

**2013 Chicago Data Users Meeting
National Agricultural Statistics Service, United States Department of Agriculture (USDA)
October 21, 2013**

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), submitted written remarks only, no staff present

Questions & Answers

Attendee: I have received a lot of comments from my clients and will share a few. There has been a lot of discussion about timing of releases. The views are very bifurcated, with no consensus. The lack of an October Crop Production and WASDE was an inconvenience, but not the end of the world. Most of the feedback is on the AMS prices and mandatory reporting. Will that ever be broken down in the future? This is one source of data they are very reliant on.

AMS: Due to the nature of the way mandatory data was reported during the government shutdown, the data will be released as a block. Plants who were covered by the law could submit their data on a daily basis, but they didn't have to. Mandatory reporting days are defined as days that the plants and USDA are both open for business. This is similar to the two working holidays that industry had last year. Some plants submitted data during the shutdown, while others did not until October 17. Those that waited until October 17 had combined all their data into one file dated October 17. There is no way to distinguish the individual daily data. Many are pushing to get the block out there. We want to hear comments. Several have said they want daily or weekly back. I don't know that we can do that since we cannot distinguish daily information. Staff are working through the weekend going through the block data. We are putting out the block of data today for October 1-16. A priority has been placed on hog and cattle purchases and slaughter data.

NASS: We received 147 comments regarding the timing of releases. The noon releases allows equal access of information to the west coast during working hours and market liquidity.

Attendee: About blue sheets formulas, no one is willing to go back to re-invoice to October 15. What is being done is reasonable.

Attendee: What kind of timing for wholesale pork forward prices and when will a comprehensive report be available to the public?

AMS: I do not have the information, and am not sure where we are at on that.

Attendee: By the end of year?

AMS: The forward price and export pork reports will be published in January 2014.

Attendee: A question, but first a comment about the release time and access to information. I can't figure out why it takes 2 seconds or more. There is a need to reevaluate how the data is released to the press. Whether it is 6 am or 2 pm it is the time to the public, however it is not equal access. With the harvest going on the last two weeks and samples being lost, discuss November handling and what you are doing different.

NASS: The shutdown caught us off guard. Objective yield samples for all commodities (corn, soybeans, and cotton) for October that were sent to the lab sat at UPS until the 17th. Some of the samples are early harvest corn samples in dent stage. These samples have high moisture, imagine them sitting in plastics bags for 17 days. Issues like these are being working through. Enumerators are instructed to know when the farmer is going to harvest and go out before the next survey period and collect data. This final data collection before harvest is then sent to the lab. We don't have a good handle of how much is missing. How much is still standing in northern of Illinois, Minnesota, and South Dakota? That is and will be the issue. The objective yield samples for soybeans, 300 or a few less, which were in the lab for October 1, are in surprisingly in good shape. It is difficult to glean information about the final harvest of soybeans since enumerators were not working October 1 – 17 and soybean material is missing. We don't know where the samples are missing. Cotton is also included in missing samples due to harvest. For the October farmer survey about 50% of contacts were made the evenings of the 27th, 28th, and 30th. Data collection was scheduled for the rest of the week. We need all hands are on deck for the best response rate possible for November. This all makes December even more critical. This is not fun, but it is the business we are in.

Attendee: Any thoughts about canola and oilseeds and other crop that were supposed to be in the October Crop Production?

NASS: We are discussing a November 1 citrus estimate. The hay estimate is gone. Oilseeds will not have a forecast until the final December estimate published in the January 10 release.

WAOB: As to the two second issue, there is not currently a solution to the problem. Due to the sensitivity of the data we do not preload the data anywhere. I cannot imagine WAOB or NASS having that out of our control. The WAOB and NASS clocks are synchronized to the National Institute of Standards and Technology clock. As soon as the time reaches noon then the data automatically goes from Washington, DC to Kansas City. Releasing directly from Washington is easier said than done due to the computer infrastructure in DC.

Attendee: Release to both the press and public at the same time.

