



For Immediate Release
August 14, 2009

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US Agricultural Prices in the 21st Century
Review Emphasizes Improving and Enhancing NASS Prices Publications

WASHINGTON, Aug. 14, 2009 -- A report released by the Council on Food, Agricultural and Resource Economics (C-FARE) provides recommendations for strengthening the USDA National Agricultural Statistics Service (NASS) prices publications. The recommendations are a result of a two year review in which C-FARE assembled a panel of experts from academia, government and the private sector to conduct an independent, comprehensive and objective review of the Agricultural Prices Program.

Prepared at the request of the USDA NASS, the purpose of the review was to identify the strengths and weaknesses of the Agricultural Prices Program and to recommend changes to make the published statistics more accurate and useful. The report addresses objectives, concepts, procedures, data issues and other topics for the three major categories of prices reported by NASS: Prices Received, Prices Paid, and Price Indexes

“The American agricultural economy is changing rapidly, as is the demand for coverage and attributes of commodities and inputs for which prices are reported. Consequently, there is increased demand for transparency regarding how the statistics are produced and what they mean.” said Dr. John E. Lee, Review Director and former Administrator of USDA’s Economic Research Service. “This assessment will support NASS in its efforts to make its price statistics more relevant and useful for public and private users in the 21st Century.”

“The C-FARE review panel was impressed with the commitment that NASS is making to learn as much as possible about their data and how its quality and utilization can be improved.” said Dr. Steven C. Turner, who chaired the panel and is Head of the Department of Agricultural Economics at Mississippi State University.

The report lists 18 recommendations pertaining to everything from how to better utilize the website to improving accuracy and conceptual soundness of index number construction. The report encourages NASS to develop a fresh vision for the prices program, including fundamental improvements in the conceptual bases for prices and price indexes. The panel also concluded that NASS must address the responsibility that goes with heavy dependence on data and indexes from other agencies. To address these needs, NASS must commit to a stronger program of future-oriented research to support the operations program.

The independent review panel also emphasized the importance of NASS’ responses to changes in agriculture and demands of modern statistical systems, and the importance of specificity in defining attributes of items for which prices are collected. The increased focus on these areas will improve the overall soundness and usefulness of the published prices..

Copies of the report, *A Review of the USDA NASS Prices Program: Challenges and Opportunities for the 21st Century*, are available from NASS (contact Kevin Barnes, 202 720-6146) or C-FARE (contact Tamara Wagester, 202 408-8522). The report may also be viewed and downloaded from the C-FARE website (www.cfare.org) or the NASS website (www.nass.usda.gov). C-FARE is a non-profit organization based in Washington, DC, dedicated to enhancing the application of economics to food, agricultural and resource issues.

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