

## Supporting Statement – Part A

### On-Farm Renewable Energy Production Survey (OREP)

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 all farm and ranch operators who reported that they produced renewable energy on their operation during the 2007 Census of Agriculture. NASS will collect data using 2009 as the reference period. NASS realizes that the sample frame is slightly dated; this is explained more thoroughly in Supporting Statement Part B.

#### 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(a). Individually identifiable data collected under this authority are governed by Section 1770 of the Food Security Act of 1985 as amended, 7 U.S.C. 2276, which requires USDA to afford strict confidentiality to non-aggregated data provided by respondents.

The 2009 On-Farm Renewable Energy Production (OREP) survey will be a follow-on survey to the 2007 Census of Agriculture Survey. The energy production survey is required by Public Law 110-246, Section 12023, Title X – Horticulture and Organic Agriculture of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill). The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (Public Law 111-80) appropriated \$1.6 million to NASS to provide a data series on bio-energy production and utilization.

Although the number of farm or ranch operators who produce renewable energy on their farms is still a relatively small number when compared to the total number of U.S. farms, it is becoming a viable source of savings and possibly new revenue for agricultural producers.

**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 On-Farm Renewable Energy Production (OREP) survey is one of the follow-on surveys to the 2007 Census of Agriculture Survey. This will be the first time that a renewable energy production survey has been conducted on national and state levels by NASS. Funding for this survey is included as part of the 2008 Farm Bill. This energy survey will provide a comprehensive inventory of farm generated energy practices with detailed data relating to category or type of energy produced (wind, solar, and manure/methane digester), installation cost, year installed, if any energy was sold onto a power grid, and the average payment received per kilowatt hour or total amount of utility savings from reduced demand.

Producers, universities, legislators, utility providers, farm businesses, etc. are in need of renewable energy production and economic data in order to make various important marketing and business decisions. The production of on farm renewable energy 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.

Participation in this survey will be mandatory as are all Census of Agriculture follow-on surveys (Title 7, Chapter 55, Section 2204g). 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 known farmers and ranchers who produced on farm renewable energy will be provided several options for survey response: 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 telephone or personal enumeration for non-respondents.

**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 2009 OREP. 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. 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, Indiana. 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 target operations that have a higher probability of producing on-farm renewable energy.

**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' 2009 OREP survey is expected to produce reliable data, that is both current and on a national scale. Through meetings and contacts with other agencies and organizations, we have determined that no other surveys were conducted on a state or national scale that covered this renewable energy production using wind, solar, or methane as a power source. OREP will be a comprehensive effort comprised *only* of respondents who were identified based on responses to the 2007 Census of Agriculture.

**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 on-farm renewable energy production in the 2007 Census of Agriculture will be sampled. This type of data collection is only possible through NASS' list of farm operations.

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, 94 percent of farmers producing on-farm renewable energy 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.

**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 the OREP survey. 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.

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. 12023 "Contracts for Additional Policies and Studies" of the 2008 Farm Bill. Further, NASS is responsible for developing surveys, and reporting statistical analysis about on-farm renewable energy production. To the best of our ability we will use the appropriated funds to collect 2009 data as a reference point for future energy 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 September 21, 2009 on page 48051. No public comments were received.

**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

normally meets once or twice a year but frequent communication with the members is maintained; the most recent meeting was in February 2008.

NASS also consulted with the U.S. Department of Energy - Energy Information Administration (EIA) to determine if there was any overlapping content or questions between the NASS On-Farm Renewable Energy Production Survey and the EIA's Residential Energy Consumption Survey.

NASS and EIA representatives spoke and exchanged information confirming that the two surveys are quite dissimilar. The main differences are as follows:

1) Production v. Consumption

- NASS is conducting a survey of on-farm energy production.
- EIA is concerned with usage or consumption by residential households.
- Both surveys ask about wind and solar equipment used; however, the EIA survey stops short of collecting monies received for production of electricity or utility savings resulting from usage of this equipment.

2) Target Population

- The NASS survey will be limited to farm operations that were determined to meet the farm definition based on their response to the 2007 Census of Agriculture. NASS will be contacting any farm operation that indicated they produced renewable energy from sources that include solar, wind turbines, anaerobic digesters, or other sources, such as hydro and biomass.
- The EIA survey uses a multi-stage area probability survey with assistance from a sampled list to collect usage by households. Though rural households are sampled, this survey does not attempt to capture production from farms, just usage from these rural households.

NASS and EIA will continue to collaborate for potential critical renewable energy information efforts in the future.