WAOB: With prior NASS approval, NASS permits accredited press to enter the lockup area to prepare summary reports. The press cannot release anything until NASS restores communications links. USDA and press lines are opened at the same time.

NASS: The press at Lockup release that data at the same time we release the data to the public. The switches for NASS, WAOB, and the press are flipped at the same time.

Attendee: It appears that the data flow is different for the press and USDA website.

Attendee: You can't pull the data off the USDA website before press has it is published.

NASS: The challenge is that the USDA puts out a comprehensive report on the website. We don't know which parts that data user wants, so we publish all. The press publishes a summary.

WAOB: The press are inside of Lockup do not have access outside. They condense and put out their report from inside Lockup. No one can get a story out before outside access is restored to everyone at the same time. They can't do anything with their report until noon.

Attendee: Thanks from one user who has had a problem with the PDFs for addressing the problem. ERS analyzes trading changes around the stocks report. Academics research basically looking such variation from report to report. Can you share any of your results?

ERS: At this point the study does not have results to share, at least not yet.

Attendee: In regards to trying to level the playing field in the nanoseconds. Nanoseconds are critical in market price response. Having been in Lockup and in the press room, I understand the security measures. I respect the need for the media to have access to the numbers and develop stories et cetera. Due to synchronization you have no control over when that report is released. It takes at least 2 seconds to transfer data to the server in Kansas City. I am certain that it is technically doable, without questions, that the reports from the press room not be released until the USDA data hits the USDA web server. This could be coordinated to level the playing field. Perhaps discussions on this could start informally for now and moved up to formally later. This issue is not one that is not going to go away.

Attendee: This issue is not your problem. It is a political problem. It is not a problem that you need to resolve. The politicians need to mandate a 10 minute trading hold. It needs to be put back the trading.

WAOB: CFTC has no authority to regulate private sector release times.

Attendee: This needs to be done legislatively.

Attendee: Will the October 1-16 block data be an average for the whole period, for beef and pork prices?

AMS: That is what it would look like, a wider date range that is specified at the top of the report. At this time there is no intention to break it out by day.

Attendee: How comprehensive are the weekly export reports for beef and pork?

FAS: Pork is a new reporting commodity. The managers in charge of the program are constantly adding new reporting companies. We are aware of some differences between what has been reported for exports by Census and Export Sales. We continue to work closely with Census and others to ensure that the Export Sales Report accurately reflects current sales and exports of reportable commodities.

Attendee: For broilers and turkeys, how are you going to put out a monthly price? Will it be an average?

AMS: Reporting is voluntary, so we won't be able to go back and ask what did you buy and sell on that day. A monthly average is not being discussed.

Attendee: How can the Canadians publish a hogs and pigs death loss? NASS is collecting data on hog and pig death, why are they not publishing?

NASS: At this point in time we are not ready nor do we have plans to publish death loss in the quarterly report. The death loss question has a lower response rate than other items that we publish. In order to be able to publish a death loss value on a quarterly basis we would need to improve the response rate to the question. This may require changes to the survey to increase response to this question or encouraging respondents to reply better to the current question. It is our weakest number from the survey; however, it is used in the balance sheet during the estimation process. Collecting the data is difficult. Should we ask death loss at all stages? Do we collect it by weight groups or by age groups? Pigs are not in the same position in every quarter to figure out where the death loss occurred. Not all producers keep records the same way and may not be able to provide the data at each stage.

Attendee: Don't assume the Canadian number is based on anything. I wonder about any number they put out. Eventually we need to know how many died. I would like to know for the last 6 months. Where does PDI come from if we don't have a "born alive" number?

NASS: There are many sources of data that go into the PDI. The Quarterly Hogs and Pigs survey does provide information for the death loss number in the PDI publication.

Attendee: A question to follow up about the hog and pigs survey. The sample size gets smaller every year. Can you talk about more about how this affects the data or the results every quarter? The latest quarterly report is the hot topic. Have you noticed anything from the September 1 release to slaughter numbers? Can you reflect on the cattle on feed publication's two week delay? Do you see anything that could affect the data or mechanics, or people remembering the data from October 1? Such as the placement of heifers and steers, any affect on those numbers?

