

## SUPPORTING STATEMENT

### 2009 Census of Horticultural Specialties OMB No. 0535-0236

The National Agricultural Statistics Service (NASS) of the United States Department of Agriculture (USDA) requests approval from the Office of Management and Budget (OMB) for the reinstatement of the Census of Horticultural Specialties survey to be conducted as a follow-on survey to the 2007 Census of Agriculture and is authorized by the Food, Conservation, and Energy Act of 2008 (Title X - Horticulture and Organic Agriculture). The Census of Horticultural Specialties was last conducted in 1998 for the reference period of 1997.

The 2009 Census of Horticultural Specialties will use as a sampling universe; every respondent on the 2007 Census of Agriculture who reported production and sales of \$10,000 or more of horticultural specialty crops (floriculture, nursery, sod, hot-house vegetables, Christmas trees, etc.), and is still in business in 2009. In addition, NASS also plans to contact all new operations that have begun producing horticultural specialty products since the completion of the 2007 Census of Agriculture. Data collection is expected to begin around January 1, 2010 for production and sales data for 2009. A final report will be published around December 2010. Data will be published at both the US and State levels where possible.

#### 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.**

Horticulture is one of the fastest growing segments in the agriculture sector. The Census of Agriculture indicates that the number of horticulture operations with sales of at least \$1,000 have fluctuated from 57,192 operations reported on the 1997 Census of Agriculture to 64,366 in 2002 and 54,889 in 2007. However, total market value of horticultural crops covered by the North American Industry Classification System (NAICS) increased from just under \$10.9 billion in 1997 to just under \$17.0 billion in 2007.

<b>Census of Agriculture</b>				
<b>Greenhouse, Nursery , and Floriculture Production Data</b>				
Census Year	Number of Farms	Land in Farms	Market Value of Products Sold	
			U.S.	Average Per Farm
1997	57,192	3,930,989	\$10,873,391,000	\$190,121
2002	64,366	4,819,149	\$15,075,712,000	\$234,219
2007	54,889	3,974,530	\$16,991,828,000	\$309,567

\* North American Industry Classification System (NAICS) 1114

\*\* Operations included in totals above produced a minimum of \$1,000 each, in the reference year.

The census of agriculture only collects data on area used for production and sales for 21 categories of horticultural crops. The Census of Horticultural Specialties is the only source of comprehensive data on the horticulture industry for every state.

The Census of Horticultural Specialties has been conducted periodically since 1898. Since 1950 it has been conducted approximately every 10 years to show how the industry has changed over time. It is the only source of detailed and consistent data series on horticultural crop production and sales by type of plant at both State and national levels. The horticultural specialties census includes operations growing and selling \$10,000 or more of horticultural specialty crops. The previous definition used in the 1959, 1969, 1979, and 1988 Censuses of Horticultural Specialties included a \$2,000 limit of horticultural crops sold. Horticultural operations with sales of \$10,000 or more account for nearly 99% of the total horticultural production. This reduces the number of operations who need to be contacted by nearly 50%, resulting in a significant reduction in respondent burden and data collection costs.

Although the census of agriculture collects data on twenty-one categories of horticultural crops, the various plants that makeup these categories are constantly evolving. Due to the changing makeup of horticulture, more information is needed to: 1) determine how imports affect domestic horticulture production; 2) determine if lessening quarantine regulations will affect domestic horticulture production; and 3) determine value of horticultural crops affected by natural disasters and disease. Horticultural crops are high value crops which farmers could grow to diversify their farming operations, but more information about them is needed. Planning and research on alternatives crops is vital to determining which horticultural crops are good to grow in certain areas and the input that would be required to make these operations successful. Horticultural operations are large consumers of pesticides and other chemicals, so research

funding is critical to this industry to develop more effective horticultural chemicals or plants that are resistant to common diseases.

Water quality and amount of water used in agriculture is an important National issue. Horticultural operations are large users of irrigation water, but little information is available. In 2009, for the first time, horticultural producers were sampled as a part of the Farm and Ranch Irrigation Survey (0535-0234) so the irrigation questions have been removed from the Census of Horticultural Specialties survey.

On the Census of Horticultural Specialties survey we have also removed all questions concerning mushroom production and sales. This information can be collected by the use of one of our annual mushroom surveys (Fruits, Nuts and Specialty Crops 0535-0039).

