

2012 SUPPORTING STATEMENT

Livestock Mandatory Reporting Program; Establishment of the Reporting Regulation for Wholesale Pork OMB Reference Number 0581-0279 (Final Rule)

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.

Information is collected under the authority of 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, which 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. The Livestock Mandatory Reporting Act was enacted into law on October 22, 1999 (Pub. L. 106-78) as an amendment to the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627, 1635-1638d). The purpose of the 1999 Act was to establish a program of information regarding the marketing of cattle, swine, lambs, and the products of such livestock that provides information that can be readily understood by producers; improves the price and supply reporting services of USDA; and encourages competition in the marketplace for livestock and livestock products. On December 1, 2000, AMS published the final rule to implement the LMR program as required by the 1999 Act (65 FR 75464) with an effective date of January 30, 2001. This effective date was subsequently delayed until April 2, 2001 (66 FR 8151).

The statutory authority for the program lapsed on September 30, 2005. At that time, AMS sent letters to all packers required to report under the 1999 Act requesting they continue to submit information voluntarily. In October 2006, Congress passed the Livestock Mandatory Reporting Reauthorization (2006 Reauthorization Act) (Pub. L. 109-296). The 2006 Reauthorization Act re-established the regulatory authority for the continued operation of the LMR program through September 30, 2010, and separated the reporting requirements for sows and boars from barrows and gilts, among other changes. On May 16, 2008, USDA published the final rule to re-establish and revise the LMR program (73 FR 28606). The rule incorporated the swine reporting changes contained within the 2006 Reauthorization Act, as well as enhanced the program's overall effectiveness and efficiency based on AMS' experience in the administration of the program. The LMR final rule became effective on July 15, 2008.

On September 28, 2010, the 2010 Reauthorization Act (Pub. L. 111-239), reauthorized LMR for an additional 5 years and added a provision for mandatory reporting of wholesale pork cuts. The 2010 Reauthorization Act directed the Secretary to engage in negotiated rulemaking to make required regulatory changes for mandatory wholesale pork reporting and establish a negotiated rulemaking committee to develop these changes.

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 information collection and recordkeeping requirements in this regulation are essential to operating a mandatory program of livestock and livestock products reporting. Using the information submitted by packers, AMS publishes over 100 daily, weekly, and monthly reports covering market transactions for fed cattle, swine, lamb, beef, and lamb meat. Based on the information available, AMS estimates that reports issued under the Act cover approximately 95% of the hog market, 79% of the cattle market, 55% of the sheep market, 38% of the boxed lamb market, and 93% of the boxed beef market. AMS market reports are utilized by producers and others in the marketing chain to formulate contracts and make marketing decisions, and by other Government Agencies to make policy decisions, settle trade disputes, and in a variety of other functions.

The required information is to be reported twice per day. Collection will be accomplished through electronic means. The collected information will form the basis for published market reports utilized by the livestock industry when making marketing decisions. The required information is only available directly from those entities required to report under the Act and by these proposed regulations and exists nowhere else.

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 Act stipulates that electronic data collection means must be used to the extent practicable as determined by the Secretary in order to meet the regulatory objectives. To meet this requirement, the Livestock Mandatory Price Reporting System (LMPRS) is a database management system that was developed to automate the processes for AMS to implement the Act. This system electronically accepts data from the livestock industry, mainly meat packing plants, archives, translates and analyzes the data, as well as produces and stores aggregated data and creates aggregated reports for distribution to the public via the Internet. The system also includes replication of the data to a backup site for continuity of operations.

The LMPRS is designed to accept proprietary trade data from authorized plants on a daily basis. This data arrives in the system in a comma delimited value (CSV) format and is transmitted from the plant site via a secure web transmission process. Using this utility, a meat packing plant creates the necessary data files (based on USDA file formats as shown in LS-89, for example) utilizing their own information systems. The LMPCR electronic data transfer allows the user to upload a comma-delimited data file to the USDA from the USDA-AMS web page, which is accessed through the plant site workstation browser, a valid user ID and password and a validated PKI certificate.

This data is then loaded into the LMPRS database by AMS reporters through a web utility used to import and review plant data prior to generating any market news aggregated reports.