NASS: All reports missed due to the furlough will be published by October 31st to avoid internal system problems. The same day we came back from the shutdown, by close of business, the updated release schedule was decided and announced. Livestock will get everything published by the 31 of October. Many of our systems have problems rolling over to the next month. We stretched our data collection and analysis as far as possible. Why are we publishing? A hole in the data series is not good and it is there forever impacting month to month and year to year comparisons. Logistically some questionnaires were already mailed out and were coming back while we were on furlough just like the objective yield samples that was mentioned earlier. Some states started calling the day before the first, so we had a day's worth of calling and some questionnaires in. At this point we have no idea how much was in by the first of October. Last Friday night we started calling and will continue through the end of this week to ask producers what they had on the first of the month. There may be some memory bias. Bigger feedlots are computerized; with a push of a button office staff can retrieve information from the first of October. This is the same for poultry. There may be some memory bias, but throughout the month there were no drastic weather conditions. Well, there may have been a little weather of interest in the north. Will the

data be perfect? Maybe not, but it will be the best we can do. The publication of the reports will make it possible to compare from month to month or year to year. For weekly broilers, most operations have computer systems that have the data. We will publish the missed weeks for broilers on October 23.

NASS: There is a difference between livestock and crops. Yields and condition are as of that point of time. Livestock reports are based on inventory, which is recorded by producers in their systems. This is why we cancelled the Crop Production report. The livestock inventory has salvageable data using computerized books to get the information.

Attendee: The shutdown may resurface in January. What have we learned, especially about AMS pricing, that we can apply next time to avoid some of these pitfalls?

AMS: I do know that while I was on furlough, all of market news was on furlough. Other federal employees may not have been that were considered essential. There was a proposal to make mandatory price reporting essential that ran into a wall, it did not happen. We would like to make another run, however we are not sure if it will be successful. We are service oriented, but we were not allowed to provide more information about the shutdown. On October 1 the only thing we were allowed to do was to shut down. This was out of our control. There were calls that market news is what everyone is missing. No market news data for 16 days is a kind of Petri dish experiment. Market news was not there; hopefully this resonated as to why this service was created 100 years ago.

Attendee: On August 1st each agency had to submit a protocol of what they were going to do.

NASS: The shutdown caused the loss of these reports. We have to go by OPM rules. They instructed us to come in to shutdown computer systems only. It is illegal for us to expend funds not approved by Congress. We did not have any latitude on this issue.

Attendee: What has happened to the hogs these last 7 weeks? The hogs slaughtered numbers don't match up with the June or September reports. Do you have a good idea what has happened?

Attendee: With a plus or minus 1% growth rate that extended into October. Someone has to be asking what happened.

NASS: We are not pleased with what we are seeing. We have not changed anything in the survey. Farmers don't respond like they did ten years ago. A revision at that time of 30,000 head was a normal. We are not happy with any large revision that has been made in recent years. Since the furlough, we have been trying hard to retrieve the first 3 weeks slaughter data for October. There are a few dailies at 103% of a year ago. Porcine Epidemic Diarrhea (PED) has become a problem. We don't think the June survey picked up the full impact of PED. Declining sample sizes don't explain the entire issue, but they do contribute. We are trying to get back on track for December, however we don't have a good answer at this time about the difference between the reports and what slaughter is showing.

Attendee: I have two questions. First, back to the October acreage revisions from FSA. Will these be included in the November Crop Production?

NASS: In the November Crop Production we will incorporate the FSA data. FSA will release three business days after the WASDE report. We will release whatever we have received from FSA for October and November. One reason for the delay was the change to an August 1 sign up. As of last Friday, we have data as of early in month, just before the shut down. They are trying to catch up. As of the end of October, all crops will be using the latest set of data.

Attendee: Secondly, other countries still published in October. We did not in October, how will this change affect operations at WASDE?

