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The Economic Research Service and the Evolution of Agricultural Economics Research in USDA

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United States Department of Agriculture, Economic Research Service

Before ERS there was the BAE...

The legacy of the Bureau of Agricultural Economics

- Development of the field of agricultural economics
- Links to the land-grant university system
- Leadership in local and regional land use planning
- Research on rural communities



“It is proposed to merge into this one bureau all the forces of the department which are engaged in agricultural economics work.”

--Henry C. Wallace, Secretary of Agriculture



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...and ARS and AMS



- 1953 reorganization of USDA “bureau” system
- ARS formed from the scientific research bureaus
- AMS (and other agencies) formed from production and marketing functions
- BAE divided
 - Farm management, land economics, farm finance to ARS
 - Marketing & transportation, rural population and communities, agricultural estimates/S&O to AMS





Reactions to the end of BAE

- O.V. Wells, the last BAE administrator:
 - New organization ends “disciplinary” approach in favor of “problem-based” approach
 - Shares leadership of agricultural economics with land-grants and American Farm Economics Association
- Other leaders in the field:
 - New organization places program needs ahead of fundamental research
 - Loss of leadership and prestige would affect quality of recruits
 - Loss of central, independent source of policy analysis for Secretary



Vision for a new USDA Economics Agency

- New activist administration in need of strong policy analysis for agriculture
- ERS established 1961 from most of the former BAE divisions
- Director of Agricultural Economics and Staff Economists group replace policy role of BAE



*“The *esprit de corps* of the dispersed economic workers in USDA....was at a low ebb and we knew that morale would be raised by bringing them together into one agency.”*

--Willard Cochrane,
Director of Agricultural Economics



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New ERS expands the research focus...

- Continues traditional production economics and marketing research
- Expands research in rural development and natural resources
- Adds new research areas in food economics and international development

“This will also help the Department develop a food budget that will give hard figures on normal needs of food and fiber for our own people, supplemental needs for distribution to the needy, and overseas needs in terms of our foreign economic program.”

--Orville Freeman, Secretary of Agriculture



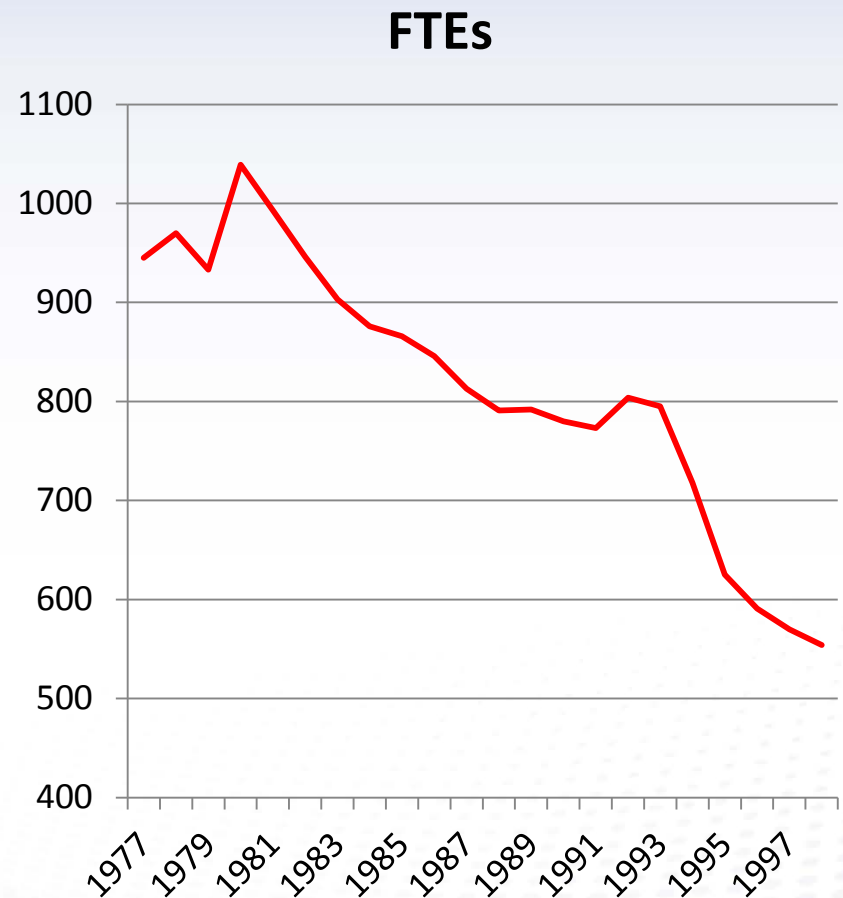
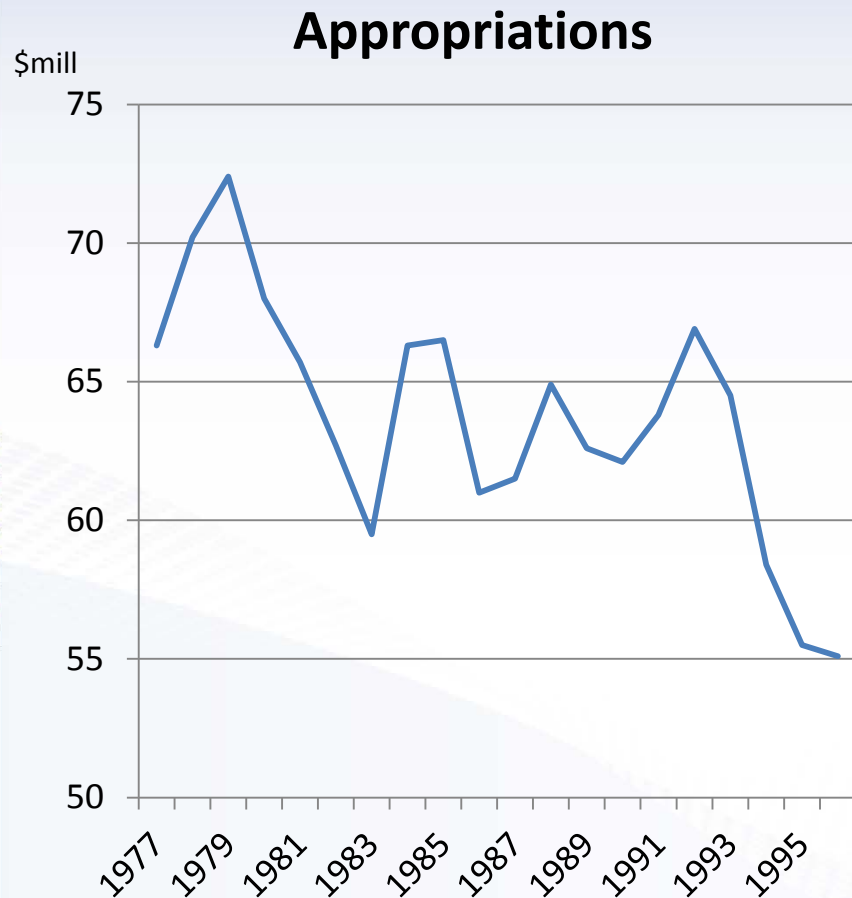


