculture and updated for newly certified, exempt, and transitioning farms.
- b. Cash Rents: The population for the Cash Rents Survey is the USDA-NASS farm population. It includes "all operations that sold or have the potential to sell at least \$1,000 worth of agricultural products during the year." A sample of farmers / ranchers is surveyed that have or could have a cash rental agreement.
- c. Prices Survey: All entities that purchase grains, oilseeds, pulse crops, peanuts, or cotton directly from farmers are eligible to be surveyed, and represent the population. All sampled units are visited each year to go over all procedures and detailed reporting instructions to ensure that the data is accurate and complete.
- d. Specialty Crops Survey: A specialty crop is defined by Section 3 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465) as fruits and vegetables, tree nuts, dried fruits, and nursery crops (including floriculture). Maple syrup is included because some USDA agencies consider it a specialty crop. Data are provided that include and exclude maple syrup to accommodate either definition.
- e. Civil Rights Report: The population for the Civil Rights Report is the USDA-NASS farm population. It includes "all operations that sold or have the potential to sell at least \$1,000 worth of agricultural products during the year."

10. Utilization (Participation) Data

- a. 2008 Organic Production Survey: The final mail list included 28,938 farms that met the criteria of which 14,540 farms were USDA certified or exempt.
- b. Cash Rents: NASS sampled approximately 220,000 producers and strives to get 80% percent response rate.
- c. Prices Survey: NASS strives to achieve an 80% response rate for operations surveyed each month.
- d. Specialty Crops Survey: The number of farms producing specialty crops totals 247,772.
- e. Civil Rights Report: NASS used already collected data from the Census of Agriculture. The census form was mailed to approximately 3.1 million potential farm operations. The 2007 Census of Agriculture counted 2.2 million farming operations. USDA program agencies will load application and participation data for their programs. The application and participation rates and data will then be available to the general public.

11. Duplication or Overlap with Other Programs

- a. 2008 Organic Production Survey: No duplication. These data were collected from the organic producers themselves and not from certifying entities as is published from other agencies.
- b. Cash Rents: No duplication. This is the only source of information on farm level cash rent rates for all qualifying counties in the United States.
- c. Prices Survey: No duplication. This data series is the only available source of prices received by farmers available for the U.S.
- d. Specialty Crops Survey: No duplication.
- e. Civil Rights Report: No duplication. This is the only source of information for participation and application rate data.

12. Waste, Fraud and Abuse

No such instances have to date been identified.

13. Effect of Administrative Pay-go

None.