

1 Supporting Statement

STOCKS REPORTS

OMB No. 0535-0007

This is an application for revision and renewal of the Stocks Reports information collection. It contains five types of programs: 1) off farm grain and oilseed stocks, 2) hop stocks, 3) peanut stocks and processing, 4) off-farm and on-farm potato stocks, potato processing, and potato buyers, as well as 5) rice stocks.

The supplemental document 0007-Questionnaire Mapping-12.pdf provides a mapping to the various questionnaire versions associated with this information collection.

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 National Agricultural Statistics Service's primary function is to prepare and issue current, official State and national estimates of crop and livestock production, stocks, disposition, and prices. As part of this function, estimates are made for stocks of off-farm grains and oilseeds, hops, peanuts, potatoes, and rice. Statistics for the set of crops included in this docket are collected because of the large volume produced, high value of production, and significant public interest. General authority for data collection is granted under U.S. Code Title 7, Section 2204. This statute 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."

Grain and oilseed stocks in all positions (on-farm and off-farm) are estimated quarterly. On-farm stocks of grains and oilseeds are collected as part of the Agricultural Surveys Program (OMB No. 0535-0213) while off-farm stocks are included in this docket. Grain stocks estimates are one of the most important NASS estimates, watched closely by growers and industry groups. Off farm grain stocks survey data is provided by elevators, mills, processors, and warehouses. This data is combined with on farm stocks data quarterly to set total grains and oilseed stocks data estimates. These reports provide information to farmers, processors, traders, and State and Federal policy makers on the level of grains and oilseeds available to be moved through marketing channels. This information leads to an orderly marketing of commodities on national and global levels.

The hop stocks data provided by brewers, dealers, and growers are used to make national estimates of total hop stocks in the United States on September 1 and March 1. The September report provides the low point of stocks just prior to the current year's

harvest production; this stocks level is called the carry-over of past years' production. The March stocks data represents a midpoint in the crop year and provides an indication of crop usage. Hop stocks data are collected at the request of the Hop Growers of America (HGA); the agreement provides for production, stocks, and price information. The HGA provides data collection for much of the production information but, because of sensitivity issues, stocks and price information are best collected by an impartial third party - USDA/NASS. Per-acre value of hops is usually among the highest of U.S. field crops.

Peanut stocks and processing reports are published monthly. The Peanut Statistics Act (Title 7 USC 951-958) requires handlers of raw peanuts, other than the original producers, to submit reports to the Department of Agriculture. The Act states, "The Secretary of Agriculture is hereby authorized and directed to collect and publish statistics of raw peanuts (shelled, unshelled, and crushed), and peanut oil, in the United States, received, processed, shipped, and owned by or in the possession of warehousemen, brokers, cleaners, shellers, dealers, growers, cooperative associations, crushers, salters, manufacturers of peanut products, and owners other than the original producers of peanuts." The law further states: "It shall be the duty of each ... to furnish reports, complete and correct to the best of his knowledge, on the quantity of peanuts and peanut oil received, processed, shipped, and owned by him or in his possession."

Estimates of potato stocks are published every other month during the primary storage season, December through June. These stocks include all potatoes held by growers, processors, and dealers as of the first day of the survey month. Processors are the principal outlet for storage of potatoes--they use about 60 percent of potato production. The difference between total stocks and processing provides a good indication of the stocks available for fresh market, and seed.

Potato processors are contacted every other month between December and June for estimates of potato processing. Processors and buyers are contacted monthly to set estimates for monthly prices. Potatoes are the most important vegetable crop in the U.S. in terms of value of production and the sixth most valuable crop of any kind raised in this country at around \$4 billion annually.

The rice stocks surveys ascertain the location and supply of rice by length of grain. *Rice Stocks* reports are published 5 times per year.

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 of stocks provide essential statistics on supplies and contribute to orderly marketing. These estimates are used by farmers and agribusiness firms in their production and marketing decisions. For example, the March 1 estimate of feed grain stocks provides the only reliable indicator of the rate at which the previous harvest of these crops is being used for feed, seed, and other purposes. To take a hypothetical outcome, the knowledge that stocks are declining at an unusually rapid rate causes the commodity price to rise and thus rations the use of the remaining stocks. In the absence of such information, feeding would continue at an ultimately unsustainable

rate, causing more drastic adjustments to be necessary near the end of the crop marketing year. In similar ways, transportation companies and the energy industry use the estimates to adjust their activities and commitments to raw product supplies requiring marketing services.

In addition to the private-sector benefits, the Secretary of Agriculture uses stocks estimates to administer farm program legislation and to make decisions relative to the export-import programs. State agencies also use stocks estimates in making decisions relating to the development and administration of agricultural programs.

