

2010 SUPPORTING STATEMENT
for
POULTRY MARKET NEWS REPORT
OMB NO. 0581-0033

A. Justification.

1. EXPLAIN THE CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY. IDENTIFY ANY LEGAL OR ADMINISTRATIVE REQUIREMENTS THAT NECESSITATE THE COLLECTION.

Approval is requested under the Paperwork Reduction Act and 5 CFR part 1320 for the collection of information by Poultry Programs Market News Branch using Form PY-90.

The Agricultural Marketing Act of 1946 (60 Stat. 1087-1091, as amended; 7 U.S.C. 1621-1627) (AMA) mandates data collection, reporting and recordkeeping requirements of market information for the purpose of anticipating and meeting consumer demand and bringing balance between production and utilization of agricultural products. The AMA was established to provide for the orderly marketing and efficient distribution of various agricultural products capable of being produced in abundance. This is accomplished through the collection and dissemination of marketing information on a market-area basis and thereby maintaining farm income by bringing balance between supply and demand for agricultural products. This action is viewed by Congress as being in the public interest.

The collection of information in this request is based on the AMA, section 203, principally, paragraphs (b) (g) and (k) that direct the Secretary of Agriculture to develop marketing methods for reducing the price spread between producer and consumer, bring a balance between production and utilization of agricultural products, and to collect, tabulate and disseminate agricultural marketing statistics.

Poultry Market News carries out these market stabilization responsibilities within the egg and poultry industry by gathering, summarizing and distributing current, unbiased, factual information regarding prices, supply, demand, trends, movement and other pertinent

information affecting the trading of poultry, eggs, and egg products. This is accomplished through cooperation between Federal and State agencies, producers, industry organizations and others in the development and effectuation of marketing programs to improve distribution processes. Poultry Market News also obtains information through direct observations, and contact with industry representatives. Usefulness of the information collected is evidenced by the number of times users access the market report web site and by the high level of cooperation received from respondents, although participation is strictly voluntary. Market News does not interfere with the operation of markets, however, its reports may influence market-related decisions.

The information collection requirements in this request are essential to carry out the intent of the AMA by providing the array of marketing information necessary to effectuate adequate product distribution and supply and to administer the program.

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.

Market news reports provide interested segments of the market chain and the general public with unbiased comprehensive poultry and egg market data and helps equalize the competitive position of all market participants. Timely information regarding market trends ensures efficient marketing and distribution of the nation's food supplies to the benefit of producers and consumers alike. All Poultry Market News reports are available to the public on the Internet at; www.ams.usda.gov/pymarketnews.htm. In 2009, these market reports received approximately 5,750,000 page views with an additional 453,000 reports issued via e-mail to subscribers who have specifically requested this information.

AMS, Poultry Programs, Market news reporters communicate with buyers and sellers of egg and poultry commodities on a daily basis through the use of telephone conversations, facsimile transmissions, and electronic mail messages in order to collect the data on form PY-90. The PY-90, Monthly Dried Egg Solids Stocks Report is used to collect inventory

information from commercial dried egg product plants throughout the U.S. The information provided on form PY-90 is input into a database creating a universal vehicle to keep market trend information proprietary, but yet publically available.

Poultry market news reports are used primarily by the poultry and egg industries to determine future production and marketing projections. Federal agencies involved in food purchase programs and institutional buying rely on market news reports as a source of supply and price data, to make policy decisions, settle trade discrepancies and perform a variety of other functions. Other agencies including the Foreign Agricultural Service, Economic Research Service, and the National Agricultural Statistics Service, use market news data to track prices, wages, agricultural productivity, and serve as indicators of economic growth. Market news data is often used in value determination settlements, contracting, or to resolve international trade disputes. Economists, investors and agricultural analysts may use market news reports to make financial decisions based on available supplies and current pricing. Market news data is also widely used by the private sector including producers or farmers, processors and distributors, retailers, restaurants and institutions, consultants, brokers, forecasters, transportation and financial or educational institutions. Finally, in times of catastrophic events, market news reports are a critical resource of information for Government policymakers as a source of shared information with producers, shippers, transportation companies and others.

PY-90: Monthly Dried Egg Solids Stocks Report - Data is collected by market news from commercial dried egg products plants throughout the U.S. Market news reporters collect the information primarily via facsimile transmissions and email. The information is then assembled, summarized, and disseminated monthly to interested parties by subscription, automatic telephone answering devices, newspaper, radio, and computer. The monthly release includes total pounds of egg products, by class, in cooperating firms' possession at the close of the inventory month, and a percentage change from the previous month and previous year. The release of the summarized information is used by industry as an aid to make knowledgeable marketing decisions. Data collection for the Monthly

Dried Egg Solids Stocks report provides information on stocks on hand of dried egg solids. Stock levels on hand may have a substantial bearing on prices and output of both processed and shell eggs, since dried egg solids may be stored for relatively long periods of time. The information collected using form PY-90 assures that marketing channels are filled, but not overflowing, preventing unnecessary overages and/or shortfalls.

