

1 Supporting Statement

**FLORICULTURE SURVEY**

OMB No. 0535-0093

This docket is asking for an extension of 3 years to an ongoing annual data collection and publication of floriculture data.

**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 (NASS) is to prepare current official State and national estimates of crop and livestock production, prices, and disposition. Since 1985 Congress has provided funds to conduct an annual Commercial Floriculture Survey which obtains data on this important and growing industry. According to the 2009 Census of Horticulture, the floriculture industry accounted for more than \$5 billion in wholesale sales at the U.S. level. According to the 2007 Census of Agriculture, floriculture is the number one income-producing commodity in 6 States and is ranked among the top ten income-producing commodities in 35 States.

This annual survey is a census of all known commercial floriculture operations which grow and sell at least \$10,000 worth of floriculture products. Prior to 2007 the Commercial Floriculture Survey was conducted in the 36 largest floriculture producing States. Due to budget cutbacks the number of States was reduced to 15 major producing States in 2007 and all subsequent years.

The annual floriculture survey obtains basic data from operations with sales of \$10,000 or more in total sales and detailed data from operations with \$100,000 or more in total sales. The retail and wholesale quantity and value of sales are collected for fresh cut flowers, potted flowering plants, foliage plants, annual bedding/garden plants, herbaceous perennials, cut cultivated florist greens, propagative floriculture material, and unfinished plants. Also included is additional detail on area in production, operation value of sales, and agricultural workers.

General authority for these data collection activities is granted under U.S. Code Title 7, Section 2204 which specifies that "The Secretary of Agriculture shall procure and preserve all information concerning agriculture which he can obtain ... by the collection of statistics ... and shall distribute them among agriculturists."

**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.**

Estimates from this floriculture survey are used by all segments of the industry to assess current production levels, potential growth, and resource needs. Some of the industry organizations that rely on the data collected by this survey are the Society of American Florists, the Association of Specialty Cut Flower Growers, the American Orchid Society, the Perennial Plant Association, the International Cut Flower Association, the California Cut Flower Commission, the Florida Nursery, Growers and Landscape Association, the Colorado Nursery & Greenhouse Association, OFA – an Association of Floriculture Professionals, and the Connecticut Florists Association.

The Bureau of Economic Analysis (BEA) and the USDA's Economic Research Service (ERS) rely heavily on this data as a key factor in calculating total farm income and agricultural output.

Financial institutions use these data extensively to evaluate the granting of business loans. The U.S. Department of Agriculture uses the information to allocate grants to land grant universities. Land grant universities, in conjunction with USDA's Extension Service, use data from the floriculture survey to assess alternative agriculture opportunities. The U.S. Department of Labor uses the results of the floriculture survey to estimate the number of workers in the industry. The Environmental Protection Agency uses production figures to determine the extent of pesticide usage.

The International Trade Commission uses these data to address questions on imports and to show injury caused by foreign competitors' unfair trade practices; floriculture data have been used to investigate the dumping of cut flowers by foreign producers. The office of the U.S. Trade Representative, Executive Office of the President, uses the data collected by NASS in their Generalized System of Preference (GSP), which determines preferred imports from other countries. The GSP is used for countries not included in the General Agreement on Trade and Tariff (GATT). Government representatives have used the data for GATT and the North American Free Trade Agreement (NAFTA) negotiations to make decisions regarding the importing of these products.

- 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 to the complexity of the annual floriculture survey, NASS has postponed putting this survey on the internet as a web-based survey. We wanted to develop and conduct the Census of Horticulture (floriculture and nursery producers) first using a web-based instrument before we started collecting data for the annual floriculture survey. Now that the Census of Horticulture has been completed, NASS plans to work at developing an internet version of these questionnaires during the next three years.

Many of the more complex floriculture operations may still need to be completed by personal interviews. Any producer that requests assistance in completing the questionnaire will be contacted by one of our enumerators to provide assistance by either telephone or personal interview.

- 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.**

The National Agricultural Statistics Service cooperates with State departments of agriculture and land grant universities to conduct agricultural surveys; they are also coordinated with collections for the Census of Agriculture and the Census of Horticultural Specialties done every 10 years. This survey meets both State and Federal needs, thus eliminating duplication and minimizing reporting burden on the agricultural industry. Data collected on this survey are not available from any other source.

- 5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-1), describe any methods used to minimize burden.**

The floriculture survey universe contains only producers who have production and annual gross sales of all floriculture crops of \$10,000 or more. Detailed production data are collected only from producers with sales of \$100,000 or more. A skip question directs operators with less than \$100,000 in total sales to report only three items -- area used for production, gross value of sales, and

largest number of floriculture workers for any one day. Approximately 86% of the operations are classified as small businesses.

