

April 7, 2018

The Honorable John Hoeven  
Chair, Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug  
Administration, and Related Agencies  
U.S. Senate  
Washington, D.C. 20510

The Honorable Jeff Merkley  
Ranking Member, Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug  
Administration, and Related Agencies  
U.S. Senate  
Washington, D.C. 20510

**RE: Maintain or Increase Funding for USDA Economic Research Programs in FY19**

Dear Chairman Hoeven and Ranking Member Merkley:

The undersigned groups, coordinated by the Agricultural and Applied Economics Association (AAEA), strongly support federal investment to advance economic research in the United States Department of Agriculture (USDA), particularly for the Economic Research Service (ERS) and the National Institute for Food and Agriculture (NIFA). We support funding for these agencies in fiscal year 2019 (FY19) at levels that are *at least* those approved in the FY18 omnibus appropriations bill signed by the President on March 23, 2018.

Economic research at ERS and NIFA addresses questions like these: How well does the current farm safety net allow farmers to manage risk? How would changes to trade policy affect farmers and consumers? What are low cost ways to track food safety? What are economic benefits and costs of conservation programs? What is the payoff to public investments in agricultural research? These questions are predominantly national in scope and would not be addressed by the private sector; their answers require public investment at the federal level.

ERS is the intramural economic research agency of the USDA. As such, it provides timely, impartial, research-based economic analysis to meet the needs of the public, of the Executive and Congress, of U.S. universities, of USDA partner agencies, and for USDA program evaluation. Like the National Agricultural Statistics Service (NASS), the ERS is a statistical agency, but its primary value lies not in the data that it collects with NASS, but rather in its economic research. The ERS plays a unique role in providing economic expertise and data-driven models that enable timely, objective analysis. Examples include 1) agricultural market price and quantity forecasts using U.S. & international data, 2) international trade analysis and global land use, 3) consumer food choices and expenditures, and 4) farm sector economics of energy, biofuels, and conservation policies. The ERS is a global leader in modeling economics of agriculture and food, with highly cited research and leadership of the top U.S. annual agricultural economic model improvement workshop. ERS data and analysis have proven essential for states to make rapid assessments of recent hurricane and flood damage.

NIFA manages extramural programs of crucial importance to supporting agricultural and applied economics research, education, and outreach outside of the federal government. We support increased funding for these research programs, especially those including economics. In particular, the Agriculture and Food Research Initiative (AFRI) provides competitive research grants both in disciplinary fields like the Agriculture Economics and Rural Communities (AERC) program and in multi-disciplinary Challenge Areas. NIFA's formula funding to land-grant institutions continues to play a crucial role in supporting the institutional base that enables state-level research, education, and extension.

ERS and NIFA are warp and weft in the fabric of economic research at the USDA. The strength of the fabric depends on the strength of both the intramural and extramural parts. As representatives of the larger community that values and benefits from USDA economic research, we the organizations signed below are deeply concerned about the cuts to USDA economic research proposed in the President's FY2019 budget. We urge you to maintain or increase funding in FY19 for ERS, NIFA, NASS, and other USDA agencies supporting economic research.

Thank you in advance for your thoughtful consideration of this request.

Sincerely,  
Agricultural and Applied Economics Association (AAEA)