The census of horticultural specialties is one of a series of census special studies for the census of agriculture which provides more detailed statistics relating to a specific subject. The census of horticultural specialties is an integral part of the 2007 Census of Agriculture and is conducted under the authority of the Census of Agriculture Act of 1997 (Public Law 105-113). The law requires that the Secretary of Agriculture conduct a census of agriculture in 1998 and every fifth year following 1998.

**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.**

The primary objective of the horticultural specialties census is to obtain a comprehensive and detailed picture of the horticultural sector of the economy. It is the only source of detailed production and sales data at the national level. The continuation of this census will allow for bench marking of changes to the industry.

The census of horticultural specialties will include statistics on number and value of plants grown and sold, the value of land, buildings, machinery and equipment, selected production expenses, marketing channels, hired labor, area used for production, and type of structure.

The census of horticultural specialties provides detailed statistics to government agencies, academia, nursery and floriculture industries, and others on the size and structure of the horticulture industry for planning, policy making, research, and market analysis. Some data users are listed below.

- The Economic Research Service (ERS) of the United States Department of Agriculture (USDA) relies on horticultural specialties data to provide essential data for economic models that analyze the horticultural segment of the agricultural sector.
- The National Agricultural Statistics Service of USDA uses the data to determine which crops will be included in its annual Floriculture Crops Survey.
- Foreign Agricultural Service (FAS) monitors the import and export of all agricultural products. On January 1, 2008 the final provisions of the North American Free Trade Agreement (NAFTA) were fully implemented. The Horticultural Industry is interested in seeing how US production has been impacted by NAFTA.
- Rural Business - Cooperative Service of USDA uses the data to assist horticultural producers interested in organizing cooperatives.
- Animal and Plant Health Inspection Service (APHIS) of USDA uses the data to assist in research into plants identified by quarantine regulations.
- Federal Crop Insurance Corporation of USDA uses the data for product development, budget projections, resource allocation planning, and performance measurement.
- U.S. Environmental Protection Agency uses the data for policy making decisions and to study consumers of pesticides.
- Bureau of Labor Statistics of the U.S. Department of Labor uses the data in calculating a Producer Price Index on horticultural crops. The Census of Horticultural Specialties provides more detailed crop categories than the census of agriculture.
- State water resource agencies will use the data for formulating and assessing the need for new water supplies to accommodate this growing industry.
- Land Grant Universities and Extension Specialists use the data to study production, cost of inputs, and marketing of horticultural crops. Horticulture students use the publication as a major resource in developing their farm or business plans.
- Growers use this information to determine production costs that can improve productivity or demonstrate feasibility of future capital investment.

Without the census of horticultural specialties, government policy makers and planners would lack valuable information needed to accomplish their missions. Instead, they would have to rely on assumptions and guess work to determine policy.

- 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.**

This year for the first time NASS will have the questionnaire available on the internet for respondents to complete. Blank questionnaires will be mailed out to the entire sample with both a return envelope and instructions on how to access the web version of the questionnaire. Non-respondents will be mailed a follow-up reminder that this survey needs to be completed by February 17, 2010. Remaining non-respondents will be interviewed by either phone or by personal visit.

- 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.**

The census of horticultural specialties is the only source of comprehensive horticultural data tabulated and reported for each State and leading counties within the Nation. The NASS' annual Floriculture Survey collects a small portion of this data in 15 states. To eliminate duplication between the Census of Horticultural Specialties and the annual Commercial Floriculture Survey NASS will combine the populations and data will be collected jointly. Except for the annual Commercial Floriculture Survey, there are no other source's that duplicates the data provided by the Census of Horticultural Specialties.

- 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.**

The 2009 Census of Horticultural Specialties will include all operations growing and selling \$10,000 or more in horticultural crops. The 1959, 1969, 1979, and 1988 Censuses of Horticultural Specialties included operations growing and selling \$2,000 or more in horticultural specialty crops. In 1998, NASS raised the minimum level of sales to \$10,000. This change in the definition reduced the number of farms eligible for the Census of Horticultural Specialties by about 25 percent.

The 2007 Census of Agriculture indicates that the number of horticulture operations with sales of at least \$1,000 (USDA definition of a farm) was 54,889. Horticultural operations with sales of \$10,000 or more account for nearly 99% of the total horticultural production. Thus reducing the target population to only those operations with sales of \$10,000 or more, reduced the number of

operations who need to be contacted by nearly 50%, resulting in a significant reduction in respondent burden and data collection costs.