As an alternative, AMS will allow respondents to access an AMS maintained website whereby the information can be entered on web-based input screens. Once the information has been entered, the form will be submitted to AMS where the data will be uploaded to the AMS database system.

The required information is kept and maintained as a matter of normal business practice by the respondents, normally in electronic recordkeeping systems. Allowing electronic submission minimizes the cost burden to them.

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 data collected by this program is 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 THE METHODS USED TO MINIMIZE BURDEN.

For any calendar year, any federally inspected swine plant which slaughtered an average of 100,000 head of swine a year for the immediately preceding 5 calendar years, and any packing firm that slaughtered at least 200,000 sows and/or boars on average during the preceding 5 years, are required to report information. Additionally, any swine plant that did not slaughter swine during the immediately preceding 5 calendar years is required to report if the Secretary determines that the plant should be considered a packer based on the capacity of the processing plant. This accounts for approximately 56 out of 611 swine plants or 9.2 percent of all federally inspected swine plants. Fully 90.8 percent of all swine plants in the U.S. are exempted by this rule from reporting information.

In developing these regulations, AMS and the negotiated rulemaking committee did consider other means by which the objectives of this rule could be accomplished, including reporting the required information by telephone, facsimile and regular mail. None of these were believed to be viable alternatives by AMS or by persons who would be subject to report under the proposed regulations. However, AMS may provide for an exception to electronic reporting in emergency cases such as power failures or loss of Internet accessibility or in cases when an alternative is agreeable to AMS and the reporting entity. AMS will also provide web-based input screens as an alternative option for entities to use when submitting information.

AMS cannot envision an alternative to the method of data transmission that would be less burdensome to small businesses. To assist the industry in achieving compliance with this rule, AMS will provide assistance and training to covered entities as needed to ensure that they have been given the technical information necessary to comply with the electronic data transmission requirements. Further, for sow and boar plants, the Committee (including AMS) agreed that reporting once per day was practical. Separation of the reporting requirements for sow and boar product is being proposed to minimize the reporting burden on sow and boar packers where possible and to make the information published for sow and boar products more meaningful to the industry. Many of these entities would, in contrast to their counterparts who are larger and slaughter barrows/gilts primarily, would be considered 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.

The information collection is required by the Act. While the option to not collect is specifically ruled out by the Act, AMS sought ways to reduce the burden on respondents by addressing the manner in which information collection is carried out (item 5, above).

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 Act requires packers to report to the Secretary information concerning the price and volume of wholesale pork cuts, as the Secretary determines is necessary and appropriate. The affected industry, as part of the negotiated rulemaking committee that developed these proposed regulations, deemed that twice per day submission was practical for developing meaningful, relevant, and timely market reports.

- **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 market of wholesale pork requires that Market News collect, generate and disseminate reports on a daily and weekly basis.

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

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

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

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

- **IN CONNECTION WITH A STATISTICAL SURVEY THAT IS NOT DESIGNED TO PRODUCE VALID AND RELIABLE RESULTS THAT CAN BE GENERALIZED TO THE UNIVERSE**

OF STUDY;

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

- **REQUIRING THE USE OF A STATISTICAL DATA CLASSIFICATION THAT HAS NOT BEEN REVIEWED AND APPROVED BY OMB;**

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

- **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**

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

- **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.**

The Act contains express provisions mandating that confidentiality be preserved regarding the identity of persons and proprietary business information. The information collected under this program is exempt from disclosure under the Freedom of Information Act. All AMS employees that have access to this information receive regular training on the importance of keeping this information confidential and sign confidentiality statements in which they agree to keep this information 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.

A 60-day notice was published in the Federal Register on March 22, 2012, (Vol.77, No. 57, page 16951), Proposed Rule, which invited comments from interested persons through May 22, 2012. Nine comments were received on the proposed rule. AMS received comments from pork producer associations, organizations representing packers and one individual packer, general farm organizations, pork byproduct manufacturers, and one citizen. The majority of comments supported the provisions of the proposed rule and encouraged the agency to quickly implement mandatory reporting for wholesale pork.

