

SUPPORTING STATEMENT  
for the  
FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM  
and  
MARKET ACCESS PROGRAM  
(0551-0026)

**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 basic authority for the Foreign Market Development Cooperator (Cooperator) Program is contained in Title VII of the Agricultural Trade Act of 1978, 7 U.S.C. 5721, et seq. (attached). Program regulations (also attached) appear at 7 CFR part 1484. Title VII directs the Secretary of Agriculture to “establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.”

The Market Access Program (MAP) is authorized by section 203 of the Agricultural Trade Act of 1978, as amended (attached). Program regulations (also attached) appear at 7 CFR part 1485. The primary objective of the Market Access Program is to encourage the development, maintenance and expansion of commercial export markets for U.S. agricultural products through cost-share assistance to eligible trade organizations that implement a foreign market development program. Financial assistance for both programs is made available on a competitive basis. The programs are administered by personnel of the Foreign Agricultural Service (FAS).

The information collected will be used primarily by FAS to manage, plan, evaluate, and account for government resources. Specifically, data is used to assess the extent to which: applicant organizations represent U.S. commodity interests; benefits derived from market development efforts will translate back to the broadest possible range of beneficiaries; the market development efforts will lead to increases in consumption and imports of U.S. agricultural commodities; the applicant is able and willing to commit personnel and financial resources to assure adequate development, supervision and execution of project activities; and private organizations are able and willing to support the promotional program with aggressive marketing of the commodity in question.

The integrity of both programs hinges on information received from or maintained by the industry. Information collected provides evidence that taxpayer funds are being disbursed in accordance with authorizing legislation, ethical standards, and standard Government rules and regulations.

**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.**

All data collected is used by FAS marketing specialists and program managers for the allocation of funds, program management, planning and evaluation. The data collection has, in almost every case, been mandated by either a GAO or OIG report to eliminate perceived deficiencies in program management and to establish additional program controls.

Allocation Criteria: The criteria for the allocation of funds are enumerated in the program regulations as well as the annual announcements of the Cooperator Program and the Market Access Program, which is published in the Federal Register. FAS considers a number of factors when reviewing proposed projects. These factors include the ability of the organization to provide an experienced U.S.-based staff with technical and international trade expertise to ensure adequate development, supervision, and execution of the proposed project; the applicant's willingness to contribute resources, including cash and goods and services of the U.S. industry and foreign third parties; the conditions or constraints affecting the level of U.S. exports and market share for the agricultural commodities and products to be promoted; the degree to which the proposed project is likely to contribute to the creation, expansion, or maintenance of foreign markets; the degree to which the strategic plan is coordinated with other private or U.S. government-funded market development projects; the applicant's past export and demand expansion performance; and the accuracy of the applicant's past export projections.

Applications: Through the application, prospective Cooperators or Participants submit data about their organizations so that FAS can apply the allocation criteria discussed above. The application is also the primary strategic planning document. The application assesses market potential, outlines Cooperator or Participant strategy and goals, explains and justifies individual activities, provides estimated budgets, and includes benchmarks and goals for evaluating performance. Prior years' applications also dictate current application content because many activities continue or follow-up on previous activities. The scope and content of each application depends largely on the applicant's organizational style, marketing approach, and method of operation.

Project Agreements: The project agreement is a binding instrument and creates a legal obligation on the part of CCC to make appropriated funds available to the Cooperator or Participant. The agreement creates a cooperative relationship between CCC and the Cooperator or Participant outlining the basic responsibilities of each party and the contributed resources to support achievement of mutual goals.

Evaluation: FAS requires applicants to submit evaluation plans and performance measures in order to (1) monitor performance of market development activities and programs, (2) evaluate the benefits and effects of these activities, and (3) document the experience

gained from these activities for use in the design and implementation of future market development programs. Based on this information, FAS program managers are also better able to determine what changes are needed to improve program performance and designing future programs.

Contribution Reports: FAS requires Cooperators and Participants to provide part of the resources needed to conduct promotion programs. Experience has shown that as the Cooperators or Participant increase their financial commitment, the organization enhances program management and supervision. Cooperators and Participants commit to a contribution level in their applications. This is one criteria that is used in the allocation of program resources. The Cooperators and Participants are, therefore, held to the contribution levels they specify in their applications. Contribution reports are required to ensure program participants have met their financial and in-kind obligations.

