

2014 Chicago Data Users Meeting
National Agricultural Statistics Service, United States Department of Agriculture (USDA)
October 20, 2014

Introductions and Opening Remarks from agency representatives within USDA

Agricultural Marketing Service (AMS)
Economic Research Service (ERS)
Foreign Agricultural Service (FAS)
National Agricultural Statistics Service (NASS)
World Agricultural Outlook Board (WAOB)
U.S. Census Bureau (Census), Department of Commerce

Questions & Answers

- Attendee:** Regarding pork export sales reporting, specifically there has been a big jump in numbers the last month to month and a half. Is that because of better reporting? If so, are we going to continue to receive better reporting? We are still at only about 30 to 40 percent of what Census is coming up with.
- FAS:** Pork is relatively new and we knew from the beginning that it would grow over time. We have been adding exporters along the way and have seen a big jump. Recently there was a sizable exporter added to the program. We are hoping that it continues. We track our data compared to Census data as well. We look at it every month and know there are differences. We believe there are items in the Census data that are not reportable to us. For example, we only collect fresh muscle cuts, I know there is trim and processed pork that is included in the Census number that is not reportable to us. Our goal for all of our commodities is to have every exporter reporting to us; it is difficult, but we are working on it. We hope the pork number continues to improve.
- Attendee:** Each year at this conference you give us the percentage of test plots that have been harvested. Can you provide that information again this year?
- NASS:** We have that information and it was also included in the October Crop Production Report. The lab percent of test plots harvested for corn was at 89 percent and soybeans were at 35 percent.
- Attendee:** How did the lack of FSA certification of acres affect your October numbers and what are the implications of getting an accurate number on the January report?
- NASS:** That is an excellent question. As you know, every October we look at the FSA data and typically make adjustments for crops such as corn, soybeans, sorghum, canola, sunflowers, and dry edible beans. We reviewed the FSA information this year more closely than usual. We looked at it nationally, by state, and by county. We also looked at satellite imagery and survey data from the June quarterly Agricultural Survey, which had a sample of more than 70,000 producers. The June Area Survey, which had approximately 11,000 1-square mile segments with an additional 30,000 plus farmer interviews, were also used to make our October estimates. . . The baseline for us is our scientifically drawn samples but we use all the other information to support any board decisions on acreage.

- Attendee:** There have been a lot of rumors floating around about situations at the county level in various FSA offices concerning issues with computers. Can you address any of those issues?
- NASS:** It is difficult for us to comment on what is going on in a county FSA office. FSA was in the middle of implementing a new Farm Bill, they also had some livestock disaster issues they were working on. Our staff worked very closely with FSA. We had numerous meetings and looked at the data in various ways including counts of plots this year compared to last year. We put a lot of time and effort in working with FSA to ensure we had the most up-to-date information available. We will continue to look at this information as we move forward to our December Agricultural Survey and continue to finalize 2014 numbers.
- Attendee:** Was the survey participation rate early in the year exceptionally low compared to other years and did that force you to take a look at some of the other information?
- NASS:** For the June Area Survey we have trained enumerators that go out to all 11,000 segments in person. They either talk to a farmer or observe what is happening in those segments. Response rates for our June Area quarterly survey were in line with response rates in prior years.
- Attendee:** A lot of samples were lost last year during October due to the government shutdown and no one was surprised by a negative residual and higher yields. In the quarterly stocks report NASS released a change in acreage. What was the thought process behind changing acreage instead of just giving them a yield bump? What kind of data did you get nine months after the fact that drove these changes?
- NASS:** We look at all components, acreage and yield, when we make our determination and let the data drive the direction we go. If adjustments are needed, we make sure they are data driven. . For crops such as soybeans, we receive crushing data and look at the information as it becomes available. It is not always new data. There are ranges around the data. In reviewing the crushing data, we knew we had to adjust both acreage and yield.
- Attendee:** A follow-up on the FSA question. The data don't seem to be as complete this year for the October report. Is there any plan for updating the data in November prior to the January report?
- NASS:** When the board meets to review this information we look at all available information at that time. If we later get more complete information, we always look at it to update what we have. As of now, we are working with FSA and receiving information on a weekly basis and will continue to evaluate the information as we receive it.
- Attendee:** The soybean supply and demand balance sheet during the last three or four years has run marginal residuals. . That is quite a big change from 60 to 90 thousand bushel residuals in the past. What has changed that we are so much finer on residuals now than a decade ago?
- WAOB:** One of the things we have been seeing the last few years is the strong demand from China. You have really tight balance sheets and changes in the use of soybeans over the last few years. When you look back at 2003 with the aphid problems, you have similarly tight balance sheets and discussions similar to those we have had in the last few years

related to corn stocks and feed residual. The numbers look somewhat different when you have tight balance sheets.