- 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.**

Collecting data less frequently than annually would not keep data users abreast of changes in the industry or provide data for government needs.

- 7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with the general information guidelines in 5 CFR 1320.5.**

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 on this information collection was published in the Federal Register on June 20, 2012 on pages 36995 - 36996. Two public comments were received and are attached to this submission.

**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 Society of American Florists serves as the primary industry contact in planning and implementing the floriculture survey. Other producer groups that have been contacted in the past for input include American Orchid Society, Association of Specialty Cut Flower Growers, International Cut Flower Growers Association, Colorado Nursery and Greenhouse Association, OFA – an Association of Floriculture Professionals, Florida Nursery Growers & Landscape Association, Connecticut Florists Association and several other State and local growers associations. Local industry specialists, university floriculture staff, and agricultural economists are also consulted on technical issues.

- 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.**

Questionnaires include a statement that individual reports are confidential. U.S. Code Title 18, Section 1905 and Title 7, Section 2276 provide for 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.

Additionally, NASS and NASS contractors comply with OMB Implementation Guidance, "Implementation Guidance for Title V of the E-Government Act, Confidential Information Protection and Statistical Efficiency Act of 2002 (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.**

There are no questions of a sensitive nature.

**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.**

Average completion time per questionnaire shown below is based on time required for earlier surveys. The overall sample size is broken down into expected value-of-sales groups; skip techniques will ask fewer questions of the smaller operations and more of the larger operations, resulting in two different response times. Estimated response counts are based on response rates shown in Item B.1.

Due to the diversity of plants grown in Hawaii, their questionnaires had to be modified from the standard questionnaires used in the mainland States to include more tropical type of plants.

Also, in Hawaii the "Short Form" questionnaire is used primarily as a criteria type questionnaire to determine if operations who have historically had sales of less than \$10,000 need to be included in future surveys that will receive the more comprehensive "Long Form" questionnaire.

Cost to the public of completing the questionnaires is assumed to be comparable to the hourly rate of those requesting the data. Reporting time of 4,464 hours are multiplied by \$24 per hour for a total cost to the public of \$107,136.

Part A, Question 12

| Projected Burden for OMB 0535-0093 for 2013-2015          |                       |      |                     |              |             |              |               |               |            |              |                    |
|-----------------------------------------------------------|-----------------------|------|---------------------|--------------|-------------|--------------|---------------|---------------|------------|--------------|--------------------|
| Survey                                                    | Estimated Sample Size | Freq | Estimated Responses |              |             |              | Non-response  |               |            |              | Total Burden Hours |
|                                                           |                       |      | Resp. Count         | Freq x Count | Min./ Resp. | Burden Hours | Nonresp Count | Freq. x Count | Min./ Nonr | Burden Hours |                    |
| <b>Small Operations &lt; \$100,000 in annual sales</b>    |                       |      |                     |              |             |              |               |               |            |              |                    |
| Annual Floriculture Survey (first mailing)                | 4,800                 | 1.00 | 1,440               | 1,440        | 10          | 240          | 3,360         | 3,360         | 2          | 112          | 352                |
| Annual Floriculture Survey (second mailing)               | 3,360                 | 1.00 | 840                 | 840          | 10          | 140          | 2,520         | 2,520         | 2          | 84           | 224                |
| Annual Floriculture Survey (follow up enumeration)        | 2,520                 | 1.00 | 1,638               | 1,638        | 10          | 273          | 882           | 882           | 2          | 29           | 302                |
| Publicity Materials mailed with first and second mailings | 8,160                 | 1.00 | 2,280               | 2,280        | 5           | 190          | 5,880         | 5,880         | 2          | 196          | 386                |
| Subtotals                                                 | 4,800                 |      | 3,918               | 6,198        |             | 843          | 6,762         | 12,642        |            | 421          | 1,264              |
| <b>Large Operations &gt; \$100,000 in annual sales</b>    |                       |      |                     |              |             |              |               |               |            |              |                    |
| Annual Floriculture Survey (enumeration)                  | 2,600                 | 1.00 | 2,080               | 2,080        | 60          | 2,080        | 520           | 520           | 2          | 17           | 2,097              |
| Annual Floriculture Survey (mailed publicity materials)   | 2,600                 | 1.00 | 2,080               | 2,080        | 5           | 173          | 520           | 520           | 2          | 17           | 191                |
| Subtotals                                                 | 2,600                 |      | 2,080               | 4,160        |             | 2,253        | 520           | 1,040         |            | 35           | 2,288              |
| <b>Hawaii (Only)</b>                                      |                       |      |                     |              |             |              |               |               |            |              |                    |
| Annual Survey - Long Form (first mailing)                 | 700                   | 1.00 | 315                 | 315          | 60          | 315          | 385           | 385           | 2          | 13           | 328                |
| Annual Survey - Long Form (follow-up enumeration)         | 385                   | 1.00 | 243                 | 243          | 60          | 243          | 142           | 142           | 2          | 5            | 247                |
| Annual Survey - Short Form (one mailing only)             | 800                   | 1.00 | 560                 | 560          | 20          | 187          | 240           | 240           | 2          | 8            | 195                |
| Export Sales of Flowers and Nursery Products              | 100                   | 1.00 | 70                  | 70           | 20          | 23           | 30            | 30            | 2          | 1            | 24                 |
| Publicity Materials mailed with first mailings            | 1,600                 | 1.00 | 1,280               | 1,280        | 5           | 107          | 320           | 320           | 2          | 11           | 117                |
| Subtotals                                                 | 1,600                 |      | 945                 | 2,468        |             | 875          | 1,117         | 1,117         |            | 37           | 912                |