Redesigning the questionnaire in response to industry requests, has resulted in a cleaner, easier to follow questionnaire. Individual horticultural producers, who tested the questionnaire for NASS, spoke favorably of the improvements. The improvements to the Census of Horticultural Specialties survey should help to reduce both individual and total respondent burden. Respondents are permitted to provide estimates if actual record data are not readily available. Common crops have been prelisted in some sections, minimizing the burden of write-in responses. Instructions are placed on each questionnaire and the accompanying Information Sheet which offers clarifying instructions on how to complete specific sections of the questionnaire. A toll free number will be provided for respondents desiring help in completing the questionnaire.

**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 Census of Horticultural Specialties is conducted every 10 years and is a special study of the Census of Agriculture. It is the only source of comprehensive horticultural data tabulated and reported for every State and selected counties (where it is possible) within the Nation. Conducting this program every 10 years is minimal to obtaining any continuity for horticulture statistics.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with the general information guidelines in 5 CFR 1320.5.**

There are no special circumstances associated with this survey.

**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 Federal Register Notice soliciting comments was published on July 14, 2009 on pages 33988 - 33989. One public comment was received. It was from the Bureau of Economic Analysis in support of the docket and the work done by NASS.

**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.**

The content of the Census of Horticultural Specialties questionnaire was developed through input sought from all NASS Field Offices and consultation with various horticultural industry advisors. Recommendations on the content, form's design, methodology, outreach publications, etc. for all the phases of the 2009 survey were provided. A listing of industry advisors consulted on content for the 2009 Census of Horticultural Specialties is attached to this docket.

After the preliminary questionnaire and survey materials were developed NASS conducted both cognitive testing and a mail test. NASS targeted approximately 140 horticultural growers from around the country to provide feedback on both the content and flow of the questionnaire. As a part of the cognitive testing we asked respondents if there were any concerns or issues that we needed to work on to improve the overall package. The operations that were chosen to participate in this testing represented the different groups of horticultural growers (floriculture, nursery, Christmas trees, sod, cut flowers, etc.) from around the country.

**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.**

All questionnaires include a statement that individual reports are kept confidential. The specific Census of Agriculture citation, Title 7 U.S. Code Section 2204g, plus Title 18 Section 1905 and 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 (NASDA) must read the regulations and sign a statement of compliance.

Additionally, NASS and NASS contractors comply with OMB Implementation Guidance, "Implementation Guidance for Title V of the E-Government Act, Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA), (Public Law 107-347). CIPSEA supports NASS' pledge of confidentiality to all respondents and facilitates the agency's efforts to reduce burden by supporting statistical activities of collaborative agencies through designation of NASS agents; subject to the limitations and penalties described in CIPSEA.

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

The most sensitive questions on the questionnaire relate to value of sales and expenses.

**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 2009 Census of Horticultural Specialties questionnaire has had several modifications made to it this time. NASS has eliminated the irrigation questions, since the irrigation data are being collected by the Farm and Ranch Irrigation Survey (0535-0234), also, the mushroom questions have been removed, since the cultivated mushroom data are being collected under an annual mushroom grower's survey (0535-0039). These changes will contribute to the decrease in the number of farms eligible for the Census of Horticultural Specialties. The remainder of the current questionnaire's content has not changed substantially from the 1998 Census of Horticultural Specialties. However, we have made substantial changes in the layout and flow of the questionnaire in response to the cognitive testing conducted this year, along with recommendations made by industry representatives.

Cost to the public for completing the questionnaire is assumed to be comparable to the hourly rate of those requesting the data. Reporting time of 46,405 hours, are multiplied by \$24 per hour, for a total cost to the public of \$1,113,720.