- 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.**

Information for many statistical reports is received via e-mail, telephone, and facsimile transmission. These delivery methods have been in use for several years and are adequate. Statistical reports usually contain data which customers have on-hand for their internal recordkeeping as part of their ongoing business practice.

Market News currently offers the ability to submit data and transact with Market News via e-mail, telephone or fax. Electronic submission is not available. Data is collected through unstructured telephone interviews or free-form industry data sheets. No standard form is used; therefore, no electronic forms can be created. At this time, only 1 of 9 respondents for form PY-90 supply information via e-mail.

Poultry Market News provides free public access to market reports on the Internet at www.ams.usda.gov/pymarketnews.htm. Market News also offers a subscription service to market news reports through Cornell University whereby registered users receive specific reports via e-mail, at no charge. Finally, Poultry Market News provides e-mail subscription service on a limited basis for reports in Adobe pdf format.

- 4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION. SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE**

USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN ITEM 2 ABOVE.

Market News representatives are in constant contact with members of the egg and poultry industries that provide the market information used in reports. These individuals and industry trade association officials are contacted regularly in an attempt to avoid a duplication of requests for information. These individuals would be readily aware if this type of information was available since it directly affects their business and marketing decisions. Similar information is not available that can be used or modified.

5. IF THE COLLECTION OF INFORMATION IMPACTS SMALL BUSINESSES OR OTHER SMALL ENTITIES (ITEM 5 OF THE OMB FORM 83-1), DESCRIBE THE METHODS USED TO MINIMIZE BURDEN.

We require only a minimal amount of information, which can be supplied without data processing equipment or outside technical expertise. The primary sources of data are routinely used in all business transactions. Collection of the information requested by Market News does not present any additional effort on the part of small businesses or other small entities as this information is assembled and maintained by these entities as part of their standard, ongoing business practice for internal recordkeeping.

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.

Less frequent collection of data would not meet the demand by industry and public users of this information. Industry participants are provided with up-to-date information on the movement of product and the amount of product in storage on a current basis, so that necessary adjustments in product flow can be made accordingly. Decreased collection would not yield the timely data resource necessary to carry out the responsibilities of this program. There are no technical or legal obstacles to reducing burden.

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; - REQUIRING RESPONDENTS TO PREPARE A WRITTEN RESPONSE TO A COLLECTION OF INFORMATION IN FEWER THAN 30 DAYS AFTER RECEIPT OF IT;**

Current release times for market reports are consistent with the demand for the reports, that is, when the information is most useful to the user. Also, reports are disseminated when information is available. Information released on a quarterly basis would not be effective in providing information to the public when needed. Market changes occur daily; therefore, quarterly reports would not provide timely information. While that information might be useful for historical significance, the public's demand for information on current conditions of trade would not be met.

There are no special circumstances that would require respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of the information.

- **REQUIRING RESPONDENTS TO SUBMIT MORE THAN AN ORIGINAL AND TWO COPIES OF ANY DOCUMENT;**
- **REQUIRING RESPONDENTS TO RETAIN RECORDS, OTHER THAN HEALTH, MEDICAL, GOVERNMENT CONTRACT, GRANT-IN-AID, OR TAX RECORDS FOR MORE THAN 3 YEARS;**
- **IN CONNECTION WITH A STATISTICAL SURVEY, THAT IS NOT DESIGNED TO PRODUCE VALID AND RELIABLE RESULTS THAT CAN BE GENERALIZED TO THE UNIVERSE OF STUDY;**
- **REQUIRING THE USE OF A STATISTICAL DATA CLASSIFICATION THAT HAS NOT BEEN REVIEWED AND APPROVED BY OMB;**
- **THAT INCLUDES A PLEDGE OF CONFIDENTIALITY THAT IS NOT SUPPORTED BY AUTHORITY ESTABLISHED IN STATUE 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

- **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.**

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.6

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.**

The Agency published the notice of information collection and request for comments in the Federal Register on April 5, 2010, Volume 75, Number 64, page 17121. One comment was received. The commenter stated that agribusiness rather than taxpayers should pay for surveys such as these. No action was taken in response to this comment because it was outside of the scope of this request and did not address the cost or burden on the respondents subject to this information collection.

DESCRIBE EFFORTS TO CONSULT WITH PERSONS OUTSIDE THE AGENCY TO OBTAIN THEIR VIEWS ON THE AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, THE CLARITY OF INSTRUCTION AND RECORDKEEPING, DISCLOSURE, OR REPORTING FORMAT (IF ANY), AND ON THE DATA ELEMENTS TO BE RECORDED, DISCLOSED OR REPORTED.

Market News works closely with industry trade organizations including United Egg Producers, National Turkey Federation, National Chicken Council, and the U.S. Poultry and Egg Export Council. By attending the regular meetings of these organizations, Market News is able to receive industry feedback regarding market reports and respond accordingly

by modifying the reports as needed.

