

Supporting Statement – Part A

ORGANIC PRODUCTION SURVEY (OPS)

OMB No. 0535 - NEW

The National Agricultural Statistics Service (NASS) of the United States Department of Agriculture (USDA) requests approval from the Office of Management and Budget (OMB) to conduct a new follow-on survey to the 2007 Census of Agriculture. In this follow-on survey we will be contacting organic farmers and collecting both production and some marketing data for the calendar year of 2008. The organic production survey is authorized by Public Law 110-246, Title X – Horticulture and Organic Agriculture of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

In the Federal Register that was published on August 14, 2008, we mentioned that NASS was intending to conduct two Census of Agriculture follow on surveys, one for organic production and one for on-farm energy production. Due to budget constraints the on-farm energy production survey has been dropped from the current list of surveys NASS will be conducting in 2009. The production survey has had its scope narrowed somewhat, by removing some of the marketing questions we had originally planned to ask. This change is due in part to budget cuts and the removal of questions that will be asked by the Agricultural Marketing Service (AMS) in their data collection efforts.

SECTION A. JUSTIFICATION

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The primary function of the National Agricultural Statistics Service is to prepare and issue State and National estimates which include crop and livestock production, economic and environmental inputs, whole farm characteristics and operator demographics (covered by the Census of Agriculture) under the general authority of Title 7 U.S.C. Sec. 2204.

The 2008 Organic Production Survey (OPS) will be a follow-on survey to the 2007 Census of Agriculture Survey. The 2008 Farm Bill has appropriated \$1 million to NASS for assimilating and disseminating information from producers of organic commodities.

Although the Organics sector is still relatively limited when compared to the total U.S. farm production, sales of organic products have been increasing at a rate of 20 percent annually according to the Organic Trade Association. This pace of growth exceeds that of the more traditional, non-organic products. Additionally, this survey will attempt to measure the contribution to the Organics industry from the operations currently transitioning to organic production and those producers that are exempt from the certification process due to not reaching the minimum sales threshold of \$5,000.

Food safety and nutrition concerns continue to aid legislators in establishing policies for our Nation's food supply. Accurate measures of non-organic products used to make food

have a firm foundation while there is a serious lack of information regarding the Organic sectors contribution to our food supply.

Our nation's consumers are becoming increasingly aware of the impact that quality food has a cornerstone for overall health and quality of life. As more research and studies are conducted there will be a continuing need for an accurate account of what organic production can contribute as a supplement to our overall intake of food products.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

This Organic Production Survey (OPS) is one of the initial follow-on surveys to the 2007 Census of Agriculture Survey. This will be the first time that an organic production and practices survey has been conducted on national and state levels by NASS. Funding for this survey is included as part of the 2008 Farm Bill. The primary purpose of OPS is to provide acreage, production, and sales data for a variety of organic crop and livestock commodities as well as to gather information on organic production expenses, organic production practices and organic marketing practices. These data will be provided for certified organic farms, farms exempt from certification and farms in transition to organic farming. National and State estimates (where publishable) will be set for all items that are collected on the form. Attempts will be made to evaluate overall contribution the organics industry has in the agricultural sector.

Producers, universities, legislators, farm businesses, etc. are in need of organic production and economic data in order to make various important marketing and business decisions. The production of organic commodities can be a very profitable alternative for America's farmers and ranchers, especially in these tough economic times and the information gathered will help in the continued orderly development of this expanding agricultural industry.

NASS plans on collecting the following certified organic information: acreage in production, field crops, vegetables, fruits, tree nuts and berries, livestock, poultry and livestock products, expenses, production practices and marketing practices.

As part of the Organic Farming Initiatives, the data will be used to provide solid production and market data about the supply of key organic commodities." Presently, conventional farmers have access to various types of USDA data for non-organic commodities, while there is no comparable data available for organic producers.

Participation in this survey will be mandatory as are all Census of Agriculture follow-on surveys (Title 7, Chapter 55, Section 2204). Confidentiality of individual operation data will be maintained (Title 7, Chapter 55, Section 2276). Proper disclosure will also be maintained during publication. Once published the final report will be distributed and made readily available in both hard copy and electronic mediums, including on the USDA\ NASS website.

