

2011 SUPPORTING STATEMENT

Grain Market News Reports OMB NO. 0581-0005

A. Justification.

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

Livestock and Grain Market News provides a timely exchange of accurate and unbiased information on current marketing conditions (supply, demand, prices, trends, movement, and other information) affecting trade in livestock, meats, grain, and wool.

Administered by the U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS), this nationwide market news program is conducted in cooperation with approximately 25 State departments of agriculture. Working closely with the States as an equal partner, USDA provides technical support and supervision to assure nationwide standardized application of USDA grades and uniform trading terminology.

The up-to-the-minute reports collected and disseminated by professional market reporters are intended to provide both buyers and sellers with the information necessary for making intelligent, informed marketing decisions, thus putting everyone in the marketing system in an equal bargaining position.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), Section 203(g), and in accordance with 5 CFR 1320.6, Part 59, directs and authorizes the collection and dissemination of marketing information including adequate outlook information, on a market area basis, for the purpose of anticipating and meeting consumer requirements aiding in the maintenance of farm income and to bring about a balance between production and utilization.

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 grain market reports are used primarily by the grain and feed industry, which includes a wide range of industry contacts, including processors and producers. The grain and feed industry requested that the USDA issue grain market reports for making immediate production and marketing decisions and as a guide to the

amount of grain in the supply channel. The information solicited from respondents includes price, supply, and movement of grain.

Industry traders can use market news information to make marketing decisions on when and where to buy and sell. For example, a producer could compare prices being paid at local, terminal, or export elevators to determine which location will provide the best return. Some traders might choose to chart prices over a period of time in order to determine the most advantageous day of the week to buy or sell, or to determine the most favorable season. In addition, the reports are used by other Government agencies to evaluate market conditions and calculate price levels used for the Farmer-owned Reserve Program.

Economists at most major agricultural universities and colleges use the grain and feed market news reports to make short and long term market projections. The information is used extensively by consulting firms and private economists to aid them in determining available supplies and current pricing. The grain and feed industry could not collect the information on their own as they would not want to divulge their information to competitors, and the danger of manipulation exists. Consequently, the reports must be collected and disseminated by an impartial third party.

Industry has grown to depend on the grain and feed reports for assistance in making intelligent marketing and production decisions. Also, since the Government is a large holder of grain, some type of system would have to be established to monitor the collection and reporting of data.

Summary reports of prices, market comments, and related information on wheat, rye, corn, oats, barley, soybeans, and flaxseed are derived from daily grain reports with no additional burden time for this information. Cash closing prices for certain production area markets are reported and released daily. Reports also cover grain futures prices, which are obtained from the Board of Trade at Chicago and the Minneapolis Grain Exchange.

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.**

Time limitation of information does not allow for easy use of improved technology between respondents and market news reports. However, facsimile machines, electronic mail, and the Internet are used as well as phone calls to

provide information on a more timely basis and reduce telephone time for the respondent and the Government. Market News will continue to work with various industry groups to add or enhance the electronic collection of data and information.

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.**

The contacts for the various reports are divided by geographic regions as assigned by the Washington headquarters office, Livestock and Grain Market News, to avoid duplication. As the only Government source for the information, there is no duplication with other Government agencies. ERS, NASS, GIPSA, and CCC, all obtain this information from the Livestock and Grain Market News Branch.

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

There are no forms used and AMS requires only a minimal amount of information, which can be supplied without data processing equipment or a trained statistical staff. The primary sources of data are routinely used in all business transactions. Thus, the information collection and reporting burden is relatively small and requires the same reporting requirements for all producers, handlers, and importers and does not significantly disadvantage any producer, handler or importer that is considered a small business.

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 would hinder the usefulness of the data, as marketing and production decisions by industry are constantly being made, and the rapidly changing marketplace requires up-to-the-minute information. The USDA and staff also require a daily update to keep abreast of the frequently changing markets.

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;**

The up-to-the-minute reports collected and disseminated by professional market reporters are intended to provide both buyers and sellers with the information necessary for making intelligent, informed marketing decisions, thus putting everyone in the marketing system in an equal bargaining position. Livestock and Grain Market News provides a timely exchange of accurate and unbiased information on current marketing conditions (supply, demand, prices, trends, movement, and other information) affecting trade in livestock, meats, grain, and wool. Reporting on a quarterly basis would not be timely enough for effective marketing decisions.

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

The need for real time information for the fast changing markets of grain and feed require that Market News collect, generate and disseminate reports on a daily or weekly basis.

- **REQUIRING RESPONDENTS TO SUBMIT MORE THAN AN ORIGINAL AND TWO COPIES OF ANY DOCUMENT;**

There are no circumstances that require respondents to provide any such records to AMS.

