

October 2008

No Material Non-substantive Change Request
OMB No. 0535-0003
Weekly Peanut Price Questionnaire

Beginning in September 2006, at the request of the USDA administration, the National Agricultural Statistics Service (NASS) began a weekly peanut price program that was designed to estimate the average prices received by farmers for in-shell peanuts. The request for weekly data was made to assist the Farm Service Agency (FSA) in improving the precision and timeliness of the National Posted Price that is released each week. This weekly data is also used to estimate monthly prices that are used to calculate the Marketing Year Average (MYA) price. The MYA price is a key variable in the calculation of counter cyclical payments.

Survey results are published each week in the "Peanut Prices" report. Price and marketing information included in this report are provided at the beginning of each week by first buyers of in-shell peanuts. Each week, respondents are asked to report total pounds purchased from farmers and total dollars paid, by type (Runners, Spanish, Valencia, and Virginias), for the previous week. The reported data is to include all qualities and grades for both contract and cash sales, and exclude peanuts sold for seed.

Data are collected by telephone, fax, and internet each week for the previous week. The peanut price survey is an enumeration of all known first buyers of in-shell peanuts from growers. Every effort is made to obtain a report from all buyers.

FSA is concerned that data reported to NASS does not always contain the "option" payments paid to farmers when the peanuts are sold under contract. Excluding these payments would result in a lower average price than is actually received by farmers and would lead to inflated counter-cyclical payments. The proposed changes to the weekly questionnaire of separating total sales into contract sales and cash sales, along with the listing of the per pound option payments, will allow NASS to verify that respondents are reporting the option payments they receive for contract sales, in the *Total Dollars Paid* column.

FSA feels that breaking out weekly cash prices from contract purchases would be useful in analyzing the current peanut market and help FSA to set the National Posted Price.

NASS is requesting an expedited approval of these minor changes, since we are still early in the 2008 marketing year cycle (August 1, 2008 – July 31, 2009). Any buyer of in-shell peanuts, who may have misreported their prices, will have the opportunity to resubmit their prices for all weeks that were in error.