Our universe of certified organic farmers and ranchers will be given various means of providing us with their data: they can return their questionnaire via mail, use our web-

based (EDR) method, or they may even call in the data to our data collection center. We will also conduct a telephone or personal enumeration for non-respondents.

These data will be used to enhance programs like the Environmental Quality Incentives Program, by providing accurate, detailed data for agricultural products, produced using organic practices. Data will provide valuable information regarding the potential expansion of the Market Access Program to allow for more organic agricultural exports. The Federal Crop Insurance Program will use these data to provide better coverage for organic crops.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

NASS will use an Electronic Data Reporting (EDR) instrument for soliciting responses to the 2008 OPS. The 2007 Census of Agriculture received roughly 90,000 reports via EDR which amounted to approximately 3 percent of the overall responses. This exceeds our traditional survey EDR responses of around 1.5 percent. Given the nature of the organics community, it is widely believed that respondents will take advantage of the EDR tool and this data collection vehicle will yield a higher response rate. Moreover, this collection method is designed to reduce paper usage and reporter burden.

NASS will take advantage of an established partnership with the National Processing Center (NPC) in Jeffersonville, IN. NPC has the knowledge, technology, and expertise in handling large mail collection efforts. This arrangement should improve processing efficiency and time.

Follow-up telephone interviews and a limited number of face-to-face interviews will be used for data collection of non-respondent cases. NASS will utilize survey management and methodology information technology to target operations that have a higher probability of producing organic products.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

NASS' 2008 Organic Production Survey is expected to produce reliable data, that is both current and on a national scale. Through meetings and contacts with other agencies, we have determined that only a few State organic surveys have been conducted in recent years, while only one survey was done on a national scale. This national scale survey was conducted in 2004 and had a very low response rate. Moreover, these organic surveys are often only focused on a specific commodity or only on organic marketing strategies and practices. OPS will be much more comprehensive than any previous effort performed by any other organization. Finally, OPS will be comprised *only* of respondents who were identified by the 2007 Census of Agriculture, and who are either: operations with sales greater than \$5,000 and are certified organic producers; operations who are certification exempt because they had organic sales less than \$5,000; or finally,

operations who are in the process of converting from traditional farming to organic production (transitional operations).

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

Only the producers reporting organically produced products in the 2007 Census of Agriculture will be sampled. This type of data collection is only possible through NASS' list of farm operations. We will also include in the sample anyone who is on the 2008 Agricultural Marketing Service's (AMS) list of certified organic producers who were not in the 2007 Census of Agriculture sample.

The Small Business Administration defines, in 13 CFR part 121, small agricultural producers as those having annual receipts of no more than \$750,000 and small agricultural service firms (handlers and importers) as those having annual receipts of no more than \$6.5 million. Based on responses to the 2007 Census of Agriculture's Total Value of Sales question, 93 percent of farmers producing organic products would be classified as managers of small businesses. As all of our survey respondents are subjected to the same level of burden, there is no variance in the estimate of the burden across our expected group of respondents. The complete breakout of our sample size can be found in the following table.

New Organic Census Sample Breakdown		
Total Value of Sales	Number of Operations	Percentage
\$99,999 or Less	14,540	60.58%
\$100,000 - \$249,000	4,900	20.42%
\$250,000 - \$499,999	2,023	8.43%
\$500,000 - \$749,000	917	3.82%
\$750,000 - \$999,999	374	1.56%
\$1,000,000 or more	1,246	5.19%
Totals	24,000	100.00%
Operations with less than \$750,000 in Sales - 22,380 or 93 percent of total sample.		

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

This is NASS' first attempt at conducting OPS. As mentioned earlier, this is a follow-on survey to the 2007 Census of Agriculture. Being such, it is our practice to conduct these once every five years. Depending on future funding and the response we get from this publication, we may resort to an annual survey.