Attendee: If NASS' new Current Agricultural Industrial Reports (CAIR) on ethanol shows that yield from feed stocks is significantly different than what has been used recently, will there be an attempt to revise some of the history to match that up to the corn residual?

WAOB: We are going to look at the data as they come in. We don't know what the data are going to tell us, but we don't anticipate that the data will tell us anything different than what we have been using. In the end disappearance is disappearance, it will change how we look at feed residual but any change in ethanol use just changes feed residual. We will have to look at how we forecast and what to do looking back. There will not be back data from any source so we would have to interpolate data back to 2002 or 2004 to make adjustments. The bigger question is how we adjust looking at feed residual based on a different conversion factor. We will know more once we receive data from the ethanol report.

Attendee: Along the same lines, will we get a breakdown of sorghum that goes into that mix?

NASS: We will be collecting that data but we have not seen anything yet.

Attendee: Does NASS have the same or similar authority that Census Bureau had requiring reporting by all soybean crushers on the new Current Agricultural Industrial Reports?

NASS: This program is conducted under umbrella of the Census of Agriculture. We will have mandatory reporting authority for this program.

Attendee: Will you be working with the same universe as the Census Bureau for CAIR?

NASS: The information that we publish should be comparable to what the Census Bureau published. . We have worked with Census Bureau on our list building activity. We are working with our different industry partners so that we can have a complete enumeration of those firms and facilities.

Attendee: Is there any update on where USDA is at with tracking the porcine epidemic diarrhea (PED) virus and what kind of public notification is going to be made with regard to the program?

NASS: That is a question for AHPIS and I don't think anyone here would have that information.

Attendee: On the Hogs and Pigs Report that is quarterly if you look at the initial estimates ignoring the farrowing intentions, I have noticed that in the past NASS would revise breeding herd and pigs per litter. Now it seems that the only thing you do is wait until we have slaughter data and revise the farrowing rate. I find this a little bit odd considering we just had a disease kill off 8 percent of our pigs. Last September we all know we lost a lot of pigs and NASS did not lower or revise the pig per litter significantly. In my mind it raises the question: what are we looking at?

NASS: We have had some difficulty keeping up with and tracking the disease through our survey. We go out to about 7,500 producers on a quarterly basis. The survey was very slow in picking up the effects of the PED virus. We have had to go back and rely on slaughter to make revisions to stay in line with slaughter data. Some revisions have been

larger than what we would like to see. It has been a tough disease for us to manage in our estimation program. When we revise a number we have to revise based on something. Currently the only thing we have is slaughter data. We don't typically adjust pigs per litter because we do not have new information. The pigs per litter are a pretty tight indication for us.

Attendee: The world changed last October and it was not farrowing that changed. It was litter size. I understand you have procedures but when the world changes maybe you should change your procedures. We are now trying to guess what the litter size is going to be this winter based on published litter size that is too high from last year. I understand you need to revise numbers but I don't understand how you determined the reason the pig crop was off was due to farrowing being off when there is a disease that affects litter size. When something like this happens you have to adjust to what is going on.

NASS: Those are some good points and we are here to get feedback on our programs. We are continuing to evaluate our programs and if there are additional ways we can ask these questions or there are other tools that can help us identify these changes we will evaluate them. We need to take a look at this and see if there is a better way for us to capture this information.

Attendee: There have been two major diseases in the hog and pig industry for several years and every producer in the industry can answer how many pigs died. Just ask them pigs saved per litter or market pigs that have died, they all know how many died.

NASS: We do currently collect information on weaned pigs that have perished on the questionnaire. It is a fairly weak indication and we typically have low response to this question. We do utilize it for our end-of-season estimates on Production, Disposition, and Income (PDI).

Attendee: Why don't we publish that data? Providing the series over time will tell us something about death loss in a given quarter?

NASS: Thank you. We will take that comment back.

Attendee: FSA data seem to come out at varying times on the scheduled release day, can that be changed to a precise time and how does the group feel about the noon release time for crop reports?

