

2012 SUPPORTING STATEMENT
for
National Organic Program (NOP): NOP Import Certificate;
Reporting; and Recordkeeping Requirements
OMB NO. 0581-NEW

(Emergency Request)

NOTE: Upon OMB's approval of this new information collection for National Organic Program; NOP Import Certificate Reporting and Recordkeeping Requirements, we will request to merge this collection into currently approved OMB Control Number 0581-0191 National Organic Program Reporting and Recordkeeping Requirements.

A. Justification.

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

The National Organic Program (NOP) is authorized by the Organic Foods Production Act of 1990 (OFPA), as amended, (7 U.S.C. § 6501 *et. seq.*). The Agricultural Marketing Service (AMS) administers the NOP. Under the NOP, AMS oversees national standards for the production and handling of organically produced agricultural products. Under 7 CFR 205.500(c)(2) of the NOP regulations, the U.S. Department of Agriculture (USDA) will accept a foreign certifying agent's accreditation to certify organic production or handling operations if the foreign government authority that accredited the foreign certifying agent acted under an equivalency agreement negotiated between the United States and the foreign government. On February 15, 2012, the U.S. and the European Union (EU) finalized an equivalence arrangement, under which organic products certified to the USDA organic standards or EU organic

standards may be sold, labeled, and represented as organic in both countries as long as the terms of the arrangement are met. One of the terms of the equivalency arrangement requires that, when the EU-U.S. Organic Equivalence Arrangement becomes effective on June 1, 2012, EU organic products exported for sale to the U.S. must be accompanied by an NOP Import Certificate. This certificate documents that the organic products were certified under the EU organic regulations and met the terms of the equivalency arrangement for export to the U.S. This equivalence arrangement and its associated information collection are consistent with the NOP regulations.

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.

EU designated certification entities will issue NOP Import Certificates for each shipment of organic product from the EU to the U.S. Each EU Member State has designated a number of public authorities and/or approved private certification agencies to carry out organic certification under the EU organic standards. These EU designated certification entities operate under the supervision of the central competent authorities of the Member States. There are 205 EU designated certification entities operating in the 27 EU Member States. The NOP Import Certificate is necessary to document that the organic products

were certified under the EU organic regulations and meets all the requirements specified in the EU – U.S. organic equivalency arrangement.

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.

The USDA encourages parties to use any electronic means available to them to create, submit and store records, including keeping database records.

Research of the industry indicates that many entities use electronic data creation, storage and the Internet. Most entities will use computers and word processors for their recordkeeping. Based on this information, we estimate that 75 percent of the collection of information could be performed by automated, electronic, mechanical, or other technological means.

AMS created the NOP Import Certificate in a fillable electronic format to facilitate use of information technology and reduce the time burden to complete the certificate. This form can be accessed on the NOP Web site at:

<http://www.ams.usda.gov/NOPTradeEuropeanUnion>. This format allows the respondent to either fill the certificate in online or print in hard copy and fill in the certificate by hand. Respondents will need to attach these certificates to shipments of organic products exported from the EU to the U.S. This is currently the preferred method of submission.

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.

We have made every effort to contact appropriate sources within USDA, other government agencies, and outside sources to ensure that we are not duplicating information collection. Some of the requirements for organic production and handling and certification are unique to the organic industry. In this case, AMS is collecting new information under the terms of a new international arrangement. Since this is a new arrangement and its terms were finalized in February 2012, existing information or data will not meet the purpose described in item 2.

We encourage participants in the NOP, including EU designated certification entities acting under the arrangement, to reduce the paperwork burden by establishing business operating plans and procedures that incorporate the requirements of the EU-U.S. Organic Equivalence Arrangement and avoid duplication.

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

The RIA and the Regulatory Flexibility Analysis associated with the NOP final rule indicate that many of the businesses in the organic industry are small

businesses. However, the entities which will be required to fill out the NOP Import Certificates are all foreign entities, not U.S. agricultural firms.

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.

If this collection of information was not conducted, the Agency would not be able to carry out the terms of the EU-U.S. organic equivalency arrangement. This arrangement requires that EU designated certification entities attest through completion of the NOP Import Certificate that organic products exported to the U.S. meet the terms of the arrangement. Without this certificate, such products could not be exported. The Agency intends to continue working with the EU to determine whether documentation required by both parties for the arrangement could be reduced in the future.

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;**

Under the terms of the EU – U.S. organic equivalency arrangement, the NOP Import Certificate must be completed and accompany each shipment of organic product exported from the EU to the U.S. These shipments occur sporadically on a real time basis as product is

exported and, therefore, the reporting is likely to occur more than quarterly. Prompt reporting is necessary to ensure that organic products can be exported from the EU to the U.S. in a timely manner.