Without this collection of information (or the collection of this information less frequently) the Agency would not be able to complete the tasks as assigned by Public Law 110-246 Sec. 10301 "National Organic Certification Cost-Share Program" of the 2008 Farm Bill.

Further, NASS is responsible for developing surveys, and report statistical analysis on organically produced agricultural products. To the best of our ability we will use the appropriated funds to collect 2008 data as a reference point for future time-series organic studies.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner requiring respondents to report information to the agency more often than quarterly;

There are no special circumstances associated with this information collection.

8. Provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments

The Notice soliciting comments was published in the Federal Register on August 14, 2008 on pages 47580 - 47581. Three public comments were received, two for the Organic Production Survey and one for the On-farm Renewable Energy Survey (the energy survey will not be conducted in 2009 due to budget cuts). All three of the comments are attached along with responses to each. All of the comments are favorable of these surveys (organic and bio-energy) and stressed the need for accurate, timely and detailed data.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and record-keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The Advisory Committee on Agriculture Statistics reviews all of the Census of Agriculture programs and provides recommendations on content, forms design, methodology, outreach, publications, etc. The Committee, appointed by the Secretary of Agriculture, consists of 25 members representing a broad range of interests, including agricultural economists, rural sociologists, farm policy analysts, educators, State agriculture representatives, agriculture-related business and marketing experts, and members of major farm organizations. The committee meets once or twice a year but frequent communication with the members is maintained; the most recent meeting was in February 2008.

Extensive correspondence, discussions, and meetings took place during the fall of 2008 with representatives from ERS and AMS regarding previous organic data collection efforts, current national organic production data availability of data as well as questionnaire content and development. These individuals included: Shannon Nally (AMS) 202-690-1312, Mark Bradley (AMS), Catherine Greene (ERS) 202-694-5541, Lydia Oberholtzer (ERS) 202-690-5486, Peggy Caswell (ERS) 202-994-5529, Mark Lipson (Organic Farming Research Foundation, OFRF) 831-426-6606, Zachariah Baker (OFRF) 202-821-2760.

NASS will conduct content testing with producers in an effort to improve response and accuracy of data reported. The number of test cases will be limited but extensive in their scope of production of organic commodities. Furthermore, NASS will solicit input from

other agencies and organic associations to develop questions that will be useful to the industry in regards to operation practices, marketing, and demographics. The respondent burden for testing will be accounted for under docket number 0535-0248 (Generic Clearance of Survey Improvement Projects).

9. Explain any decision to provide any payment or gift to respondents.

There are no payments or gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Respondents in the 2008 Organic Production Survey will be advised that their participation is mandatory under US Code Title 7, Section 2204. NASS will work to maintain the confidentiality of the information, so that no organization or individual, or their personal data, is released.

All questionnaires include a statement that individual reports are kept confidential. U.S. Code Title 18, Section 1905 and U.S. Code Title 7, Section 2276 provide for the confidentiality of reported information. All employees of NASS and all enumerators hired and supervised under a cooperative agreement with the National Association of State Departments of Agriculture must read the regulations and sign a statement of compliance (Privacy Impact Statements).

11. Provide additional justification for any questions of a sensitive nature.

No questions of a sensitive nature are anticipated in work conducted under this clearance.

12. Provide estimates of the hour burden of the collection of information. The statement should indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

The time required to complete the 2008 Organic Production Survey questionnaire is expected to average 30 minutes per respondent. Time will vary since operations differ in size, scope of production, and practices utilized. Total number of positive responses is estimated to be 16,000, which is based on using a sample size of 20,000 with an estimated response rate of 80 percent. The target population consists of certified producers, farms that are transitioning to organic production but have not yet been certified, and any operation exempt from certification as a result of sales being less than \$5,000. Response burden hours are shown in the table below. The initial mailings will contain the questionnaire, a cover letter, an Industry Testimonial letter, a Fact Sheet, and an Electronic Data Reporting (EDR) mail Instruction sheet. For non-respondents, the follow up mailing will contain another copy of the questionnaire and a cover letter. There will be phone follow up for those who do not respond to the mail requests or via EDR.