- **REQUIRING RESPONDENTS TO RETAIN RECORDS, OTHER THAN HEALTH, MEDICAL, GOVERNMENT CONTRACT, GRANT-IN-AID, OR TAX RECORDS FOR MORE THAN FIVE YEARS;**

There are no circumstances that require respondents to provide any such records to AMS.

- **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;**

There are no circumstances that require respondents to provide any such records to AMS.

- **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**

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

- **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.**

All market news information collection is strictly confidential as to individual or firms proprietary information. Respondents provide information to market reporters with complete confidence that their information will not be used in any way that would disclose their individual operations. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.6. Market News is protected under the authority of 7 U.S.C. 1622(g) to keep source information strictly confidential.

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 a notice in the Federal Register on May 18, 2011, Vol. 76, No. 96, page 28726, announcing its request for comments from the grain and feed industry to improve or change the procedures for collecting information used to compile and generate grain reports. No 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 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.

Consulting with respondents is an ongoing practice in the normal course of reporting the markets. Investigating opportunities to improve the accuracy and timeliness of reports is a major priority of the Livestock and Grain Market News Branch. Current market reporting procedures are discussed as well as the possibility of revisions which would provide more current information for the respective industry. Currently, the relationships between Market News and industry contacts have been mutually beneficial to both parties. This has resulted in no major problem in communication.

The following is a list of industry contacts:

Glenn Hollander
Hollander & Feurhaken, Inc.
141 W. Jackson St.
Chicago, Illinois 60604
312-427-6420

Jeffrey Adkisson
Executive Vice President
Grain and Feed Association of Illinois
3521 Hollis Drive
Springfield, IL 62711
217-787-2417

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

No payments or gifts are provided 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. We have assured respondents of this responsibility and we investigate any possible inadvertent disclosure of individual operations. Individual plant and producer data is destroyed at the collection point within 5 working days.

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.

Questions of a sensitive nature are not included on any form.

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-I.**

The number of respondents is approximately 160. See AMS-71 spreadsheet for breakout.

- **PROVIDE ESTIMATES OF ANNUALIZED COST TO RESPONDENTS FOR THE HOUR BURDENS FOR COLLECTIONS OF INFORMATION, IDENTIFYING AND USING APPROPRIATE WAGE RATE CATEGORIES.**

It is estimated that approximately 75 percent of respondents are in sales and 25 percent are in administrative support. Based upon the Bureau of Labor Statistics data, the average hourly wages are \$28.34 for sales staff under Agriculture, Forestry, Fishing and Hunting, Sales and Related Occupations. The average hourly wages for administrative staff under

Agriculture, Forestry, Fishing and Hunting, Office and Administrative Support Occupations, are \$14.05. Wages were obtained from the BLS National Industry-Specific Occupational Employment and Wage Estimates at http://www.bls.gov/oes/current/naics2_11.htm.

Summary:

Sales: 97 hours @ \$28.34 = \$2,748.98

Administrative: 32 hours @ \$14.05 = \$449.60

TOTAL: \$3,198.58

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 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. THE ESTIMATES SHOULD TAKE INTO ACCOUNT COSTS ASSOCIATED WITH GENERATING, MAINTAINING, AND DISCLOSING OR PROVIDING THE INFORMATION. INCLUDE DESCRIPTIONS OF 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 COLLECTING 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.**

There are no capitol/start-up or operation and maintenance costs associated with this program.

- 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.**

Estimated cost to the Federal Government:

The estimated cost to the Federal government to collect market information during regular contact with industry sources is \$93,532 per year.

This number is calculated on the basis that the average Livestock and Grain Market News reporter is a GS-11, for which the average hourly salary rate including benefits is \$28.44.

202 contacts x 1 call per week = 202 calls

2 minutes each call = 404 minutes per week

21,008 minutes per year, or 350 hours per year

GS-11 hourly wage of \$28.44 per hour x 350 hours = \$9,954

Other costs associated directly with data collection include travel, printing and operational expenses. These costs for FY 2012 are estimated at \$64,872. Therefore, the costs for regular data collection are \$74,826.

SUMMARY

Regular Contact With Industry: \$74,826

25% Overhead (Salary, benefits, transportation, supplies, materials and equipment): \$18,706

Total costs to the Government: \$93,532 per year

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

There was an adjustment of -2,184 annual responses for this collection. Because the publication of molasses market data is no longer viable, this information will no longer be collected. Therefore, the burden for this collection has decreased by -73 hours and 2,184 annual responses.

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.**

Information under this request is not published.

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.**

The agency is not requesting approval not to display 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.**

The agency is able to certify compliance with all provisions under Item 19 of OMB Form 83-I.

B. **COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

Statistical methods are not being used with this collection.