Reimbursement Claims: The annual application, approved by FAS, and corresponding amendments provide the authorities and limitations for Cooperators and Participants to make expenditures under project agreements. The Cooperator or Participant is responsible for instituting a financial management and accounting system that insures accurate, current and complete disclosure of all financial transactions for each approved activity. All expenditures incurred must be proper, reasonable and in accordance with CCC regulations. The Cooperator or Participant is responsible for submitting claims to FAS requesting reimbursement for incurred costs as outlined in the application. Reimbursement claims are generally submitted on a monthly basis.

Office Management Records: Other reporting and recordkeeping requirements, i.e. travel reports, office management records, salaries, etc., are required as a means of ensuring that U.S. Government resources are disbursed as judiciously as possible. FAS requires the same control of Cooperator or Participant spending of taxpayer funds as the U.S. Government requires of its own employees. For example, FAS asks Cooperators and Participants traveling on U.S. Government funds to follow provisions of the Standard Government Travel Regulations; the purchase of office equipment follows General Services purchasing practices; and salaries and allowances paid from U.S. Government funds, in most cases, follow GS salary levels or Embassy Foreign National salary scales. Again, all of these requirements are placed on Cooperators and Participants in order to maximize return on investment and preserve program accountability.

Other Reports and Record Keeping Requirements. Other reports and records are required to ensure the proper and judicious use of Government resources. Each Cooperator and Participant must certify that any Federal funds received supplement, but do not supplant, private or third party funds or other contributions to program activities. Cooperators and Participants must submit reports of findings whenever CCC resources are used for travel or research purposes. Auditable supporting documentation is required for all expenses reimbursed with CCC resources or claimed as a contribution. These include, but are not limited to: canceled checks, invoices, samples of produced materials, etc. Personnel

records, including sick and annual leave, are required to document compliance with prescribed personnel policies. As a rule, such requirements conform to generally accepted Government standards.

**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.**

FAS has made great strides to make the information submission process electronic and identical for the FMD and MAP. Application for both programs can be made in a single application and reimbursement for activities for both programs is made through the same Internet interface. All information for both programs is collected in the same manner.

FAS developed a web-based interface that permitted electronic submission of applications. FAS has replaced the marketing proposals, annual marketing plans, and amendments of the past with program applications which allow applicants to apply for several FAS programs in a single application. This eliminates vast amounts of duplicative information.

FAS has implemented an electronic data transfer system using a web-based interface whereby reimbursement claims can be sent automatically from Cooperator and Participant computer systems to FAS, resulting in a major reduction in one of the largest paperwork requirements in the system. In developing the web-based interfaces for the electronic submission of reimbursement claims and program applications, FAS has worked extensively with Cooperators and Participants to develop user-friendly systems that are compatible with other software applications used by the Cooperators and Participants.

FAS has also implemented a computer financial management and information system to streamline data collection requirements, improve program accountability and ease administrative burden on the Cooperators and Participants.

**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.**

FAS administers various agricultural export assistance programs, including the Cooperator Program, the Market Access Program, the Emerging Markets Program, the Quality Samples Program, and the Technical Assistance for Specialty Crops Program. In an effort to facilitate the strategic planning process of applicant organizations, as well as that of the Federal government, FAS unified and simplified the application process for its agricultural export assistance programs. FAS recognized that a group interested in applying for more than one of these

programs may have to submit some information multiple times. The on-line, unified application process removes duplicative information and allows Cooperators and Participants to submit a single document when applying for FAS programs.

The data required of Cooperators and Participants cannot be obtained from any other source other than the organization itself. Cooperators or Participants are commodity organizations or agricultural cooperatives (i.e., U.S. Wheat Associates, American Soybean Association, etc.) who develop marketing programs specifically for their commodities or products. Most of the data developed and presented to FAS is developed in-house by marketing and commodity analysts on their staffs. Some of the data, such as consumer or market surveys, are acquired via independent third parties for evaluation purposes.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.**

Since all current program Cooperators or Participants are non-profit organizations or agricultural cooperatives who generally represent growers, producers, and/or exporters of specific commodities, the information collection requirements imposed by these programs do not require any significant actions on the part of small businesses. However, the agency continues to review and revise its administration of the programs to better ensure accountability of program funds and program efficiencies.