...and adjusts to growing complexity...

- Increasingly volatile and complex international context
 - Approached with increasingly sophisticated methods for studying trade effects and developing situation and outlook reports
- Building evidence of the limitations of farm policy to address rural development needs
 - Leads to expanded attention to non-farm rural conditions and policy solutions
- Expanded natural resources policy concerns and recognition of agriculture's role in environmental degradation
 - Brings integrated studies of natural resource issues and examination of farm policy alternatives



...and increasingly strained budgets



Clarifying the mission: “staff agency to the Nation” or broad-based research agency?



“The time is approaching when the...Service must further concentrate its people...to reduce further their fragmentation of research effort.”

--Nathan Koffsky, ERS Administrator

- From its earliest days, ERS leaders sought to strengthen the agency’s position by defining a clear and limited purpose, differentiating it from the comprehensive BAE mission





Creating a division of labor between USDA and the land-grant universities

- Willard Cochrane placed the question of ERS's mission within the context of the broader public agricultural economics research system

“The USDA [ERS] is...best situated by reason of its large staff, familiarity with program operations and immediate access to the necessary data to formulate the many alternative program mechanics and crank through the quantitative results of these alternatives.”


--Willard Cochrane, Director of Agricultural Economics

- ERS research staff resisted this limitation, viewing it as relegation to a lower status within that system

“Universities do not have a monopoly on brains.”

