

Under Lock And Key

Inside the security that safeguards
USDA's numbers **BY ROGER BERNARD**

FARM JOURNAL was allowed inside "lockup" at USDA's National Agricultural Statistics Service headquarters for an up-close look at the meticulous steps taken to protect the report numbers that drive market prices around the world.

Lockup. It's a term that evokes images of prison. When used by USDA's National Agricultural Statistics Service (NASS), it means a series of physical, electronic and other measures taken to protect market-sensitive data before it is released to the public.

The term lockup also refers to the area where NASS statisticians are literally locked in and armed guards are posted outside the locked doors. No one gains admittance to the area without clearance and a special pass. Once inside, the statisticians cannot exit until the report is released.

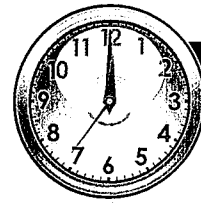
Lockup starts around midnight of the release day. For releases like the monthly Crop Production Report, it lasts until 8:30 a.m. Eastern time when

the report is released. During lockup, extreme measures are taken to safeguard the data.

Window shades are installed in metal tracks and are fixed shut with a wire and lead clasp. Telephone and computer lines are disconnected once the doors are locked. When the lockup area is secured, the state data submitted earlier is decrypted. "It's only then that all of the information comes together," says Agricultural Statistics Board (ASB) Chairwoman Carol House.

Prior to lockup, USDA's state statistical offices start the data collection process for the monthly reports a few days before the start of the month. They call farmers and ranchers and record their yield projections. In the meantime, field enumerators are dispatched to the countryside to collect hands-on data from random locations that they revisit each month in order to measure the maturing crop.

The first data analysis takes place at the state level, which is when the high-security measures kick in. Once the state recommendations are made, the data is encrypted in a computer file and sent directly to NASS headquarters in Washington, D.C.



12 a.m.

Lockup begins for the Ag Statistics Board (ASB) and its staff members.

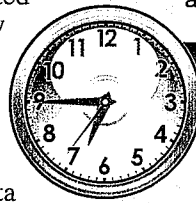
- Each member of ASB works alone on his or her computer. When each member develops a recommendation, ASB Chairwoman Carol House leads a discussion on the data. Each ASB member makes a recommendation. A consensus is developed to establish a national and/or regional number.

- The report goes to a printing shop that's housed within lockup.

- The World Agricultural Outlook Board (WAOB) prepares its monthly World Agricultural Supply and Demand Estimates Report.

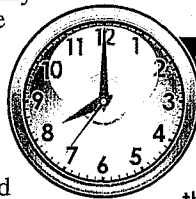
- The Interagency Commodity Estimates Committees puts together their projections.

- WAOB analysts use production data from National Agricultural Statistics Service to compile the balance sheets.



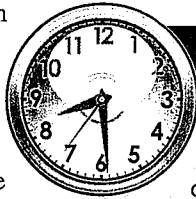
6:45 a.m.

Reporters are allowed into a release room, which is located within lockup.



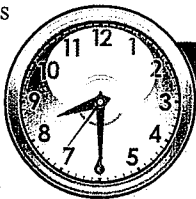
8 a.m.

The Secretary of Agriculture enters lockup and signs the report. Then, he is briefed on the contents of the report.



8:29 a.m.

A USDA staffer opens a locked cabinet in the release room and re-establishes communication links with the outside world.



8:30 a.m.

The statistical reports go global via news service reports and the Internet.

**THIS AREA WILL BE
LOCKED
8:30 A.M.**

**Required Personnel Only
Call 720-7017 For Information**

During lockup, National Agricultural Statistics Service statisticians are literally locked in—with armed guards posted outside the locked doors.

PHOTOS BY THE AUTHOR

ASB then meets at a designated time. The staff members present depends on the type of report—livestock or crops. If it is crops, the crops branch chief is present, along with commodity specialists, a methodologist and one to three field representatives.

The field representatives are chosen from states that are a “major producer of the commodity we’re talking about,” House says. “Those people will gather, and each has their own computer and access to the same information.” That collection includes data from each state, as well as graphs, charts and historical information.

Only those actually working on the report have access to the data—not even the NASS administrator sees the data ahead of the report’s release.

