

our request for foreign market studies from \$790,000 to \$290,000, thereby significantly cutting back our proposed research. Although, the new appropriation will allow us to make *some* improvements in our demand studies, additional resources are needed to expand the needs of the type of research.

The Foreign Agricultural Service is also taking steps to improve its capability of making forward estimates of U.S. exports. Recently FAS combined its livestock commodity work into a single division, so that it will be easier to generate and coordinate foreign import demand estimates of feed grains and oilseeds in U.S. exports markets.

Chairman HUMPHREY. Next we have Mr. Hosea Harkness, director of planning, agri-products group, Cook Industries; Mr. Melvin Sjer- . ven, senior editor, Milling & Baking News; and Mr. David Keefe, head of commodity group, Lamson Bros. They will comment on the timeliness and accuracy of United States and world information on Agriculture, based on private industry experience.

This panel is of very significant importance to us. You can evaluate agricultural information as to whether it's useful, accurate, and of assistance to you in your daily work.

Each of your statements will be printed in its entirety in the record. Please summarize these in the interest of time.

Mr. Harkness, go right ahead, sir.

STATEMENT OF HOSEA HARKNESS, DIRECTOR OF PLANNING, AGRI-PRODUCTS GROUP, COOK INDUSTRIES, INC., MEMPHIS, TENN.

Mr. HARKNESS. I would like to emphasize just a few highlights, Senator. First of all, you made a statement yesterday in your opening comments that "A man's judgment is no better than his information," and this holds very true to the private sector, a company's judgment is no better than the information that it has.

But this information, to benefit everyone, must be timely, and it must be, if not—if it cannot be collected on a comparable basis it must be disseminated on a comparable type basis, so that it is comparable.

I think that in this country one of our greatest problems is the fact that we have the most sophisticated agricultural data collection service that exists in the world in the Statistical Reporting Service. We are so well informed in this country and have been through the years that we try to compare the world, and I'm not saying we don't need the world data. We need it badly, and this is the problem.

I would like to emphasize the outlook and situation board in the ERS, that their reports are the only economic type information that a large segment of private industry has.

Now, we as the company I represent, we have our own staff of economists, and we are doing our own economics work, but we must recognize that there are many people, and companies and organizations which are smaller than we are, who cannot afford to have this type of personnel on their payroll, and ERS is very essential to them.

And once again I want to emphasize, which has been emphasized over the last 2 days, that FAS does do the best job in the world of putting the world statistics together, which doesn't mean that we can't look ahead though to types of improvements.

I would like to just very quickly read through my recommendations.

Chairman HUMPHREY. Go ahead, sir.

Mr. HARKNESS. And to maybe make another comment or two as I go along.

"There is definitely a need for better world statistics on livestock numbers. In a sense, this is a very, very weak area, and the European countries, with Russia, the Chinese, people throughout the world want to put protein on the tables of the populations, and livestock numbers throughout the world become much more important.

There needs to be a continued effort for speeding up dissemination of foreign statistics. They have to be timely and they have to be quick. There has to be more timely release of printed copies of reports. The timelag is too great from the time that the press release is made and the printed copy is available.

Chairman HUMPHREY. That's due to the Government Printing Office. I don't think that we have updated the technology of the Government Printing Office to take care of the tremendous additional requirements.

You know, every report that you people have to fill in they have to print up there. We should take a look at what Mr. Harkness has said about the printing of material.

Mr. HARKNESS. OK, I would like to see an effort to encourage USDA personnel to better understand statistical agencies in other countries, I will point out that just a little bit later.

I would like to see-I think that it is for the benefit if there would be an elimination of some of the apparent duplication of effort by the ERS foreign analysis group with FAS taking over this total function.

And this stems from even myself as an individual asking questions and finding-and I think they are coming closer together in acknowledging that each other exists, but in years past, asking questions, and one saying, "Well, we have our own series of data and we don't agree with the other." There was a duplication of effort where they didn't get together.

OK, support for continued research methods in understanding and supplying timely intelligence for world information.

Continued support of SRS sampling and yield research, especially methods for improved techniques for early season forecasts.

Chairman HUMPHREY. Yes.

Mr. HARKNESS. And support of continued investigation of remote sensing such as the LACIE program, so that when remote sensing is an operational tool, the USDA will be able to utilize it on the domestic and foreign scene.

And then my last point, which you have read a couple of times concerning the world crop reporting board, and I would like to give a little bit more detail here of what I am proposing here, or more why I am Proposing it.

First of all, I do not think this is a time-consuming thing. I think we can look at SRS and if you lock people in a locked room at 5 o'clock in the morning, they are going to get the job done by the end of the day. In other words, in SRS and the crop reporting board, there's a difference of opinions inside those locked doors, but that report comes out, find comes out quickly, and it one number, and you do not hear one individual saying, I believe such a number and another one saying I believe there's one number and this is one of the chief things I'm after here. is that we do not need a State Department number, we do not need a CIA number, we do not need an FAS number, we need one number.

If we would go back and take the 180 and the 210 on Russia and we would have been better from a user community to have had a number

half-way in between, or had them come to an agreement on which number was best.

Chairman HUMPHREY. I think that it greatly depends upon the clearance procedures that you have. If the Secretary of Agriculture, were chairman of the World Board, and the clearance procedure required that within 24 hours all documentation must be cleared, this would eliminate the business of having everyone initial the report.

Have you ever seen one of these documents that clears the Government? Everybody from the fellow that's emptying the wastepaper basket up to the man that's going to call on the visiting head of state has to get his little initials on the side, and of course, they are out of town half the time. That's been the problem with clearance procedures.