--Fred Waugh, ERS economist



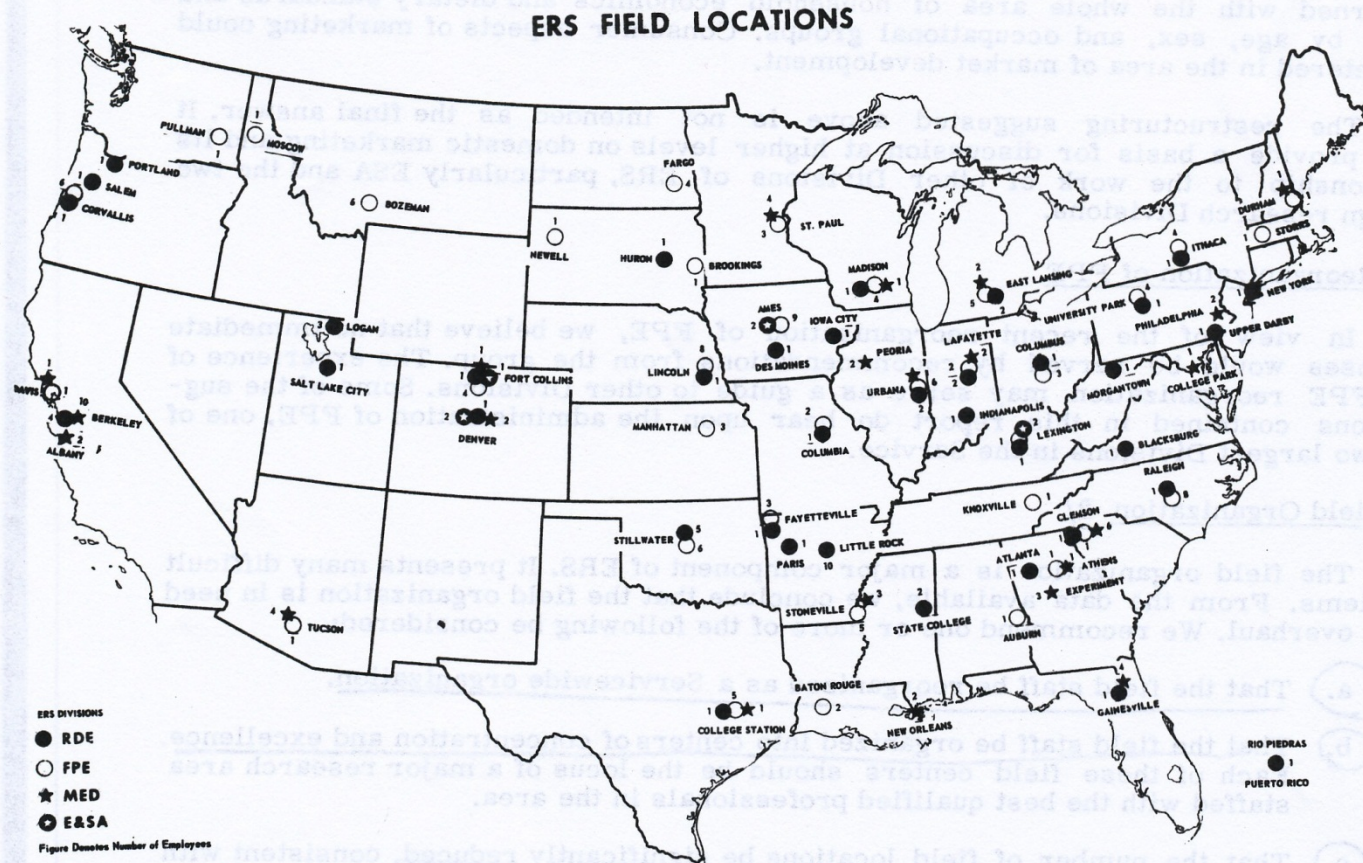


The ERS field office system: Addressing the division of labor within ERS

- Establishing identity of ERS as focused on research of national policy importance
- Confronting the challenge of managing a dispersed field staff with long-time links to university and other locations
- Facing the growing overlap of ERS and land-grant university research and interests and capabilities



ERS in the field



United States Department of Agriculture, Economic Research Service

Pressure on the field office system

- Budget and staff ceiling concerns arise by late 1970s
- Changing capacity and status of university departments
- Continued efforts to clarify ERS mission



“There has been an evolution in the relationship between ERS and the universities with increasing recognition of the uniqueness of the clientele mandates and comparative advantages.”

--John Lee, ERS Administrator





The break is made

- By 1983, a new staff location policy based all ERS staff in Washington, DC
- Plans were envisioned to continue periodic, short-term field assignments, recognizing
 - Continued value of specific field-based research
 - Continued value of broadening experiences for staff
 - Continued value of strong relationships with land-grant universities (and other state agencies)





Cooperative research continues

- Regional research committees continue to involve ERS and university researchers in collaborative, regional level research
- Professional interactions through conferences, seminars, workshops
- Cooperative research agreements and informal collaborations on specific projects





Some concluding thoughts

- Over the course of nearly 100 years, the public agricultural economics research system has developed iteratively between the land-grant universities and USDA
- Following dissolution of BAE, growing capacity at the land-grant universities and weakening influence at the national level led to a new model of specialization
- While never really implemented, the idea of specialization helped build a vision of peer partnership, rather than hierarchy, between institutions
- This partnership cultivated and protected a strong informal research infrastructure, which is perhaps the most durable basis for an integrated public research system



Selected sources

- USDA Historical Collection, National Agricultural Library, USDA
- ERS 50th Anniversary Oral History Project
- Baker and Rasmussen, “Economic Research in the Department of Agriculture: A Historical Perspective,” *Agricultural Economics Research*
- *Economics and Public Service: Proceedings of the 30th Anniversary ERS Conference*
- National Research Council, *Sowing Seeds of Change*