Measurement of the economic value of these uses of stocks data is a difficult analytical task but several studies have indicated that the collection and dissemination of statistics on crop production and stocks can be expected to have quite large net social benefits. This is not just because of improvements in the efficiency of resource allocation that timely and accurate data make possible but because the public-good characteristics of this information preclude the private sector from devoting sufficient resources to statistical data.

Grain and oilseed stocks reports provide information to farmers, processors, traders, and State and Federal policy makers on the level of grains and oilseeds available to be moved through marketing channels. This information leads to an orderly marketing of commodities on national and global levels.

Hop stocks data are collected at the request of the Hop Growers of America (HGA). This organization is composed of hop producers in Washington, Oregon, and Idaho, the only States growing hops commercially. The HGA has entered into a formal agreement with NASS to collect, summarize and publish: production, stocks, and price information. NASS collects the hops stocks data because there is a high degree of competition among the brewers, dealers, and growers. Brewers and dealers will not provide information to the HGA because they feel the information would not be reported back correctly and thus would be used to try to control prices. They will report the data to the USDA because it is impartial.

Peanut stocks and processing reports are published monthly as provided by law. All phases of the industry rely on timely peanut stocks information: processors, shippers, brokers, cleaners, shellers, dealers, growers, cooperative associations, crushers, salters, and manufacturers of peanut products. Under Title 7, USC 951 – 958 all of the peanut stocks and processing surveys included in this docket are mandatory. The other stock commodities are voluntary.

Information on potato stocks throughout the crop season is critical to orderly movement of potatoes. USDA, therefore, makes estimates every other month from December through June in the 13 major States for stocks. The attached Maine questionnaire is an example of a State questionnaire. Other State's questionnaires are exactly like Maine's except they only allow reporting to the hundredweight. Maine producers are the only State that consistently reports in barrels. Potato production and stocks reports provide a strong basis for contract negotiations between growers and processors. These negotiations come at a time of year that places extra importance on the *Potato Stocks* reports.

Information on potato processing and prices throughout the season is significant component to track the orderly movement of potatoes. USDA, therefore, makes estimates every other month from December through June in 9 major States for processor usage. Potato processing data are collected every month from processors for the top 9 potato processing states (CO, ID, ME, MN, NV, ND, OR, WA, WI). Data are collected annually from processors in the other States. The Idaho processing data for October and November are collected under a cooperative agreement with the Idaho Potato Commission.

Potato production and stocks reports provide a strong basis for contract negotiations between growers and processors.

Potato price data are collected monthly for States where at least 1 percent of the crop is typically sold during the month. Price data are collected annually for other States. Data collected on the buyers surveys is critical to estimating monthly and annual prices as well as crop values.

Dependent on annual funding, the Idaho Potato Commission has an agreement with NASS to publish processing data for the months of October and November in Idaho, Oregon, and Washington. Data for these publications comes from the Monthly Processor Survey where monthly price data are collected.

Numerous USDA and State agencies use NASS potato production, stocks, price, and disposition statistics to develop research and promote the marketing and use of potatoes. The USDA potato statistical series collected by NASS were used in General Agreement on Trade and Tariff (GATT) talks; the information provided a basis for decisions in marketing and trade by government representatives at the meetings. The Foreign Agricultural Service (FAS) uses NASS potato statistics for the North American Free Trade Agreement (NAFTA) for trade with Canada, Mexico, and South American countries. Certain provisions of this law are triggered by changes in NASS estimates of potato acreage, stocks, and production. The changes are related to duties on Canadian-produced potatoes imported to the United States. FAS uses all the NASS processing and disposition data to help monitor and promote the export of these products.

The Economic Research Service (ERS) compiles per capita consumption of potatoes, including fresh, canned, frozen, shoestring, and dehydrated. They use NASS processing and stocks reports to include or exclude carry-in and carry-out totals in annual consumption and to arrive at cash receipts for its long term cash receipts series. ERS estimates cash receipts on a calendar year basis, but potatoes are sold on a crop year basis. NASS data are needed to estimate Farm Income which is included in the National Income Accounts of the U.S. Department of Commerce. These figures are used to derive net farm income estimates, which are required by law.

The Agricultural Marketing Service (AMS) has Federal Marketing Orders for potatoes and is responsible for maintaining a minimum quality for market potatoes. AMS utilizes NASS potato statistics in two of its programs. First, AMS uses NASS statistics to help administer marketing orders and to monitor its potato quality program. For instance, the

Federal Marketing Order in Colorado changed its 1987 marketing standards based on NASS potato acreage, stocks, and disposition reports. Second, NASS reports are used in making decisions for the Federal commodity procurement program that deals with providing food for needy persons, schools, etc. The program regulates the distribution of potatoes to these groups. NASS data are also useful in determining where to spend research resources that are channeled through ARS to universities; they help ensure that research projects and allocation of funds are fairly distributed.