WASDE: We will go back to normal operations. There was no October WASDE report because we can't prepare a global assessment without updated information from NASS. NASS numbers are critical inputs to our balance sheets. All updates, both domestic and foreign, since the September report will be reflected in the November WASDE report.

Attendee: What would it take to get price reporting mandatory? What do we need to ask Congress? What hurdle do we need to jump?

WASDE: We cannot initiate a request to the Congress for mandatory price reporting legislation. You must initiate the process.

Attendee: Is there a specific hurdle that you were not able to overcome that we can address?

WASDE: We serve the public. Mandatory reporting requires legislation by the Congress. Normally, such legislation reflects a public need including statements from report users and/or industry representatives that current reporting is inadequate for their needs. Again, it is your responsibility to express your needs to the Congress.

Attendee: Is it true that 8% of the hogs and pigs reports represent a large part of the data submitted? How does the survey response total compare to the estimate? Can I use the mean square error (MSE) on the back of the report to calculate this value?

NASS: If you look only at the sum of the reported data, then a small portion of the sample represents the majority of the data. Keep in mind that small operations have large weights that expand their values. Also, quarterly survey data for hogs and pigs are collected on an ownership basis. There are a relatively few number of owners controlling a large portion of the inventory. For operations of a certain size, a bounded stratum can account for them. For large unbounded stratum, which about half of the hogs or more fall into, the data must be accounted for by estimation. NASS does publish a *Quarterly Hogs and Pigs Methodology and Quality Measures* report to provide data users with additional methodology information not provided in the regular quarterly *Hogs and Pigs* report. This report can be found at: http://www.nass.usda.gov/Publications/Methodology_and_Data_Quality/index.asp

Attendee: Would you elaborate on estimation procedure?

NASS: Each estimate is on a per case basis and is based on previous reports.

Attendee: What hurdle can we, as CME, jump to help settle the crying out for data such as the October hogs price data? Maybe having deep pockets can help.

AMS: Thanks for comment.

Attendee: We are delighted to get milk reports back. How about cattle? We just want one back.

NASS: It is an interesting request. Given sequestration we will try to do what we can. We are trying to maintain the principal commodities of cattle on feed and hogs. Milk is not a

principal indicator and neither is cattle. I wish you were in my spot to hear the passionate pleas from the different commodities such as fruits or hops. Some groups are not talking to me because their commodity was cut. This is a tough situation.

Attendee: As a researcher and user of data, would you explain why on October first you went dark on your websites? We knew we weren't going to get any new data, but as a researcher, the numbers outside of AMS cash price history we were not able to access. Did the website have to be shutdown?

NASS: During discussions it was determined that it takes federal resources to keep those systems running. We were not allowed to incur any financial obligations during the shutdown, such as resources to keep the websites running.

Attendee: Were they completely shut down?

ERS: At ERS we had to shut the website down completely.

Attendee: Why does it take so long to report on the back log of export data from the shutdown?

FAS: The Export Sales database is an automated system. The system design requires a report to be generated for each week. Once the weekly report is generated the database is reset to receive data for the next week. No weeks may be skipped. Given the limitations of the design of the system, the schedule we've developed represents the best approach to getting caught up and back on schedule following the shutdown.

Attendee: Have you given respondents a five day window to enter data?

FAS: A notice has gone out to the reporters providing an opportunity to report any data they were not able to report during this period.

Attendee: The data will not be split out by the week even though reported weekly?

FAS: Due to the shutdown many were not able to report, except for those that faxed their data. Much of the data reported was aggregated. The export sales report for the shutdown period will be aggregated.

Attendee: What is the updated schedule for release of Census data in GATS?

FAS: August data will be available October 24th, September on November 14th.

Attendee: The FAS Export Sales numbers have discrepancies. Not so much on the pork side with the volume of data, but the beef side has a major discrepancy in the weekly numbers. Exports going out validated showing a decrease. When does the data become so far off that you are not capturing the trend?