“Each member of ASB works alone on their own computer,” explains House, who is responsible for leading the discussion on the data and the various views presented. “Everybody on the board has an opportunity to explain the way they looked at the numbers. And, naturally, a consensus follows.”

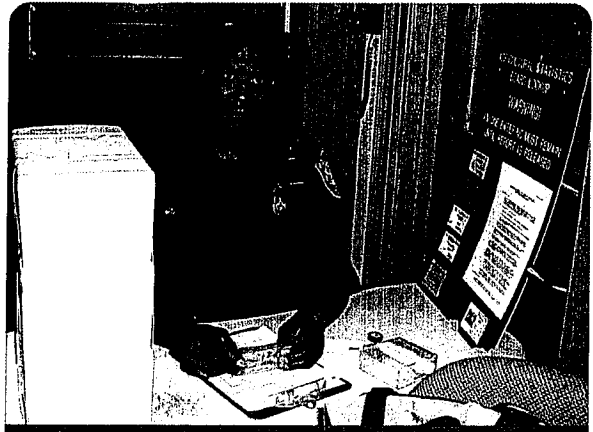
This consensus establishes a national and/or regional number. “The U.S. level

is where our statistics are the strongest—the sample size is the largest,” House adds, “which is why we start with a national or regional number.” From there, career statisticians take the U.S. number and make adjustments to the state data to fit the national figure.

Once the report is finished, it proceeds to a printing shop housed within lockup.

At this point, the World Agricultural Outlook Board (WAOB) prepares its monthly World Agricultural Supply and Demand Estimates (WASDE) Report, which details how crop supplies will be used in the U.S. It also provides similar information for key countries around the world.

While their work begins before lockup actually starts, WAOB puts the details together behind the same closed doors. NASS and WAOB share the lockup space; however, they are on sep-



An armed guard awaits those who approach the lockup area, keeping the area secure.

arate floors connected by a stairway.

The Interagency Commodity Estimates Committees (ICEC) look at a host of information on each crop to put together their projections. “It’s an ongoing process,” says WAOB Chairman Gerald Bange.

“The numbers are not finalized until lockup,” Bange stresses, even though analysts start looking at new information as soon as the report is released.

WAOB analysts use production data from NASS to compile the balance sheets. If there isn’t a survey-based production number available from

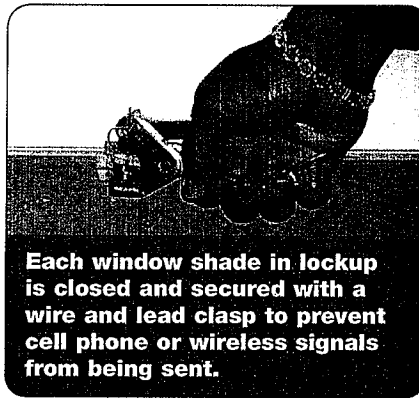


Scandal Heightens Security

Protecting the state and national statistical information gathered by USDA until it is released to the public is a century-plus-old task that has evolved with the times.

The roots of today’s system link back to a scandal involving USDA cotton acreage data. According to “Safeguarding America’s Agricultural Statistics,” published in 2005 to mark the century of guarding USDA data, the scandal started when a USDA statistician leaked information to a New York cotton trader. In those days, data sources were reviewed by three specific individuals, led by the chief of the USDA Bureau of Statistics. Once the data was set, the individuals were free to leave the building.

The data for cotton acreage was to be released at noon Eastern time. At that time, markets suspended trading for an hour, starting at noon,



Each window shade in lockup is closed and secured with a wire and lead clasp to prevent cell phone or wireless signals from being sent.

on report days. The Bureau member would alert his trader contact after the numbers were set. The trader would then take a favorable position in the market based on the to-be-released information.

When rumors of data leaks persisted, the Bureau members weren’t allowed to leave the work area until

the data was released. But, by raising a window blind to indicate the level of the figure to be published, the scandal continued. That came to a halt when a figure was changed after the window-shade signal was sent in June 1905. The trader then complained that a fraudulent report had been released after the official data was different than the information that was signaled.

This incident brought about the necessity for a more-secure reporting system, and the Crop Estimating Board of the Department of Agriculture was born.

