

**Agricultural and Applied Economics in FY 2019
President’s Budget Request
AAEA Government Relations Program**

Contents

Context 1

USDA Summary Table 2

 Economic Research Service..... 3

 National Institute of Food and Agriculture 4

 National Agricultural Statistics Service..... 5

Other Agencies of Interest 5

 National Science Foundation 5

 United States Department of State – USAID 6

 Environmental Protection Agency 6

 U.S. Statistical Agencies as per Council of Professional Associations on Federal Statistics Reporting 7

AAEA Government Relations 7

Context

The President’s Budget for FY 2019 was released on February 12, 2018. The release of the budget occurred amidst the finalization of the FY 2018 appropriations bills. Congress has until March 23 to complete the FY 2018 bills.

The President’s Budget is largely a political document; members of Congress will consider it as they undertake the FY 2019 budget and appropriation processes. Prior to the release of the budget, on February 9, the President signed the [Bipartisan Budget Act of 2018](#) into law. The Budget Act of 2018 provides two years of relief from sequestration and raises discretionary spending caps by \$300 billion (FY 2018–2019). These changes relieve some pressure that Congress was under to allocate funds under tighter caps.

Still, for the agricultural and applied economics community, it cannot be understated that the FY 2019 proposed budget also reflects a significant reputation and perception issue that must be addressed collectively by the profession.

The President’s proposed budget clearly reflects the will of the Administration to reorganize. The reorganization is part of the USDA’s response to [Executive Order 13781](#) (signed in March 2017), which resulted in a memorandum from the Office of Management and Budget that directed agencies to contribute to a “[Comprehensive Plan for Reorganizing the Executive Branch.](#)” The effort is aimed at modernizing and streamlining agency operations.

Specifically, the [budget summary](#), its related [congressional explanatory notes for the USDA](#), and the [Office of Management and Budget \(OMB\) statistical appendix](#) denote that by 2020, the USDA plans to consolidate the ERS and NASS into one agency (pg. 216) under the [Research, Education, and Economics Mission Area](#). The budget proposal suggests severely curtailing the ERS' research function, data and statistical resources, and staff. See the ERS section of this report for more information or review the [congressional justification for its FY 2019 budget](#).

The Administration is reviewing how it can streamline federal statistical functions across multiple federal agencies. As part of this process, on January 18, 2018, the Chief Statistician of the United States and the Statistical and Science Policy Branch (SSP) in the OMB published a [request for information](#) (RFI) that would assist the OMB with establishing priorities and coordinating research efforts across the Federal Statistical System to improve federal statistics. The AAEA is working on information to provide to this solicitation to represent the profession. If you have suggestions for these comments, please email cgala@cfare.org.

In other areas of the USDA budget, investment in the work of the profession is varied. Within the National Institute of Food and Agriculture (NIFA), the budget proposes to eliminate programs on rural development and farm management, whereas the Institute outlines plans for growing other programs associated with the [Food and Agriculture Cyberinformatics and Tools \(FACT\)](#) initiative. The reorganization of the NIFA portfolio will continue to be an area of focus of the AAEA Government Relations Committee.

The AAEA Government Relations Program has taken the time to review other areas within the President's proposed budget as well. If you see areas that we've missed, or think of information that you would like us to add, please reach out to cgala@cfare.org. Your suggestions will be considered as resources permit.

USDA Summary Table

	<i>FY 2016 Actual</i>	<i>FY 2017 Actual</i>	<i>FY 2018 Senate</i>	<i>FY 2019 Budget Req.</i>
<i>USDA</i>				
<i>Office of the Chief Economist</i>	\$17.8 M	\$18.9 M	\$16.9 M	\$19.5 M
<i>Economic Research Service</i>	\$85.4 M	\$86.8 M	\$86.8 M	\$45 M
<i>National Agricultural Statistics Service</i>	\$171.2 M	\$168.4 M	\$191.7 M	\$165 M
<i>National Institute of Food and Agriculture</i>	\$849.5 M	\$819.7 M	\$854.9 M	\$794.5 M
<i>AFRI</i>	\$350 M	\$375 M	\$375 M	\$375 M

Economic Research Service

View the ERS congressional explanatory notes [here](#).

The President's request would cut the budget of the Economic Research Service (ERS) almost in half (48.1 percent), which would bring its FY 2019 funding level to \$45 million, compared to \$86.8 million enacted in FY 2017. The budget proposes to streamline the research efforts of the Economic Research Service by eliminating low priority research (rural economy, natural resources and conservation, food choices related to SNAP, and food safety). The budget level would largely eliminate ERS' research activities, although it would support staff to develop and report statistics and conduct research needed to ensure the sustained ability to develop meaningful measures of economic concepts. The President's budget states that some of the research currently being conducted by ERS duplicates research that is already being conducted within the private sector and by non-profits.