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

Under the terms of the EU – U.S. organic equivalency arrangement, the NOP Import Certificate must be completed by the EU designated certification entity as soon as organic products are ready for export to the U.S. For some products (e.g. perishable), the shipments will need to move quickly. Prompt completion of the certificate, often in less than 30 days, is necessary to ensure that organic products can be exported from the EU to the U.S. in a timely manner.

- 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 other 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.**
- **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.**

AMS solicited feedback on the requirement for the NOP Import Certificate from the EU during the equivalency negotiations. On March 22, 2012, Federal Register Vol. 71 No. 200, pages 61014 to 61015, the agency published a notice of request for new information collection and request for comments. Comments are invited until May 21, 2012.

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

There would be no payment or gift rendered to any respondent.

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

The OFPA § 6515(g) states "that any certifying agent shall maintain strict confidentiality with respect to its clients under the applicable organic certification program and may not disclose to third parties (with the exception of the Secretary or the applicable State Program's governing State official) any business related

information concerning such client obtained while implementing this chapter."

Section 205.504(b)(4) of the rule further states that a private certifying agent shall establish policies for protecting the confidentiality of client records.

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.

There are no questions being requested that are of a sensitive nature. The information we are seeking is directly related to business activities as they relate to the NOP.

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

Estimates of the hour burden of collection of information have been summarized on the enclosed AMS Form 71.

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 DIFFERENCE 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.

The NOP Import Certificate will be completed by EU designated certification entities upon export of organic products to the U.S. The NOP estimates the approximately 205 EU designated certification entities would complete the NOP Import Certificate 20 times annually.

Estimate of Burden: Public reporting burden for the collection of information is estimated to be 0.25 hours per response. The Agency estimates that each EU designated certification entity will issue 20 NOP Import Certificates, for a total burden of 5 hours per entity, or a total annual burden across all entities of 1,025 hours. The respondents' estimated annual cost in providing the information is \$16,277. This total has been estimated by multiplying the 1,025 burden hours incurred by EU

designated certification entities by \$15.88, the hourly wage for an audit clerk. The hourly wage is based upon the U.S. Bureau of Labor and Statistics wage for Bookkeeping, Accounting and Auditing Clerks.¹

Estimates for the burden of collecting information have been summarized in the OMB-83I.

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).

Estimate of Burden: Public recordkeeping burden is estimated to be an annual total of 0.33 hours per respondent at \$15.88 per hour for a salary component cost of \$5.24. The hourly wage is based upon the U.S. Bureau of Labor and Statistics wage for Bookkeeping, Accounting and Auditing Clerks. The salary component cost of \$5.24 accounts for the recordkeeping costs per EU designated certification entity for maintaining their copies of the estimated 20 NOP Import Certificates issue that they will issue per year. The total cost to EU designated certification entities per year for recordkeeping is estimated at \$1,074, the salary component cost (\$5.24) multiplied by the number of EU designated certification entities (205).

- THE COST ESTIMATE SHOULD BE SPLIT INTO TWO COMPONENTS: (a) A TOTAL CAPITAL AND START-UP

¹ U.S. Bureau of Labor and Statistics for Bookkeeping, Accounting, and Auditing Clerks 43-3031 (NAICS 115100 – Support Activities for Crop Production). Available at: http://www.bls.gov/oes/current/naics4_115100.htm#43-0000

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 KEEPING RECORDS FOR THE GOVERNMENT, OR (4) AS PART OF CUSTOMARY AND USUAL BUSINESS OR PRIVATE PRACTICES.**

- 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, 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. AGENCIES ALSO MAY AGGREGATE COST ESTIMATES FROM ITEMS 12, 13, AND 14 IN A SINGLE TABLE.**

We estimate the annual cost to operate the NOP at approximately \$7 million. These costs include salaries and benefits; travel and transportation; rent, communications, utilities; printing; contractual services; supplies; and equipment. The NOP currently operates on appropriated funds.

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

This is a new program.

- 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.**

No publication of data obtained through the regulation is planned.

- 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.

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. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

- THE AGENCY SHOULD BE PREPARED TO JUSTIFY ITS DECISION NOT TO USE STATISTICAL METHODS IN ANY CASE WHERE SUCH METHODS MIGHT REDUCE BURDEN OR IMPROVE ACCURACY OF RESULTS. WHEN ITEM 17 ON THE FORM 83-I IS CHECKED "YES", THE FOLLOWING DOCUMENTATION SHOULD BE INCLUDED IN THE SUPPORTING STATEMENT TO THE EXTENT THAT IT APPLIES TO THE METHODS PROPOSED.

This information collection does not employ statistical methods.