The first reference to a Crop Reporting Board—a term used for years at USDA—first appeared in November 1905.

Now, 102 years later, there are still rumors of USDA data being leaked to the market—even with today’s high-tech security.

NASS, Bange says ICEC develops its own estimates using NASS acreage data—from the Prospective Plantings or June Acreage report, for example—and a “number of models” to reach a consensus on crop sizes.

On the world front, the individual ICEC have representatives from a host of USDA agencies to “assemble the best expertise in the department,” Bange explains. Reports from USDA’s ag attaché network, media reports and weather monitoring capabilities at USDA contribute to the global picture presented in WASDE.

FARM JOURNAL

How data is released. At 6:45 a.m. Eastern time reporters are allowed into the lockup room. Once all communications in the room are cut off and the cabinet that houses the communication connection switches is locked, the report is distributed to the news services present. Then, reporters begin looking at the data and putting together stories and statistical reports based on the information. A NASS employee is present at all times, and the room is monitored via closed-circuit cameras.

At 8 a.m., the Secretary of Agriculture enters lockup and signs the report. Once signed, the Secretary is briefed on the contents of the report. “Sometimes it’s a surprise—you can tell based on the reaction,” House says. “But, that is the first time any political person has any view at all of what is in the report.”

When 8:29 a.m. Eastern time

Stay Tuned for More

We continue to use the capabilities of Farm Journal Media to provide you with more depth to a story and different perspectives. Our television cameras were allowed into the lockup area to record exclusive video of the process as it unfolds.

To see how USDA reports come together, watch Policy and Washington Editor Roger Bernard interview Carol House (at right) and others on “AgDay” during the week of Aug. 6 and “U.S. Farm Report” on

rolls around, a USDA staffer opens the locked cabinet in the press room and re-establishes communication links with the outside world. When the clock on the wall displays 8:30 a.m. Eastern time, the reports go global in a

matter of minutes thanks to the combination of news services and the Internet.

The statistics released by NASS are geared toward first-of-the-month releases, with the assumption that weather will be normal from the first of the month forward. “From time to time there is a major weather event that happens, and we try to make sure people understand that will be reflected in our next forecast,” House explains. Future estimates are not a revision of the prior month, but a new forecast.

On occasion, NASS updates planted acres, for example, if it appears there has been a shift from when the June Acreage report was released. “If we do, we alert the public,” House says.

Even with all of the security surrounding lockup, the key to a realistic release starts with information gathered from actual farms.

“We’re putting out the best numbers we have with the data we have available,” House says. “So, when we call farmers and ranchers or we send them a questionnaire, we know it’s an imposition to take the time to fill it out.

“But, if we don’t get good data, we cannot make good estimates,” she adds. “This is their chance to have a voice in those estimates.” **F**



Aug. 11. You’ll feel even more like “you are there” as we bring you this multi-media approach that shows how USDA safeguards the powerful data it assembles. You can check local listings or watch the segment on www.AgWeb.com.

Fast Facts

USDA is renovating its South building, which houses the National Agricultural Statistics Service and other USDA agencies. New security measures include:

- In the old lockup area, there were physical locks—a door with a deadbolt, for example. Jim Brueggen with NASS says issues of “life safety” prevented the use of physical locks in the new lockup area. “In this new space, we have fully electronic locks,” Brueggen says. “If we physically had to, we could break out of this space to save a life; all the data we put together, while important, is not worth one life.”

- The main entrance is secured by a guard. The three other entrances are locked; alarms sound if someone tries to leave lockup.

- Reporters in the release room (which is within lockup) sign an agreement saying they will not bring electronic and cellular devices into lockup. Visitors and NASS employees surrender their cell phones to the guard before entering. In lockup, they have to sign a form confirming they did not bring anything in with them. To be certain, NASS installed surveillance equipment that detects cellular signals and wireless devices in computers. If devices are found, they are confiscated.

- Opaque shades prevent a wireless signal from going out; the shades actually have bars in them to prevent them from being pulled out of the tracks. Only the person who secures the shade can be the one to open it again.

- If someone has to leave the lockup area for emergency reasons when lockup is underway, an armed guard accompanies that person until release time.