In many cases, there is little or no incentive for the private sector to undertake these data collection services and the inherent risks that such curation includes. Non-profits also often lack the capabilities to collect such information or provide such analysis. Finally, government sources and related analysis provide independent verification of information, as well as information regarding public costs and benefits that would not otherwise be reported.

The budget would reduce staff and focus on core data analyses.

Impact of a \$41 M cut on staff, data, and research programs, should it be adopted:

- \$10 M in the budget would decrease the ERS workforce from 329 to 148 personnel. As a result, this would bring the total actual budget to \$35 M.
- Cooperative and extramural agreements for research innovations would be eliminated.
- ERS would discontinue research relative to farm, conservation, and trade policy, and on investment in agricultural research and development. It would also discontinue its annual estimates of international food security for low- and middle-income countries and research on international development that supports this activity.
- ERS would no longer have sufficient staff and budget to conduct research, analysis, or data development on the [rural economy](#).
- ERS would no longer have sufficient staff and budget to conduct research on [conservation policies or environmental issues](#).
- ERS would no longer have sufficient staff and budget to conduct research on [food choices as related to food assistance programs](#), including all data resources related to the Food Environmental Atlas, Food Access Research Atlas, SNAP Data System, Fruit and Vegetable Prices, and Price Spreads from Farm to Consumer. ERS would produce core data products and statistics on food security, food availability, and food prices. See [Food & Nutrition Assistance](#).
- Research related to food safety would also be eliminated. Research by NIFA and ARS would be prioritized in relation to [food safety](#).
- The budget would allow for maintenance of national and regional estimates from the [Agricultural Resource Management Survey \(ARMS\)](#) but would require discontinuing the state level estimates (currently produced for the 15 largest agricultural producing states). In addition, the periodicity of the crop and livestock commodity specific surveys would be lengthened. However, this program would receive a 25 percent cut.
- The [Consumer Data Information Program \(CDIP\)](#) would be eliminated, except for core information related to U.S. food security. Therefore, retail scanner data, grocery store and restaurant location

data, modules on national surveys, investments in FoodAPS, and access by the academic community to the NORC enclave of restricted data would be eliminated.

- The capacity for the ERS to provide support to USDA administration through staff request would be cut in half.

Included in \$35 M:

- ERS would provide data products and statistics for farm financial information (e.g., estimates of farm income and commodity costs of production), agricultural commodity markets, USDA's domestic and international baseline, international trade, U.S. agricultural productivity, loss-adjusted food availability, and monthly forecasts of the Consumer Price Index for food. The funding level would support the agency's Commodity Outlook program and participation in USDA's Interagency Commodity Estimates Committees and recurring analyses for commodities covered by USDA Farm Act Commodity programs. ERS would continue to model USDA's Agricultural Baseline Projections. Production of these statistics requires purchase (\$5.7M) of the Agricultural Resource Management Survey (ARMS), U.S. food security data, and private sector commodity data and intelligence.

National Institute of Food and Agriculture

View the NIFA congressional explanatory notes [here](#).

The FY 2019 request for the National Institute of Food and Agriculture (NIFA), which funds extramural research, education, and extension programs within the USDA, is \$1.3 billion in discretionary funding, a 7.7 percent decrease from the FY 2017 enacted level. View the full congressional explanatory notes [here](#).

The FY 2019 budget would eliminate several NIFA programs, including:

- Farm Business Management; Sun Grants; Global Change/UV Monitoring; Regional Rural Development Centers; Multicultural Scholars, Graduate Fellowships and Institution Challenge Grants; New Technologies for Agricultural Extension; Rural Health and Safety Education; Renewable Resources Extension Act; and Women and Minorities in STEM Fields.

The President's FY 2019 budget would provide flat funding—at \$375 million—for the Agriculture and Food Research Initiative (AFRI). It is notable that the budget proposal restructures AFRI into three “foci”:

- **Foundational and Applied Science** (\$224 million),
- **Sustainable Agricultural Systems** (\$98.9 million), and
- **Education and Workforce Development** (\$32.1 million).

The budget states that the “foci” will catalyze foundational and large systems-level research needed to spur innovation in U.S. food and agricultural science, promote economic prosperity in America's rural communities, and enhance the nation's global preeminence in food and agricultural production.

Foundational and Applied Science would support research investments in plant and animal breeding that support classical breeding efforts to improve crop and animal productivity, and in emerging technologies such as gene editing, autonomous systems, and machine learning as applied to agriculture. Enhanced investments will also foster research on water for agriculture; emerging research opportunities in the microbiome of foods, food animals, plants, and soils; strategies to mitigate antimicrobial resistance; and data-driven research in agricultural science as a part of the Food and Agriculture Cyberinformatics and Tools Initiative. This change will **not** eliminate the current [AFRI Foundational Program, Agriculture Economics and Rural Communities](#).