NASS: We had a Federal Register notice to receive comments on the change of crop production report release time. We received 147 different responses and we looked at ways to have equal access and liquidity in the market. That is how we arrived at the noon release time. As for the timing of the release of FSA data, that is their call and I can't provide any additional detail related to that. I will, however, share the comment with FSA.

Attendee: A follow-up on the FSA issue. You noted that there were all kinds of data looked at when you made your October adjustment. Did you also look at the Census of Agriculture information?

NASS: The Census of Agriculture data are for 2012 so that was not part of our review process for the 2014 crop year. We include that information in our charting system and use it for historical trends. There is a lot more information in the FSA data than just total acres. Our

staff went through all the FSA information very thoroughly and think we extracted some important pieces that assisted with the October report.

Attendee: Do you have an idea of how complete the FSA data are?

NASS: We have an idea of how many fields were reported and how many fields are normally reported from the dataset. We even looked at counties, major corn and soybean producing counties. As already mentioned, the FSA data were used along with all the other information for the October report. We asked a random sample of counties how many acres they had left to report to get a feel for how complete the data were.

Attendee: EIA Bio Diesel reports have been delayed for months. Is there any discussion of NASS taking those reports over?

NASS: We have not had any discussion about taking over those reports. We have met with EIA to discuss their reports and release procedures but nothing related to NASS taking them over.

Attendee: Given technology related to trading and all that has changed, has there been any discussion of leaving the press out of lockup and having equal access to information for everyone at the same time?

NASS: We have talked about that and we discuss it each year. We are reviewing our security procedures for the press and the NASS release process. We are comfortable that we have a strong handle on both. We will continue to review the question as we move forward. OMB is also holding discussions with all federal statistical agencies about release procedures.

Attendee: Soybean crop estimates for both yield and acreage have been changed on multiple occasions. Is there anything that you go back and look at for corn? Why no revisions for corn?

NASS: In the case of corn, we do not have any new information like the crushing data we receive for soybeans. There is not much new information on which to base a revision to corn. The corn and soybean data are reported independently of each other on the same survey instrument. One could possibly make some inferences but we do not have any solid data to make those changes.

Attendee: Earlier you asked for feedback on ending the collection of biotech adoption rate. Just a thought that with the recent labeling concerns it may be of value to know if those numbers start to move in the opposite direction.

NASS: Thank you for that comment.

Attendee: When the time comes to put together the January Crop Report, if FSA data are still running behind, how will you handle a disagreement in the data in major corn-producing areas?

NASS: We have already talked through our process and we will continue to wait for and evaluate FSA data but we will not have any new information except for the December Agricultural Survey, which will allow us to take one last look. If additional FSA data are available, we will review them.

- Attendee:** Has there been any comparison made between the numbers coming from CAIR and the current ethanol numbers coming from EIA in an effort to bring the numbers into alignment?
- NASS:** We haven't seen any data from CAIR yet. Currently we do not have any information to compare. Once the information starts to come in we are going to look at all sources to see if we are on track. We have met with EIA to discuss their program; this gave us a better understanding of their dataset. We have also discussed with EIA the data NASS plans to publish.
- Attendee:** Is there plan to report ethanol on rail? I have spoken with EIA and was told they cannot afford to look at the weekly numbers. Is this something NASS could afford?
- NASS:** I think this is an area that EIA could explore. We focus on the collection of feedstock used to produce alcohol and co-products.
- Attendee:** The quality of foreign data varies and is sometimes questionable. Is satellite imagery helping with the quality of estimates in the WASDE reports or does FAS provide some other information to help with that?
- WAOB:** When the WASDE estimates are put together FAS participates at the World Board and makes a significant input to the process. We also use a combination of other things including meteorologists within the board. Satellite imagery is one tool, and we are also looking at government reports and the consistency of those reports. On the demand side, we are paying attention to a broad spectrum of information. Everything from the Chinese reporting numbers on cotton and what's going into their reserve programs and whether that fits with our expectation about production numbers. The WAOB also works with other countries to explain the board process and provides guidance on their statistical programs.
- FAS:** In terms of international efforts, just last week I was at a meeting that is part of the G20 designed to help the members publish more international data and strengthen their forecasting methods. The capacity building efforts will be a key component to assist countries with developing and publishing better data in the future.
- NASS:** In the long term, NASS' International Program Office works with other countries to help strengthen their statistical programs. It is an ongoing process to help countries strengthen their agricultural statistics programs.
- Attendee:** There is a current request to allow fresh beef products from Brazil and Argentina. Where does that proposal stand and who is the champion behind that request?
- FAS:** I can't answer that question, I am not sure that is in my area of expertise. APHIS handles that area. We can chat afterwards and I can give you some contacts at APHIS who should be able to address your question.
- Attendee:** My groups, along with many others here, look at a lot of data that you produce. It can be time consuming to extract the data from the USDA website. Our company has been working on APIs to connect to USDA data. Is there going to be any more progress from USDA in the coming year to expand the APIs and make the data more accessible?