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202/898-0100
Mr. Joel Brandenberger

National Chicken Council
1015 15th Street, NW
Suite 930
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202/296-2622
Mr. George Watts

United Egg Producers
1720 Windward Concourse, Suite 230
Alpharetta, GA 30005
770/360-9220
Mr. Gene Gregory

Market News is in frequent contact with representatives of other government agencies and officials of the poultry and egg industries, who rely on market news data. Various Federal and State agencies are consulted with regards to the various aspects of data collection, availability, frequency, recordkeeping, disclosure, and reporting format. These agencies include the Economic Research Service, National Agricultural Statistics Service, Foreign Agriculture Service, and various State Departments of Agriculture.

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.

There are no present circumstances that preclude consultation at least every 3 years with representatives from whom information is obtained.

9. EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEES.

Market News does not provide any payment or gift to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS AND THE BASIS FOR THE ASSURANCE IN STATUTE, REGULATION, OR AGENCY POLICY.

Agency policy has established confidentiality as paramount in importance in market news reporting with respect to individuals' and firms' proprietary trade information. Information provided by individual firms is combined with that from other firms before being issued in a report. Firms contacted by Market News respond voluntarily with complete confidence that their information will not be used in any way that would disclose their individual operations. This ensures individuals that their confidential trade information will not be identified. Jeopardizing confidentiality would taint the reputation of Market News. Information collected by Market News is handled responsibly in accordance with Market News policy.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS FOR A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE.

Questions of a sensitive nature are not asked.

12. PROVIDE ESTIMATES OF THE HOUR BURDEN OF THE COLLECTION OF INFORMATION.

The respondents' estimated annual cost is \$238,306.76. This total has been estimated by multiplying 17,999 (total burden hours) by \$13.24. The \$13.24 per hour figure represents an estimated per hour cost for clerical duties of filing records. This hourly wage was obtained from the U.S. Department of Labor Statistic's publication, "National Compensation Survey: Occupational Earnings in the United States, June 2008", published August 2009 (Bulletin 2720). This publication can also be found at the following website: <http://www.bls.gov/ncs/ncswage2008.htm>

13. PROVIDE AN ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO

RESPONDENTS OR RECORDKEEPERS RESULTING FROM THE COLLECTION OF INFORMATION.

There are no start-up cost burdens to respondents not included in items 12 and 14.

14. PROVIDE ESTIMATES OF ANNUALIZED COST TO THE FEDERAL GOVERNMENT. ALSO, PROVIDE A DESCRIPTION OF THE METHOD USED TO ESTIMATE COST, WHICH WOULD INCLUDE QUANTIFICATION OF HOURS, OPERATION EXPENSES (SUCH AS EQUIPMENT, OVERHEAD, PRINTING, AND SUPPORT STAFF), AND ANY OTHER EXPENSE THAT WOULD NOT HAVE BEEN INCURRED WITHOUT THIS COLLECTION OF INFORMATION.

The estimated annual cost to the Federal Government to collect market information during regular contact with industry sources is \$1,292,000.

This number is calculated on the basis that the average Poultry Market News reporter is a GS-11 for, which the average hourly salary rate including benefits is \$29. With 25 Market News reporters spending 75 percent of their time doing data collection, the approximate cost for salaries and benefits is \$1,131,000.

Other costs associated directly with data collection include travel, printing, mailing and operational expenses, these costs for FY-2010 are estimated at \$161,000. Therefore, the costs for regular data collection are estimated at \$1,292,000.

Previous cost estimates for this collection package were erroneously based on costs associated with form PY-90 and costs for the preparation of this information collection package but failed to capture all costs for services provided by Poultry Market News. The full function of Poultry Market News cannot be accurately reflected on AMS-71 due to the lack of forms associated with Poultry Market News. Further, previous cost estimates encompassed rulemaking activity which should not have been included here. The cost estimate indicated above has been computed to reflect costs to the Federal Government for information collection activities required by the Poultry Market News Branch.

15. EXPLAIN THE REASON FOR ANY PROGRAM CHANGES OR ADJUSTMENTS REPORTED IN ITEMS 13 OR 14 OF THE OMB FORM 83-1.

A decrease in the number of respondents for this collection package has occurred due to a slight decrease in participation from industry representatives. Further, respondents completing form PY-90 submit this information on a monthly basis, therefore a correction to the number of responses per respondent from 8 to 12 (annually) has been incorporated. The overall impact on the annual reporting and recordkeeping burden is a decrease of -423 burden hours.

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.

There are no plans to publish any information or data collected.

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.

Market News is seeking continued approval not to display the expiration date on the form associated with this information collection. The Market News office in Atlanta, Georgia reproduces the form locally and distributes the form to respondents on a monthly basis. The display of the expiration date on the form leads to confusion on the part of the respondents.

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 to the certification statement identified in item 19.