Survey	QID	Sample Size	Freq	Responses				Non-response				Total Burden Hours
				Resp. Count	Freq x Count	Min./ Resp.	Burden Hours	Nonresp Count	Freq. x Count	Min./ Nonr.	Burden Hours	
Questionnaires												
2008 Organic Production Survey (OPS)		24,000	1.00	19,200	19,200	30	9,600	4,800	4,800	1	80	9,680
Total		24,000		19,200			9,600				80	9,680
Publicity Materials for ALL surveys												
Initial Mail Out Letter ^{1/2/}	n/a	24,000	1.00	9,600	9,600	10	1,600	14,400	14,400	1	240	1,840
Industry Testimonial Letter ^{1/}	n/a											
Fact Sheet ^{1/}	n/a											
EDR mail Access Instruction Sheet ^{1/}	n/a											
Follow-up Letter ^{2/}	n/a	14,400	1.00	9,600	9,600	2	320	4,800	4,800	1	80	400
Total		24,000		19,200			1,920				320	2,240
Quality Control Survey (Telephone Only) - Recontact operators to verify quality of NASDA enumerators.												
Quality Control Worksheet OPS (phone only)		500	1.00	500	500	5	42	0	0		0	42
Total		500		500			42				0	42
Totals		24,000	1	19,200	19,200		11,562	4,800	4,800		400	11,962
Average Burden per Respondent		0.4984										

1/ The initial mailing consists of the questionnaire, cover letter, industry testimonial, fact sheet and EDR instruction sheet.

2/ The response rate for the initial mailing is estimated at 40%. Overall a 60% response rate is expected from mailing; the remainder of the completed reports will be obtained by EDR, telephone and field enumeration.

Cost to the public of completing the questionnaire is assumed to be comparable to the hourly rate of those requesting the data. Reporting time of 11,962 hours are multiplied by \$24 per hour for a total cost to the public of \$287,088.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

There are no capital/startup or ongoing operation/maintenance costs associated with this information collection period.

14. Provide estimates of annualized cost to the Federal government; provide a description of the method used to estimate cost which should include quantification of hours, operational expenses (equipment, overhead, printing, and staff), and any other expense that would not have been incurred without this collection of information.

The cost to the government for the 2008 Organic Production Survey is what was provided by the 2008 Farm Bill. The total cost of OPS is estimated at \$1,000,000. The approximate cost breakdown is as follows: federal personnel \$600,000; NASDA field and phone enumerators \$300,000; and shipping, handling, printing, postage, travel, and other miscellaneous costs \$100,000.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I (reasons for changes in burden).

This is a new collection.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Approximate time schedule for 2008 Organic Production Survey:

	Start	Finish
Questionnaire Design	Sep., 2008	Oct., 2008
Systems Development	Oct., 2008	May., 2009
Sample Selection	Dec., 2008	Jan., 2009
Initial Mail-out	May, 2009	
Follow-up Mailing (Form)	May, 2009	
Telephone / Field Follow-up	Jun., 2009	Jul, 2009
Process and Tabulate Data	May., 2009	Jul., 2009
Review, Analysis, and Summary	July., 2009	Sep., 2009
Review Tables and Prepare Release	Sep., 2009	Nov., 2009
Publication Date	Dec, 2009	

To aid telephone and field follow-up by enumerators, each will receive an Enumerator's Manual. To aid statisticians in the edit and analysis of reported data, Field Offices will receive a Survey Administration Manual.

The 2008 Organic Production Survey publication will have approximately 30 pages consisting of an introduction, approximately 15 tables, a summary, an appendix with a

copy of the questionnaire. Data will be published for the U.S. and for the States (where possible). The publication will include estimates and the relative standard errors for the estimates for selected characteristics by U.S. and State.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

NASS will display the expiration date for OMB approval on the information collection instrument(s).

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions" of OMB Form 83-I.

No exceptions to the Certification Statement should be required. If so, OMB approval will be requested in advance of conducting the survey.