Sustainable Agricultural Systems would support large integrative projects that develop solutions to major agricultural system challenges. This will enable NIFA's goal of advancing the convergence of agricultural sciences with engineering, data science, nutritional and food sciences, social sciences, and other disciplines, including nanotechnology, computational sciences, and advanced manufacturing, to generate new scientific discoveries, new products, new markets and, consequently, new high-skill jobs. (These would essentially take the place of the challenge areas.)

The **Education and Workforce Development** part of AFRI, which has historically been supported through NIFA's Education and Literacy Initiative (ELI), would promote development of a technology-and data-savvy workforce to spur innovation in the agricultural sector.

National Agricultural Statistics Service

Thank you, COSSA and COPAFS, for this summary. [Here](#) is the link to the NASS congressional explanatory notes.

The National Agricultural Statistics Service (NASS) would receive \$165 million, a cut of \$6.2 million, or 3.6 percent, from the FY 2017 enacted level. The total includes \$119.7 million for Agricultural Estimates and \$45.3 million for the Census of Agriculture.

Overall, NASS' Agricultural Estimates programs would see a decrease of \$9.4 million (7.4 percent) compared to FY 2017. However, this includes \$5 million in new funding to transition the Farm Labor Survey, which had previously been conducted on a reimbursable basis through the Department of Labor, to NASS as a core program. In addition, a significant increase is provided to modernize NASS' geospatial data. The additional funding for these new activities magnifies the impact of the overall cut on NASS' remaining Agricultural Estimates programs.

At the funding level proposed in the request, NASS would eliminate several parts of its bee and honey program, eliminate its fruit chemical use survey, reduce the frequency and precision of some fruit and vegetable reports, and reduce the sample size of its acreage, crop production, and grain stocks estimates. Funding for the Census of Agriculture, which operates on a five-year cycle, would increase by \$3.1 million compared to the FY 2017 enacted level. The most recent Census was conducted in 2017 and data is still being released. The request provides funding for a 2018 Farm and Ranch Irrigation Survey, which is conducted roughly every five years, and collects detailed information on irrigation practices.

Other Agencies of Interest

National Science Foundation

[Here](#) is the link. The congressional explanatory notes have not yet been released. See the [NSF 2018–2022 Strategic Plan](#).

The FY 2019 Budget Request for NSF is \$7.472 billion, the same as the FY 2017 Current Plan level. The increase for the Research and Related Activities account will allow NSF to invest in priority areas like Advancing NSF's Big Ideas—bold questions that will drive NSF's long-term research agenda; implementing agency reforms centered on accelerating focused, cross-disciplinary efforts around two of the NSF Big Ideas—**The Future of Work at the Human-Technology Frontier**, and **Harnessing the Data Revolution**; and beginning construction on the Antarctic Infrastructure Modernization for Science project. The two NSF Big Ideas have implications for work within the agricultural and applied economics profession. We will report on the funding for the Directorate for Social, Behavioral and Economic Sciences (SBE) as the appropriations season for FY 2019 matures.

United States Department of State - USAID

The proposed U.S. State Department Budget is listed [here](#). Here is the [U.S. Government Global Food Security Strategy 2017–2021](#).

Within the Department of State, it was proposed in the budget that the Global Food Security Strategy Food Security program receive \$518 million. This is 48 percent lower than the current authorized level of \$1 billion. This program supports implementation of the program, which received strong bipartisan support in Congress for Feed the Future via food security programs that promote economic growth in the agriculture sector, a well-nourished population, and resilience to chronic vulnerability to shocks and stresses. Priorities include the twelve target countries. The Budget proposes that a quarter of the funding for longer-term food security programs will be used to improve the resilience of vulnerable populations, including addressing root causes of food crises, to help prevent recurrent food crises and reduce future humanitarian needs.

Environmental Protection Agency

	2017 Enacted	FY 2018 CR	2019 President's Budget
<i>Office of Policy (includes NCEE)</i>	\$27 M	\$28 M	\$30 M
<i>Geographic Programs</i>	\$420 M	\$431 M	\$37 M
<i>Science and Technology (ORD)</i>	\$723 M	\$495 M	\$449 M
<i>Science to Achieve Results</i>	\$36 M	NA	\$0 M
<i>National Center for Environmental Research</i>	\$63 M	\$51 M	\$4 M
<i>Office of Water (Mostly Regional Resources)</i>	\$3,739 M	\$3,631 M	\$2,475 M
<i>Clean Water State Revolving Fund (CWSRF), now State and Tribal Assistance Grants</i>	\$1,391 M	\$1,384 M	\$1,394 M

The [FY 2019 President's Budget](#), and the Environmental Protection Agency's [FY 2018–2022 Strategic Plan and the Agency Reform Plan](#), highlight actions that will enable the agency to reduce costs and more effectively utilize limited resources. According to the proposed investments laid out in the plan, the Office of Policy, which is home to the National Center for Environmental Economics (NCEE), receives a slight increase. Geographic programs, including the Great Lakes Initiative and the Chesapeake Bay Program, would experience significant cuts if the budget is adopted by Congress. The National Center for Environmental Research within the Office of Research and Development (ORD) and the Science to Achieve Results programs would also experience significant reductions.