NASS potato acreage data are collected on a regular basis and published almost immediately to assist the USDA and State agencies mentioned above in making informed and timely decisions. Each year the National Potato Council passes a resolution recognizing the importance and necessity of NASS potato estimates. It states that NASS is the most logical, practical, and dependable source of data. The resolution recognizes that NASS collects data from farmers who report voluntarily and encourages the farmers to participate in our surveys.

Rice stocks statistics are similarly used extensively in the administration of government programs. The Farm Service Agency uses estimates of rice production and stocks by length of grain in their loan and purchase program. The Foreign Agricultural Service uses data from the *Rice Stocks* report to determine the quantities of rice available for export. Demand for rice is usually for a specific class depending on the country of destination.

- 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.**

Web-based data reporting has been implemented in all of NASS's major probability surveys. We are now targeting the smaller, non-probability surveys such as the ones in this docket.

Surveys with web-based data reporting are: Off-farm Grain Stocks, Growers Hop Stocks, Peanut Stocks and Processing, and Rice Stocks. Plans are to implement web-based data reporting for the Potato Stocks, Processing, and Buyers surveys in the near future.

Samples of the questionnaires that have been converted to a web based version will have the Web screens included in the attachment section of ROCIS.

To ensure that the intended respondent has access to the EDR system, we mail the respondent a blank questionnaire with a password. The password is assigned based on respondent, and not the survey; therefore, the respondent would not receive multiple passwords if asked to complete multiple surveys. We do not put the password within a sealed envelope addressed to the intended respondent without a blank questionnaire because we feel that including the paper questionnaire encourages response. In some cases, the respondent can update data she or he reported in a previous survey by

using the EDR, so for this and other data efficiency reasons, we encourage the use of the EDR system."

NASS will customize questionnaires for States whenever possible to minimize respondent burden. Rather than send out the larger questionnaire to each respondent asking for crops or stocks that are not available in their State we only ask for the commodities that are relevant for that State. Example: dry edible beans or peas are primarily produced in the northwestern States. We will not ask someone in Mississippi about Austrian Winter Peas. The "Master" questionnaires are generated from the EDR system. They show the full range of commodities that are available for that particular questionnaire. Rather than submit 44 different State questionnaire versions to represent our 44 Field Offices for each of these surveys, we submit one sample State version and the Master version to help decrease the work load on OMB to review our questionnaires. The cell codes that appear in a larger font on these "Master" questionnaires cannot be avoided it is generated by the EDR system. The farmers will never see these master questionnaires.

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. These surveys meet both State and Federal needs, thus eliminating duplication and minimizing reporting burden on the agricultural industry. In Michigan and Iowa the data on off-farm grain stocks are obtained by the respective State regulatory agencies. In the remaining States, data collected on the various stocks surveys 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-I), describe any methods used to minimize burden.

Information requested can be provided with a minimum of difficulty from normal operating records.

The Small Business Administration defines, in 13 CFR, part 121, small agricultural producers as those having annual receipts of no more than \$750,000 and small agricultural service firms (handlers and importers) as those having annual receipts of no more than \$6.5 million. Based on control data kept on the NASS list frame, approximately 72 percent of operations with off farm stocks would be classified as managers of small businesses. As all of our survey respondents are subjected to the same level of burden, there is no variance in the estimate of the burden across our expected group of respondents.

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.

Timing and frequency of the various stocks reports have evolved to meet the needs of the industry and yet minimize the burden on the reporting public. Collecting data less frequently would eliminate data needed by government, industry, and farmers to keep abreast of changes at the State and national level.

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.

The stocks surveys are inconsistent with the guidelines in that a written response is expected in less than 30 days. A telephone follow-up is conducted about 10 days after the questionnaires are mailed out. Information needs to be collected and issued as close to the reference date as possible to be most useful.

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. 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 was published in the Federal Register on June 19, 2012, on page 36477. The Notice announced the intent to renew for 3 years. One public comment was 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.

Agency personnel regularly attend grower meetings, data user meetings, and commodity association meetings to keep abreast of the impact of our stocks reports. The *Grain Stocks* report is one of the most sensitive reports USDA produces.

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.

All questionnaires include a statement that individual reports are kept confidential. U.S. Code Title 18, Section 1905 and U.S. Code Title 7, Section 2276 provide for the 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 these regulations and sign a

statement of compliance annually.

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.

The security of a respondent's PII and the security of the raw data we capture is a very important concern for NASS. We do not contact the respondents by email and ask them to complete a questionnaire, since we cannot verify that the person we emailed is the person we are targeting. That is why we send out letters to the respondents with secure passwords so they can contact us if they want to fill out their surveys by internet. When we collect their email addresses it is usually so that we can send them publications or publicity materials for upcoming surveys. For future surveys, we will include the reason for collecting the email address. We do this usually with the surveys that are either very frequent or those that have lower response rates. We track response rates for some of our surveys to see if this helps to increase response rates.