- 13. Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information, (do not include the cost of any hour burden shown in items 12 and 14). The cost estimates 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.**

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

- 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, and any other expense that would not have been incurred without this collection of information.**

The appropriation from the Federal Government for the floriculture survey is \$1,100,000. Approximately \$980,000 is personnel costs, with the remainder for travel (\$60,000), training (\$10,000), printing (\$25,000), and data processing (\$25,000).

- 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).**

The average annual response burden increased from 4,054 hours to 4,464, an increase of 410 hours. The number of respondents decreased from 12,550 to 9,000 a decrease of 3,550.

There are two program changes that are included in this submission. First a minor decrease in respondents and burden occurred in Hawaii due to the discontinuation of the annual Poinsettia survey. Finally, with the change in the frequency of this survey there is a significant increase in burden hours. In the previous approval, NASS only requested to conduct the Annual Floriculture survey 2 out of the 3 years we were approved. During that third year NASS would be conducting the Census of Horticulture, which is included in docket 0535-0236. In this request we are returning to the Annual Floriculture survey being conducted all three years in this cycle.

There is a significant reduction in the number of respondents and burden as the result of an adjustment in the sample sizes. With changes in the floriculture industry, many smaller operations have either gone out of business or have merged with other operations; as a result there is a decrease in the estimated number of operations, resulting in a reduction in the respondent burden.

|                                                | Sample Size | Respondent Burden |
|------------------------------------------------|-------------|-------------------|
| Previously Approved - 2009                     | 12,550      | 4,05              |
| Program Changes                                |             |                   |
| Discontinuation of Poinsettia Survey in Hawaii | (30)        | (                 |
| Increased frequency of survey <u>1/</u>        |             | 1,47              |
| Adjustments                                    |             |                   |
| Decreased Population Size                      | (3,520)     | (1,06             |
| Current Balances - 2012                        | 9,000       | 4,46              |

1/ In the previous approval, NASS only requested to conduct this survey 2 out the 3 years, since we were conducting the Census of Horticulture (0535-0236) the third year. In this approval we are asking to conduct this group of surveys

- 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.**

In order to accommodate some of the smaller growers and the seasonal growers the Floriculture survey questionnaires are mailed in early December to these operators. The larger operations receive their forms in early January. Each of these mailings is followed by a second request mailing to non-respondents approximately 2 weeks later. Non-respondents to the mail requests are telephoned the end of January through late February. Large growers having complex operations are surveyed by personal contact. The reference period is the previous calendar year.

Total value of sales at wholesale can be calculated for growers with less than \$100,000 in sales based on the reported gross value of sales. This technique simplifies the survey process, reduces respondent burden, and provides approximately the same coverage. With the aid of control data identification methods established by NASS, nearly all growers with annual sales below \$100,000 can be contacted by telephone.

Individual reports from the December, January, and February data collection period are given a preliminary review by the floriculture statistician in each Field Office (FO). State statisticians and the Headquarters floriculture commodity statistician have an Estimation Manual which provides standard analysis and estimation procedures. Then a computer edit program checks the data and summarizes to a State total. Survey summary indications and statistician estimated recommendations for the floriculture survey are due in Washington, D.C., Headquarters in mid-March. These recommendations are reviewed and combined to generate national totals for publication in the *Floriculture Crops* release which is issued in late April.

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1072>

- 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.**

There is no request for approval of non-display of 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.**

There are no exceptions to the certification statement.

August 2012