FAS: I will take your concern back. I know that the staff is aware of this and are working to understand why these differences are occurring and to ensure that the Export Sales data is as complete as possible. They routinely work closely with Census to ensure that the Export Sales data accurately reflects U.S. exports of reportable commodities.

Attendee: We may have an issue on the census side of the FAS numbers. We buy that the census is official, but there may be an issue with it.

FAS: FAS works with Census closely to resolve issues. This is an ongoing process and we try to rectify any issues as quickly as possible.

Attendee: You mentioned a new website; will the two databases on GAIN be combined? Will we get email updates whenever new reports are released?

FAS: The two databases will not be combined. Subscription service went away with the new GAIN system. There are no plans to bring it back. The search feature is a convenient way to look for new information.

Attendee: WAOB, what are your thoughts on the Argentine Ministry of Agriculture crop estimation?

WASDE: We recognize that Argentine data may not be reliable and, frequently, we do not accept Ministry numbers. We rely heavily on information provided by the FAS post especially when we cannot reconcile information from the Argentine Ministry with other indications we have. For example, Argentine wheat milling and trade data may not match what we think with respect to production and available supplies. We share your concerns.

Attendee: A question about the US number of beef slaughter from dairy and beef. Is it possible for import from Canada to be split?

NASS: We are using FSIS data for the NASS slaughter report the way it is collected. The main goal of FSIS is to track diseases and that the meat is healthy, more than to keep tabs for inventory reasons. We can't specify to them to keep track of slaughter a different way.

Attendee: What about beef cows slaughtered from Canada?

WAOB: APHIS provides weekly trade data, but, similar to FSIS, APHIS collects data for animal health reasons, not for inventory. APHIS does not provide information on whether the animals are dairy or beef cattle.

Attendee: I am wondering if you have ever considered one website with whatever format to pull together the different weekly, daily, et cetera releases? NASS uses text, PDF, and csv formats. Mann Library uses zip, PDF, and text. WAOB chiefly uses xml, Excel, and PDF. I know that it is more direct for me to take the WASDE Office of the Chief Economist report as I can strip it quicker than others. Mann Library is so big that it weighs the website down. Leveling the playing field is what people are concerned with. Having one platform with a one type of format is one way would help with this. I don't know which format to choose; PDF is slower, Excel is live and rolling. I have heard of server issues for PDF versions. Whatever format is chosen, consolidation is possible.

NASS: Each agency has a separate appropriation so currently each agency has a separate site. We can get together and discuss how to serve the public better. Thank you for this excellent question.

Attendee: I hate to beat to this issue to death, but if the Statue of Liberty could stay open from private funds why not blue sheets?

AMS: No one approached us about this and the Department would not solicit for funds.

Attendee: New York City offered, but what if AMI or CME came to you to produce reports in the furlough, would you do it?

NASS: That is a complicated issue. A reimbursable agreement would have to be established.

Attendee: New York City employees were working; it wasn't the federal employees in the parks.

NASS: We would be supportive, if compensated, and allowed. Our staff would be more than happy to work.

Attendee: For catfish, industry was told they would have to pay \$100,000-\$200,000 to have NASS resume the reports. Why not the same offer for other reports?

NASS: NASS has cooperative agreements with others to be reimbursed for reports, but that was not the case during the shutdown. It happened so fast. Catfish was a process, where we said this is what it would take. This was not completed in one day or a two or three week period. It takes time.

Attendee: This question is on November Crop Production. On the objective yield side you said you may discover some holes, how would you convey this? Would it be in the statistics? How would this be communicated?

NASS: Staff trying to determine how to best communicate whether it is dashed out or a footnote. Until we know more, we don't know how we will communicate.

Attendee: If you do have holes, would you communicate them?

NASS: Until we know what we have, we can't really say.

Attendee: There are three criteria for staff to be considered essential: national security, safety of life or property, protection of human health. Pork prices from AMS were not included in 2011 as essential services, so we cannot make them essential now. Conversations last week were to look at those criteria to determine what is essential. AMS prices were not able to be brought back up.