**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.**

The data collection requirements outlined above, except for periodic billings to FAS and travel reports, have been reduced to only one submission per year. The program could not be implemented without the submission of the information outlined above.

**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;**

This information collection is conducted in a manner that is consistent with 5 CFR 1320.

**\* requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

This information collection is conducted in a manner that is consistent with 5 CFR 1320.

- \* **requiring respondents to submit more than an original and two copies of any document;**

This information collection is conducted in a manner that is consistent with 5 CFR 1320.

- \* **requiring respondents to retain records, other than health, medical or government contract, grant-in-aid, or tax records for more than three years;**

This information collection is conducted in a manner that is consistent with 5 CFR 1320.

- \* **in connection with a survey that is not designed to produce valid and reliable results that can be generalized to the universe of the study;**

This information collection is conducted in a manner that is consistent with 5 CFR 1320.

- \* **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

This information collection is conducted in a manner that is consistent with 5 CFR 1320.

- \* **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

This information collection is conducted in a manner that is consistent with 5 CFR 1320.

- \* **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

This information collection is conducted in a manner that is consistent with 5 CFR 1320.

**8. If applicable, 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. Specifically address comments received on cost and hour burden.**

**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 recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

Notice of this information collection was published in the Federal Register on March 6, 2009 (74 FR 9586). The agency received no comments in response to the notice. A copy of the notice is attached.

As discussed above, both the Foreign Market Development Program and the Market Access Program operate as a cooperative venture between industry and government created to develop markets overseas for U.S. agricultural products. Both parties are intimately involved in overseas activities, i.e., there is on going communications between FAS and the Cooperators or Participants. FAS marketing specialists usually consult with their counterparts in the Cooperator or Participant organizations on a daily basis to discuss program status, evaluations, management issues, and direction; FAS leadership is also in contact with Cooperator or Participant executives at least weekly to discuss problems, program direction, and policy; and FAS administrative personnel are in contact with their counterparts in the industry on a daily basis usually to assist with procedural and accounting issues. Additionally, an annual meeting is held between FAS and the industry to discuss all phases of program administration and implementation.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

The agency does not provide any payment or gift to respondents, other than remuneration of contractors or grantees.

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

Cooperators and Participants are aware that information collected relating to this program is generally open for public inspection, but the agency may withhold information which could cause substantial competitive harm to the submitter under exemption 4 of the Freedom of Information Act (FOIA), 5 U.S.C. 552(b)(4). It is also the agency's policy, prior to responding to an FOIA request, to obtain and consider the views of the submitter of the information if the information submitted is not readily identifiable as privileged or business confidential. If the agency disagrees with the views presented by the submitter, it will give the submitter sufficient time, prior to release of the information, to pursue legal action to prevent the release.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There are no sensitive questions involved in this information collection.

**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. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- \* 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 83-1.**
- \* Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contraction out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

The current annual burden estimate of 91,070 is based on separate estimates of seven distinct areas of data collection: Applications, project agreements with FAS, evaluations of marketing activities and programs, travel reports, contribution reports, administrative functions, and office management records. The estimates used to determine the burden on the public are explained as follows:

- a) Applications. Applications include many separate estimates, projections, goals, etc., all of which make up a comprehensive application. The current estimate for one Cooperator or Participant to complete an application is approximately 320 hours. As explained earlier in this document, less information is requested from Cooperators



and Participants than in the past, and multiple programs are applied for with a single application.