Go ahead, I'm on your side.

Mr. HARKNESS: I have one last item—

Mr. DESIMONE. Before we go to that, Mr. Chairman, may I suggest that the wording in the recommendation—"we could eliminate duplicate numbers floating around in the Government"—is confusing.

I think perhaps part of the problem that Dr. Paarlberg and others have had, is that what you really mean is that there are confiding numbers, not duplicate numbers.

Mr. HARKNESS, YES, OK.

One other point I'd like to bring out under No. 9, and this is No. 4, and the reason I put No. 4 about understanding statistical agencies in other countries is I have traveled in other countries and I hunted out the person who was the administrator of SRS-type persons in other countries and tried to understand their statistics system, and they then—I know what their official number is, and I know in my opinion—and this is strictly my own opinion—how much confidence I would put in that number, and some of these countries that have very, very high confidence in their statistical reporting systems—but when the FAS report comes out, which has been based on attaches' analyses and so on and so forth, it would be a number entirely different, because they don't believe it.

I think that there is not an understanding hereof what makes a good statistical system within a country, and we have some systems in the world which have—which are as good as the United States. They are not as timely, but they are as good. They may be 1 or 2 years getting the information out, but the data, as it was collected, was collected with very, very sound statistical bases.

Chairman HUMPHREY. I think that's a very worthwhile recommendation.

All right, are you through with your statement?

Mr. HARKNESS. I'm through, yes.

Chairman HUMPHREY. Thank you.

[The prepared statement of Mr. Harkness follows:]

STATEMENT OF HOSEA S. HARKNESS, DIRECTOR OF PLANNING, AGRI-PRODUCTS GROUP, COOK INDUSTRIES, INC., MEMPHIS, TENN.

We, as an international trading company, live day by day with the agricultural statistical information which is available from all sources we can locate worldwide. Plus, we continuously attempt to verify by our own intelligence where data is being released untimely or is totally lacking.

Data, to be of the most benefit, must be collected in a comparable manner and must be released in a timely manner. Both of these factors play a key role with the organizations under discussion at this hearing.

I would like to take these organizations one at a time and begin with the Statistical Reporting Service. This organization is the most sophisticated agricultural data collection service in the world. Reports are released with a timeliness that exists nowhere else. Quality of the forecasts and estimates are unsurpassed. The most criticism expressed against SRS is by individuals or groups who, in my opinion, don't understand the system. Improvements undoubtedly can be made but these become minor when you look at other informational areas worldwide which lag far behind.

On the domestic scene, let's look at the Economic Research Service. Prior to late 1872, the Situation Board issued scheduled reports that would spell out the situation when released but generally did not look ahead and were quickly outdated. As a result, the Situation Board and staff were frequently lagging far behind the current events and had no reason to catch up until the next regular Situation report was due for release. A large segment of private industry depended on this service, and as a result were not being kept up to date on the domestic situation. Since 1972, the Supply-Demand estimates released when there was a new major crop number published have forced the Situation Board to become more realistic and to keep up to date. As a result, these analyses have become much more useful to the public.

Each Supply-Demand Report needs to be broadened to give further explanation of the component parts of the supply-demand balance tables. For example, when changes are made in domestic usage, they need to be quantified. We need to know if that domestic change was the result of livestock feeding or was it because of a change in mill consumption or other non-feeding reasons. Such as, on September 12, 1974, the Supply-Demand report indicated that the feed usage of corn for the 1974-76 season would be 3,73%3,859 million bushels. On October 11, 1974, following the October 1 crop report, the Supply-Demand Report indicated 1974-75 corn feed usage at 3,487-3,607 million bushels, which represented a change of 250 million bushels from September. The October report made the inference the reduction was the result of declining production. However, the report did not state if the reduction was concerning the number of livestock on feed or the rate of feed the livestock would receive. Livestock number and rate of feeding are both a basic part of the corn market.

Now for the Foreign Agricultural Service, it does the best job in the world of putting world statistics together on a *comparable* basis. They have speeded up their release of data considerably since 1972. Prior to, the 1972 crop season, information on a given country might be two-three months old before released. Information supplied in attache reports might be a month old when submitted, then the FAS circular was released one to two months later. Statistics are almost meaningless if a report indicates the corn crop in a given country is doing excellent but by the time the information is released two months later, the crop has deteriorated sharply due to a severe drought or crop infestation. To a certain degree, these problems have been overcome. The development of country balance tables have been a major improvement in giving a more comparable picture of the world situation. The analysis of the USSR situation has been good information for public consumption; however, a reluctance to change as quickly as conditions might indicate has been noted. All in all, we feel good effort is being made to feed information quickly to the public.

The export commitment reports are overall fairly good except for Western Europe, where speculative buying by countries keeps the actual numbers less certain.

Recommendations, as we see them, for improvement of agricultural information systems are:

1. The need for better world statistics on livestock numbers.
2. Continued efforts for speeding up dissemination of foreign statistics.
3. More timely release of printed copies of reports. The time lag is too great from the press release to the printed report release.
4. Encourage an effort for USDA personnel to better understand statistical agencies in other countries.
5. Elimination of some apparent duplication of effort by the ERS Foreign Regional Analysis Group with FAS by combining these functions under FAS.
6. Support for continued research methods in understanding and supplying timely intelligence for world information.
7. Continued support of SRS sampling and yield research, especially methods for improved techniques for early season forecasts.