U.S. Statistical Agencies as per Council of Professional Associations on Federal Statistics Reporting (in millions)

Agency	FY 17	FY 18 annualized CR	FY 19 Request
Bureau of Economic Analysis	\$ 107.3	\$ 106.5	\$ 100.9
Bureau of Justice Statistics ¹	\$ 91.0	\$ 97.0	\$ 98.0
Bureau of Labor Statistics	\$ 609.0	\$ 604.8	\$ 609.3
Bureau of Transportation Statistics	\$ 26	\$ 26	\$ 26
Census Bureau	\$ 1,486.0	\$ 1,476.0	\$ 3,816.9
Total Current Surveys and Programs	\$ 270.00	\$ 273.9	\$ 269.1
Total Periodic Censuses and Programs	\$ 1,210.0	\$ 1,202.0	\$ 3,547.0
Economic Research Service	\$ 87.0	\$ 86.0	\$ 45.0
Energy Information Administration	\$ 122.0	\$ 121.3	\$ 115.0
National Agricultural Statistics Service	\$ 171.0	\$ 170.0	\$ 165.0
National Center for Education Statistics ²	\$ 295.0	\$ 301.0	\$ 299.0
Statistics	\$ 120.3	\$ 127.0	\$ 123.3
Assessment	\$ 149.0	\$ 147.9	\$ 149.0
Assessment Governing Board	\$ 8.0	\$ 7.6	\$ 7.7
National Center for Health Statistics	\$ 160.0	\$ 159.0	\$ 155.0
National Center for Science and Engineering Statistics	\$ 60.0	\$ 57.0	\$ 60.0
Office of Research, Evaluation, and Statistics, SSA	\$ 24.0	\$ 32.0	\$ 31.0
Statistics of Income, IRS	\$ 34.3	\$ 33.7	\$ 35.2

¹ Includes directly appropriated funds as well as funds transferred to BJS for research and statistical services; management and administrative (M&A) costs; and assessments for rescissions.

² Includes funds for salaries and expenses of \$18, \$18, and \$18 million in 2017, 2018, and 2019, respectively, which are displayed in the Budget Appendix under the Institute of Education Sciences (IES). In addition, the National Center for Education Statistics manages the IES grant program for the State Longitudinal Data System, which is funded at \$5 million and \$6 million in 2017 and 2018, respectively, and the ED Facts Initiative, which is funded at \$5 million, \$12 million, and \$11 million in 2017, 2018, and 2019 respectively.

Council of Professional Associations on Federal Statistics References:

- [An American Budget: Analytical Perspectives](#) (for *Statistics of Income, IRS; Office of Research, Statistics and Evaluation, SSA; National Center for Science, Engineering and Statistics; National Center for Education Statistics, and Bureau of Justice Statistics*)
- [US Department of Commerce Budget in Brief FY 2019](#) (Bureau of Economic Analysis)
- [FY 19 Congressional Budget Justification Bureau of Labor Statistics](#) (Bureau of Labor Statistics)
- [US Department of Transportation, Budget Highlights, Fiscal Year 19](#) (Bureau of Transportation Statistics)
- [FY 2019 Congressional Budget Submission, U.S. Census Bureau](#) (Census Bureau)
- [USDA FY 19 Budget Summary](#) (for *Economic Research Service and National Agriculture Statistics Service*)
- [Department of Energy FY 2019 Budget in Brief](#) (Energy Information Administration)
- [Health and Human Services FY 2019 Budget in Brief](#) (National Center for Health Statistics)

AAEA Government Relations

The AAEA Government Relations Committee is currently undertaking a process of engagement with the Administration and Congress in order to discuss with them the value of the profession, our service to the public and private sectors, and future research questions, extension efforts, and education needs. If you would like to contribute ideas to this effort, you may send them to cgala@cfare.org.

There is a coalition that specifically works to support the profession and its efforts to provide innovative agricultural and applied research, extension, and education services. The [Friends of Agricultural Statistics and Analysis](#) is always seeking new members who support agricultural and applied economics research, education, extension, and statistics (agricultural.statistics@gmail.com).