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 minutes per response for the stocks surveys are based on the amount of data asked on each questionnaire and the time needed for telephone follow-ups. Total hours of burden is shown in the table below.

Cost to the public of completing a questionnaire is assumed to be comparable to the hourly rate of those requesting the data. Reporting time of 9,889 hours is multiplied by \$24 per hour for a total cost to the public of \$237,336.

Projected 2012 Annual Response Burden Hours for Stocks Reports													
Stocks Surveys			Sample Size	Freq.	Response			Non-response				Total Burden Hours	
					Count	Freq. x Count	Min./ Resp.	Burden Hours	Count	Freq. x Count	Min./ Non-r		Burden Hours
Voluntary Surveys													
Off-farm Grain and Oilseeds			5,300	4	4,505	18,020	15	4,505	795	3,180	2	106	4,611
Hops	Brewers	Mar & Sept	65	2	62	125	15	31	3	5	2	0	31
	Dealers	Mar	10	1	5	5	15	1	5	5	2	0	1
		Sept	10	1	10	10	15	3	0	0	2	0	3
	Growers	Mar	45	1	40	40	10	7	5	5	2	0	7
Sept		45	1	45	45	10	8	0	0	2	0	8	
Potatoes	Stocks Only	On-Farm (Seasonal)	1000	4	800	3,200	15	800	200	800	2	27	827
		Off-Farm (Seasonal)	1000	4	800	3,200	15	800	200	800	2	27	827
	Processors & Prices	Monthly	70	12	56	672	15	168	14	168	2	6	174
		Annual	250	1	200	200	15	50	50	50	2	2	52
Buyers (Price Only)	Monthly	1000	12	800	9,600	15	2,400	200	2,400	2	80	2,480	
Rice	Mills, Port Facilities & Warehouses		140	5	119	595	15	149	21	105	2	4	152
	Stocks In Transit		5	1	4	4	15	1	1	1	2	0	1
Subtotal for Voluntary Surveys			8,940		7,447	35,716		8,922	1,493	7,519		251	9,173
Mandatory Surveys													
Peanuts	Peanut Stocks & Processing - Report A (Shellers)		30	12	30	360	25	150	0	0	2	0	150
	Peanut Stocks & Processing - Report CB (Blanched)		9	12	9	108	20	36	0	0	2	0	36
	Peanut Stocks & Processing - Report CP (Processors)		125	12	125	1,500	20	500	0	0	2	0	500
	Peanut Stocks & Processing - Report B (Warehouses)		15	12	15	180	10	30	0	0	2	0	30
Subtotal for Mandatory Surveys			179		179	2,148		716	0	0		0	716
Total			9,119		7,626	37,864		9,638	1,493	7,519		251	9,889

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

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 total cost to the Federal Government is about \$1.8 million.

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 decrease in number of respondents for the Off-farm Grain and Oilseed surveys is due to a program change based on the way NASS calculates respondents. In previous dockets, NASS indicated the number of facilities that data were requested from. Many of these facilities are operated by parent companies where one respondent will report for multiple facilities. In 2011, about 5,300 companies operated the 8,900 facilities. This adjustment resulted in a reduction of 3,600 samples and 3,132 hours of burden.

Program changes include the standardizing of questionnaires, national sampling, along with the addition and removal of several surveys, these program changes have resulted in an increase of 319 samples and 2,754 hours of burden.

The most significant program change was for potatoes. Questionnaires, sampling, and surveys have been consolidated based on data needs and industry structure. This request includes a new monthly buyers survey to collect price information. This adds an estimated 2,480 hours of burden. On-farm potato stocks are included in this docket instead of relying on the Agricultural Surveys ICR (0535-0213). The estimated sample for on-farm potato stocks is 1000 with estimated burden of 827 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.

Data collection relates to the first day of the survey month. Questionnaires are mailed by our Field Offices (FOs) to be in the hands of the respondents by the first of the month and telephone follow-up begins within the next 7 to 10 days. Data collection is completed by the 15th of the month. Questionnaires are returned to the FOs and reviewed for reasonableness prior to keying into data processing media for summarization.

The following table shows the title of the various stocks reports covered under this docket with the release dates. Releases are available at any time on the NASS release Web site managed by Cornell University.

<u>Title of Report</u>	<u>Release Dates</u>
<i>Grain Stocks</i>	March, June, September, January
<i>Hop Stocks</i>	March, September
<i>Peanut Stocks & Processing</i>	Monthly
<i>Potato Stocks & Processing</i>	December, February, April, and June
<i>Rice Stocks</i>	January, March, June, August, October

Publications can be found at <http://www.nass.usda.gov/Publications/index.asp>

Then click on Commodity, select your commodity, then select the date of the data you wish to see.

- 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
Revised January 2013