

2011 SUPPORTING STATEMENT

Plan for Estimating Daily Livestock Slaughter Under Federal Inspection OMB NO. 0581-0050

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 Daily Estimated Livestock Slaughter Under Federal Inspection report is used primarily by the livestock and meat trade, which includes a wide range of industry contacts, including packers, processors, producers, brokers, and retailers of meat

and meat products. The livestock and meat industry requested that the USDA issue slaughter estimates (daily and weekly), by species, for cattle, calves, hogs, and sheep in order to assist them in making immediate production and marketing decisions and as a guide to the amount of meat in the supply channel. The information solicited from respondents includes their estimation of the current day's slaughter at their plant(s) and the actual slaughter of the previous day. The Economic Research Service (ERS) and the National Agricultural Statistics Service (NASS) use the reports to make their market outlook projections and maintain statistical data.

Economists at most major agricultural colleges and universities use the reports to make both short and long term market projections. They are used extensively by consulting firms and private economists to assist them in determining available supplies and current pricing. Data from these reports are also widely used for internal briefings and forwarded to USDA policy officials to keep them apprised of the current market conditions and movement of livestock and meat in the United States.

NASS requires the daily and weekly (compiled from daily figures) estimated slaughter to assist them in identifying non-fed slaughter cattle, which is part of their responsibility. It is relied on by ERS to stay abreast of the livestock situation and for making market projections that are used by the livestock and meat industry as well as other Government agencies, such as the Extension Service. They also use the estimate as a guide to project or anticipate what the actual slaughter may be. (Note: Actual slaughter data is furnished by the Food Safety and Inspection Service about one week after the fact. Market conditions change daily or more often which makes one-week-old data insufficient for making immediate decisions.)

In particular, data from these reports are incorporated by the U.S. sheep industry into price-prediction models upon which a lamb price-risk plan of insurance is offered through USDA's Risk Management Agency.

The livestock and meat industry could not collect the information themselves as they would not want to divulge their information to competitors, and danger of manipulation exists. Industry has grown to depend on the livestock and meat information for assistance in making intelligent marketing and production decisions.

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.

Due the nature of the information collected, the time constraints, and the respondents, the most efficient collection methods are telephone calls and electronic mail submissions. Collecting information using a database or other information technology tool would only increase the burden on respondents, without improving the quality, quantity, or timeliness of the 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 slaughter information 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. Although the information is available from the USDA's Food Safety and Inspection Service, it would not be able to be made available in a timely enough manner to be of any utility to its users.

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.**

This information collection requirements shall be reduced to the minimum needed to meet the requirements to obtain the information. There are no forms used and AMS requires 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. Thus, the information collection and reporting burden is relatively small. Further, requiring the same reporting requirements for all producers, handlers, and importers does not disadvantage any producer, handler or importer that is considered a small business.

There are no respondents under this information collection that qualify as 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 reduce the utility of the information to its users, as

marketing and production decisions by industry are constantly being made, and the rapidly changing marketplace requires up-to-the-minute information.

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 information collected for the slaughter report is disseminated by professional market reporters and is 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 livestock and meat 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 Market News.

- **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 Market News.

- **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 Market News.

- **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.**

AMS published a notice in the Federal Register on August 9, 2011, Vol. 76, No. 153, page 48796 announcing its request for comments from the livestock and meat industry to improve or change the procedures for collecting information used to compile and generate the Plan for Estimating Daily Livestock Slaughter Under Federal Inspection report.

AMS received two comments. One commenter believed that USDA should not provide this information to livestock slaughterers (i.e., packers) and that food safety inspections should be on a surprise basis. These reports are used by many stakeholders in the food chain other than packers. Producers, brokers, handlers, commodities traders, and others involved in the livestock and meat trade rely on this information to make informed marketing decisions. As for the comment on the frequency of inspection, this is outside the purview of AMS and is not related to this information collection.

The other commenter fully supported this collection of information. The commenter, an organization representing sheep producers and handlers, noted that sheep producers rely on this information to make daily marketing and pricing decisions. This commenter also noted that analysts and market forecasters use this information to conduct industry-relevant research, provide data perspective for decision-making and for building risk-management tools.

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 Division. 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 excellent industry contacts:

Mark Dopp
American Meat Institute
1600 N. Wilson Boulevard
Arlington, VA 22209
703-841-2400

Neil Dierks
National Pork Producers Council
122 C St. NW, Suite 875
Washington, D.C. 20001
202-347-3600

Peter Orwick
American Sheep Industry Association
9785 Maroon Circle, Suite 360
Englewood, CO 80112
303-771-3500

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

Estimated cost to respondent: Since industry must keep an accurate record of each transaction for their own use, the cost to the respondent is minimal. At the same time, the respondents receive information from the market news reports, therefore, deriving a benefit from an overview type of information.

The respondents estimated annual cost in providing information to the industry is \$15,455. There were no costs for postage or printing for respondents.

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 \$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: 468 hours @ \$28.34 = \$13,263
Administrative: 156 hours @ \$14.05 = \$ 2,192

TOTAL: \$15,455

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 capital/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 slaughter information during regular contact with industry sources is \$28,440 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.

With 2 reporters spending approximately 20 percent of their time doing data collection, the approximate cost for salaries and benefits is \$28,440. Other costs associated directly with data collection include travel, printing and operational expenses. These costs for FY 2010 are estimated at \$1,000. Therefore, the costs for regular data collection are \$29,440.

SUMMARY

Regular Contact With Industry: \$28,440

Travel, printing, and operational expenses: \$1,000

Total costs to the Government: \$29,440 per year

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

There have been no program changes or adjustments.

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 83-1.**

The agency is able to certify compliance with all provisions under Item 19 of OMB Form 83-1.

B. Collection Of Information Employing Statistical Methods

Statistical methods are not being used with this collection.