NASS: Our system is available for use and if you need a technical contact I can provide you with that information.

AMS: That is what the AMS presentation was trying to convey. We understand the challenge you noted and we are trying to get all of our data on one platform with easier access. We just launched this project in October; over the next several months we will be gathering information. It will likely be a year before we have anything available. It is a long-term project; we have many things across the agency related to market news that need to be addressed and it will take some time to get everything in place.

Census: Much of our data are currently on our website and available in API format.

Attendee: For district data at the state level, four states currently report agricultural district data for acreage and yields in the crop reports. Do you see this as something that will be phased out or expanded?

NASS: The data that currently exist have external funding. There is no federal funding for NASS to produce district-level forecasts during the growing season. Whether this is expanded, reduced or continues depends on whether external funding is available.

Attendee: What process is used for mandatory price reporting recertification? How will the lacking information be addressed during the process?

AMS: It is scheduled to be re-authorized in September of 2015. The law is set to renew every five years. The industry groups are working through that process. The public makes the request to Congress for the law to be re-authorized. Once that is done, we address any changes for implementation. After it has been re-authorized we will begin the rule-making process. All the entities that are covered under the law are reporting; however, due to confidentiality we are not always able to release data for some regions.

Attendee: With the CAIR on ethanol starting up, will WAOB do anything different with the feed residual on the corn balance sheet once they have some hard data on distiller's dried grain (DDG) production?

WAOB: It's DDGs; we are not going to add it to or change the corn balance sheet. We will adjust feed residual to account for any change in DDGs.

Attendee: A question about dairy farm inventory, percent of milk production and percent of cow inventory by farm size. Until 2007, these data were published nationally and by state. In 2007, state-level data were discontinued annually but the plan was to publish them every five years. On the Quick Stats site there is not any information available at a state level but national-level information has continued. Are state-level data going to be available?

NASS: The information is available through the Census of Agriculture dataset.

Attendee: We get an estimate for what beef and pork production is for the week. There is an estimate on slaughter numbers and carcass weight. In the case of hogs, it seems like the estimate that has been provided is always lagging by a certain amount. Now that mandatory price reporting is coming in, I think we could calculate a better number using the mandatory price reporting. Has there been any thought given to using that to come up with a carcass weight?

AMS: I don't think that is anything that we have looked at. Meat production data are driven from FSIS slaughter data reported to NASS and published by AMS. The mandatory price reporting data is a different dataset and it is not all FSIS slaughter facilities. It includes only those firms large enough to qualify for mandatory reporting. We have never looked at blending those two reports for that purpose.

Attendee: These numbers are calculated using a five-week moving average so every turning point in the livestock sector is missed in the preliminary data. We have requested in the past that the process be re-thought. We could do better without the five-week moving average.

Attendee: I don't have any questions but have some recommendations. ERS's ARMS is a burdensome survey and response burden for big producers needs to be addressed. ERS needs to re-think and re-evaluate grain-consuming animal units, roughage-consuming animal units, and retail prices, those have not been re-visited for 25 to 35 years. We think NASS should stop putting out monthly data with percent changes in chickens. Those numbers are misleading when they are due only to difference in the number of days in the month. At the top of releases, NASS should put a daily average. NASS also should re-visit cold storage; more detail is needed on the meat side. We have many market sensitive reports but we do not need to add on additional non-market sensitive reports released at the same time.

NASS: Thank you. We will take those recommendations and follow-up with you if needed.

Attendee: With the revamp of the website and the effort to reach out for more reports, we have a good series on cull cows but lack a quality series on replacement cows or heifers. Would there be any way to get a quality cow price series?

AMS: We would have to look at that. A lot of the work we do in the auction markets is to gather feeder cattle information and we use states to capture that information.