Below are excerpts from the report on the negative impact that the indirect costs cap has had on competitive USDA research.

- The program within CSREES that most resembles NIFA is the National Research Initiative (NRI), which receives and distributes only about 8.5 percent of the total USDA research budget. Historically, NRI grants have been small in number and in dollars per grant. In addition, overhead reimbursement to institutions that receive NRI grants is so low that many institutional leaders discourage their scientists from applying for them. As a result, many scientists interested in agriculture prefer projects that receive funding from NIH or NSF. (p.37)

- History warns that the necessary changes will not be easy. Competitive, merit-review grants open to all have not fared well in the agriculture appropriations sub-committees despite past recommendations, yet these types of grants have been shown by both NIH and NSF to be the most effective way of attracting American scientists to important fields of study.

Since 1972, numerous reports by the National Research Council have recommended ways to restructure agricultural research for the modern era (See Chapter 9 and Appendix 4), yet these reports have had little impact. The traditions of funding agricultural research are well established. Innovations, such as the National Research Initiative, have not been funded with sufficient resources to do the necessary job. In addition, NRI grants have been hampered by limitations on the size and length of grants and by artificially low overhead allowances. (p. 42-43)

- Low overhead reimbursement makes the grants expensive to the scientists’ institutions, causing many institutional leaders to discourage their scientists from applying to USDA, thus making it less likely that the research will be performed by our best and brightest scientists. (p. 52)
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