- b) Program agreements. This includes preparing new or amending already active program agreements. Participating organizations take approximately 2 hours to review the project agreement (contract), clear them with legal counsel (if necessary), sign it and return them to FAS. On average, 71 program agreements are signed each year.
- c) Evaluations. Cooperators and Participants are required, under the MAP and FMD regulations, to evaluate the effectiveness of their programs. FAS encourages Cooperators and Participants to use the GPRA as a guideline for their evaluations. Applications include evaluation plans and performance measures in order to (1) monitor performance of market development activities and programs, (2) evaluate the benefits and effects of these activities, and (3) document the experience gained from these activities for use in the design and implementation of future market development programs. Establishing good performance measures enables Cooperators and Participants to perform meaningful evaluations. Based on these evaluations, Cooperators, Participants and FAS program managers are better able to determine what changes are needed to improve program performance and designing future programs. It is estimated that it will take approximately 80 hours to complete annual evaluations, analyze its results and develop a written report which summarizes the evaluation process and findings.
- d) Travel Reports. Since travel is a very important part of overseas market development, the number of trips involving both 1) the U.S. and 2) foreign countries amount to about 2,840 trips per year. As the U.S. Government requires trip reports from government employees, FAS also finds this type of information extremely useful as a management tool. Cooperator and Participant trip reports provide valuable insight to market situations and program issues. The average time required to prepare travel reports is 2 hours per Cooperator or Participant.
- e) Contribution reports. Each Cooperator and Participant prepares a summary contribution report each year. The report is prepared via a web-based interface recently implemented by FAS. Depending on the size and scope of the program, smaller Cooperators or Participants may need only several hours to prepare the report, whereas larger Cooperators or Participants may need several weeks. The average time required to prepare the contribution report is 10 hours per Cooperator or Participant.
- f) Administrative Procedures. Cooperators and Participants are responsible for submitting reimbursement claims to FAS requesting reimbursement for program expenditures. Cooperators and Participants bill FAS whenever they feel their costs are of sufficient size to justify a claim for reimbursement. Cooperators and

Participants are required to maintain receipts for all program related expenditures in excess of \$25.00. The estimate of 40 hours per claim includes all incidental office costs and procedures necessary to prepare and support each claim.

- g) Office Management. Cooperators and Participants are required to keep good office records available for audit. These records include such things as salary computations, receipts for all disbursements, time and attendance records, etc. Only 10 Cooperators have foreign offices supported by Cooperator project funds.

In addition, FAS requirements apply only to Cooperator overseas offices and only if a portion of the cost is paid with project funds or counted as a contribution.

The estimated total cost to respondents for reporting and recordkeeping is \$3,520,670 based on the following:

<u>DESCRIPTION</u>	<u>NUMBER OF RESPONDENTS</u>	<u>FREQ</u>	<u>TOTAL RESPONSE</u>	<u>AV HOURS PER RESP</u>	<u>TOTAL HOURS</u>	<u>COST PER HOUR</u>	<u>COST TO PUBLIC</u>
A) <u>Applications</u>	71	1	71	320	22,720	\$55	\$1,249,600
B) <u>Project Agreements</u>	71	1	71	2	142	\$65	\$9,230
C) <u>Evaluation</u> of marketing activities and programs	71	1	71	80	5,680	\$55	\$312,400
D) <u>Travel Reports</u>	71	40	2,840	2	5,680	\$50	\$284,000
E) <u>Contribution Reports</u>	71	1	71	8	568	\$30	\$17,040
F) <u>Administrative Procedures</u>	71	17	1,207	40	48,280	\$30	\$1,448,400
G) <u>Office Management Records</u>	10	1	10	800	8,000	\$25	\$200,000
<b>TOTAL</b>		62	4,341	179	91,070		\$3,520,670

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

- \* The cost estimate should be split into two components: (a) a capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of the methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include among other items, preparations for collection information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
  - \* If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
  - \* Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**
- (a) There is no cost burden to respondents associated with capital or start-up costs.
- (b) There is no cost burden to respondents associated with operating or maintaining systems or purchasing systems.

**14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

The estimated annual costs to the Federal Government for all submissions found in the regulations are as follows:

ITEM	ORG	GRADE	RATE	HOURS	COST
A) Applications	POD	13	\$45	100	\$4,500
		CPD	13	\$45	25,000
\$1,125,000					
B) Agreements	POD	11	\$32	150	\$4,800
C) Evaluations	POD	13	\$45	300	\$13,500
	CPD	13	\$45	1,500	\$67,500
E) Contributions	POD	11	\$32	900	\$28,800
	CPD	12	\$38	90	\$3,420
F) Administrative Procedures	POD	11	\$32	5,000	\$160,000
TOTAL					\$1,407,520

Note: POD refers to the Program Operations Division of FAS. This office is responsible for administrative operation of the MAP and Cooperator program. CPD refers to the Commodity Program Division of FAS which is responsible for review of application and evaluation content and day to day contact with program participants.

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

There are no changes or adjustments from the last approval.

**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.**

This question is not applicable for this combined information collection.

**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.**

This question is not applicable for this combined information collection.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions", of OMB Form 83-1.**

There are no exceptions.