Extensive correspondence, discussions, and meetings took place during the summer of 2009 with representatives from ERS, RD, OCE, and EPA regarding renewable energy production collection efforts, as well as questionnaire content and development. These individuals included: Peggy Caswell (202-994-5529) and Bob Dubman (202-694-5506), both from ERS; Anthony Crooks (202-205-9322) from RD; Irene Xiarchos (202-401-0846) from the Office of Energy Policy and New Uses under the Office of the Chief Economist; and Christopher Voell (202-343-9406), who is with EPA, Climate Change Division. A copy of this survey was also sent to Max Starbuck (636-733-9004 x106), Director of Production, Stewardship, and Livestock with the National Corn Growers Association, for review and comments.

NASS conducted content testing with several producers in an effort to improve response and accuracy of data reported. The number of test cases was limited but extensive in their scope of production of renewable energy.

**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, Title 7 Section 2276, and Subtitle A of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) 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.

NASS and NASS contractors comply with OMB Implementation Guidance, "Implementation Guidance for Title V of the E-Government Act, 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.**

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 2009 OREP survey questionnaire is expected to average 20 minutes per respondent. Time will vary since operations differ in scope of production and practices utilized. Total number of positive responses is estimated to be 13,250, which is based on using a sample size of 16,500 with an estimated response rate of approximately 80 percent. The target population consists of operators who responded positively to having on-farm energy production on the 2007 Census of Agriculture. Response burden hours are shown in the table below. Both, the initial mailing and the non-response follow-up mailing will contain the questionnaire, a cover letter, a questionnaire instruction sheet, an Electronic Data Reporting (EDR) mail instruction sheet and a postage paid return envelope. There will be either a telephone personal interview follow-up for those who do not respond to the mail requests or via EDR. NASS will also use a post card reminder/thank you letter to promote a high response rate.

This survey will only be conducted one time during this docket approval request. The total burden in the following table will be incurred in 2010.

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 8,447 hours is multiplied by \$24 per hour for a total cost to the public of \$202,728.

### On Farm Renewable Energy Survey - Projected Burden

Survey Name	Sample Size	Freq	Responses				Non-response				Total Burden Hours
			Resp. Count <sup>2/</sup>	Freq x Count	Min./ Resp.	Burden Hours	Nonresp Count	Freq. x Count	Min./ Nonr	Burden Hours	
Renewable Energy Questionnaire 1st mailing <sup>1/</sup>	16,500	1.00	4,950	4,950	20	1,650	11,550	11,550	2	385	2,035
Renewable Energy Questionnaire 2nd mailing <sup>1/</sup>	11,550	1.00	3,450	3,450	20	1,150	8,100	8,100	2	270	1,420
Enumerator follow up for non-response	8,100	1.00	4,850	4,850	20	1,617	3,250	3,250	2	108	1,725
Instructional Letters 1st mailing	16,500	1.00	4,950	4,950	10	825	11,550	11,550	2	385	1,210
Instructional Letters 2nd mailing	11,550	1.00	3,450	3,450	10	575	8,100	8,100	2	270	845
Post Card - Thank you / Reminder	16,500	1.00	13,250	13,250	5	1,104	3,250	3,250	2	108	1,212
<b>Total</b>	16,500		13,250	26,500		6,921	3,250	26,150		1,526	8,447

<sup>1/</sup> The mailings consist of the questionnaire, cover letter, a questionnaire instruction sheet, an EDR instruction sheet, and a postage paid return envelope.

<sup>2/</sup> The response rate for the mailings are estimated at approximately 30% for each mailing. The remainder of the completed reports will be obtained by EDR, telephone and field enumeration.

**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 estimated cost to the government for the 2009 OREP survey is estimated at \$1,600,000. The approximate cost breakdown is as follows: federal personnel \$1,100,000; NASDA field and phone enumerators \$300,000; and shipping, handling, printing, postage, travel, and other miscellaneous costs \$200,000.

**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:

2009 On-Farm Renewable Energy Production (OREP) survey:

	Start	Finish
Systems Development	Oct., 2009	May, 2010
Sample Selection	Dec., 2009	Feb., 2010
Questionnaire Design	July, 2009	Mar., 2010
Initial Mail-out	May 3, 2010	
Follow-up Mailing (Form)	June 1, 2010	
Telephone / Field Follow-up	June14, 2010	Aug. 6, 2010
Data Processing	May, 2010	Aug., 2010
Data Analysis	Aug., 2010	Oct., 2010
Review Tables and Prepare Release	Oct., 2010	Jan., 2011
Publication Date	Feb., 2011	

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 2009 OREP survey publication will have approximately 15 pages consisting of an introduction, approximately 7 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.

February, 2010