Total respondent burden is estimated as follows:



<b>Census of Horticulture - Projected Respondent Burden</b>											
<b>Census of Horticulture Survey</b>	<b>Sample Size</b>	<b>Freq</b>	<b>Responses</b>				<b>Non-response</b>				<b>Total Burden Hours</b>
			<b>Resp. Count</b>	<b>Freq x Count</b>	<b>Min./ Resp.</b>	<b>Burden Hours</b>	<b>Nonresp Count</b>	<b>Freq. x Count</b>	<b>Min./ Nonr.</b>	<b>Burden Hours</b>	
Pre Survey Screening Form for New Operations	700	1	560	560	5	47	140	140	2	5	51
First Mailing	37,000	1	14,800	14,800	60	14,800	22,200	22,200	2	740	15,540
Second Mailing	22,200	1	8,300	8,300	60	8,300	13,900	13,900	2	463	8,763
Post Card Reminder	13,900	1	2,500	2,500	60	2,500	11,400	11,400	2	380	2,880
Follow-up Enumeration	11,400	1	7,700	7,700	60	7,700	3,700	3,700	2	123	7,823
Pre-Survey Letter and Publicity Materials	37,000	1	33,300	33,300	5	2,775	3,700	3,700	2	123	2,898
Instruction Sheets	37,000	1	33,300	33,300	15	8,325	3,700	3,700	2	123	8,448
<b>Total</b>	<b>37,700</b>		<b>33,860</b>			<b>44,447</b>	<b>3,840</b>			<b>1,958</b>	<b>46,405</b>

- 13. Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information, (do not include the cost of any hour burden shown in items 12 and 14). The cost estimates should be split into two components: (a) a total capital and start-up cost component annualized over its expected useful life; and (b) a total operation and maintenance and purchase of services component.**

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

- 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 2009 Census of Horticultural Specialties is included in the appropriation for the 2007 Census of Agriculture. The total cost of this project is estimated at \$2,800,000. This amount is spent over a three fiscal year period; \$300,000 the year prior to data collection, \$2,200,000 for data collection and processing, and the remaining \$300,000 for publication the year after data collection. The approximate cost breakdown is as follows: federal personnel, \$1,800,000; NASDA field and phone enumeration \$450,000; data processing \$500,000; and printing, training, and other incidental costs \$50,000.

- 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).**

The average time required for the respondent to complete the 2009 questionnaire has decreased to 60 minutes from the 65 minutes used in 1998. The total respondent burden is projected to decrease from the 48,371 hours in 1998 to approximately 46,405 hours in 2009.-

While the questionnaire's overall content has not changed substantially from 1998, NASS has made significant changes to the layout and flow of the questionnaire to make it more user friendly. The number of farms eligible for the Census of Horticulture has decreased from the 1998 census. Total mail out for the 2009 census is estimated to be a little more than 37,000; a decrease of approximately 9,300 records from the 1998 Census of Horticulture.

We have removed mushroom growers from the Census of Horticultural Specialties survey this time, since their data is being captured with a separate mushroom questionnaire (0535-0039) that is conducted annually. We have also removed the irrigation questions from the Census of Horticultural Specialties,

since they are being collected by the Farm and Ranch Irrigation Survey (0535-0234).

Hours of Burden	Action Causing Change in Burden
(898)	Program Change - Reduction in min./questionnaire (65 - 60)
(417)	Program Change - Removed Mushroom Growers
(1,233)	Program Change - Removed Irrigation questions
(2,548)	Program Change - Subtotal
1,958	Additional burden for non-responses
(1,376)	Reduction in Burden due to Adjustment in Agency Estimate
(1,966)	Net Reduction in Burden Hours

Additional burden was added this time for non-responses, which was omitted in 1998. The remaining reduction in burden hours is due to an adjustment in the agency estimate of the sample size.

- 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.**

The 2009 Census of Horticultural Specialties publication will contain approximately 300 pages consisting of an introduction, approximately 40 tables, a summary, and an appendix with a copy of the questionnaire. Data will be published for 50 states and leading counties by commodity, where possible.

We will also, be publishing the annual Commercial Floriculture Survey for the fifteen core States from this census.

The web links for the previous publications can be found below.

The 1998 Census of Horticulture Publication can be found at the following website.

[http://www.agcensus.usda.gov/Publications/1997/Horticulture\\_Specialties/index.asp](http://www.agcensus.usda.gov/Publications/1997/Horticulture_Specialties/index.asp)

The annual Commercial Floriculture Survey Publication can be found at the following website.

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1072>

The tri-annual Nursery Production Survey can be found at the following website.

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1115>

Approximate time schedule for the census is as follows:

Initial questionnaire mailout	Dec. 14, 2009
Follow-up mailout for non-response	Jan. 25, 2010
Commercial Floriculture Release Date	June 4, 2010
Census of Horticulture Release Date	Dec. 13, 2010

- 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.**

There is no request for approval of non-display of the expiration date.

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

There are no exceptions to the certification statement.

September, 2009