Many commenters who voiced support for the rule also provided information relative to its implementation by AMS—such as development of reports, transition period, and training sessions. This type of feedback is not responsive to the proposed regulation itself and, while discussed in the preamble, does not warrant changes to the regulatory text. These comments, nonetheless, have merit and will be given consideration by the Agency as it develops the program.

Responsive Comments

Two commenters stated that the definition of “Specialty pork product” should be amended to clarify that the examples identified in the definition of what constitutes a specialty pork product are not limiting or all inclusive. AMS agrees with this comment and believes the changes proposed do not contradict, only clarify, the work of the Committee. Accordingly, AMS amended the definition of specialty pork product.

One commenter suggested AMS amend the definition of “Formula marketing arrangement” because the inclusion of the phrase “executed in advance of manufacture” would exclude formula-priced product whose sale is agreed upon following manufacture. AMS agrees with this comment and revised the definition accordingly.

One commenter suggested that AMS’ estimates for initial start-up costs and annual submission costs were too low, however, did not provide additional information

Non-Responsive Comments

The majority of comments provided were outside of the scope of the proposed regulatory framework. That is, these comments dealt more with AMS’ implementation of a mandatory pork reporting program than with the proposed information that would be collected under this rule. However, AMS believes these comments are valid and addressed them in the proposed rule.

Many comments dealt with the transition period from a voluntary program of wholesale pork reporting to a mandatory program of wholesale pork reporting. Based on the recommendations provided by the Committee, AMS proposed that it would publish “dual” reports for 6 months. That is, for a period of time, AMS will publish reports reflecting information collected under a voluntary reporting system and reports reflecting information collected under a mandatory reporting system for wholesale pork. In the preamble of the proposed rule, AMS offered that if it determined the information collected under a voluntary program became of little utility before the 6-month mark or if sufficient AMS resources are not available, it would cease collecting and publishing this information. On the contrary, if at the end of the 6-month period any problems still exist with the collection or publication of data, or if the cessation of dual reports would unnecessarily cause market disruption, AMS offered that it would consult with the industry to determine an appropriate course of action. To this proposal, several commenters suggested that AMS commit to a full 12-month period of dual reporting. AMS does not believe the information provided sufficiently demonstrates a different course of action than that which was outlined in the proposed rule. In the discussion accompanying this rule, AMS will reiterate its commitment to ensuring necessary information is available for price discovery and marketing decisions.

Three commenters noted that the freight calculation methodology proposed by AMS is too simplistic. Commenters suggested that there are associated costs with loading product that may not be included if a simple “per mile” freight cost is used. Commenters believed this would result in F.O.B. Omaha prices that are higher than they should be, and that the agency should consider issues involving less-than-truckload (LTL) freight rates. While these comments do not pertain to the regulation, but rather to AMS’ implementation of the mandatory wholesale pork reporting program, AMS will take these suggestions under advisement. AMS plans to discuss the freight calculation with stakeholders, with the goal of having the final methodology determined for the planned workshops. AMS does not believe these discussions are of such a nature that a delay in publication of this rule is warranted.

One commenter asked that AMS provide technical support personnel that packers can easily access as a means of reducing start-up costs. AMS recognized, in the preamble of the proposed rule that there are costs associated with complying with this new requirement of LMR. Further, AMS expressed an understanding for the differences that exist among companies, information technology (IT) systems, and business structure. While AMS does not have the resources to dedicate an IT specialist to this transition, it will make every effort to provide IT support when needed by packers. In regards to testing of the information technology systems, AMS has no expectation that affected entities (i.e., packers) will begin making enhancements to their reporting systems until the requirements are known, that is, until the final rule is published. AMS is establishing a compliance date 6 months from publication of this rule. Prior to that date, AMS will accept data and publish

“dual” reports as discussed above.

Two commenters requested that AMS keep the reporting of pork skins destined for domestic, North American Free Trade Agreement (NAFTA), and overseas markets separate and distinct. While these comments do not pertain to the regulation, but rather to AMS’ implementation of the mandatory wholesale pork reporting program, AMS will take these suggestions into account. Further, AMS is unable to determine if confidentiality issues will arise regarding these products until information is submitted under the new program.

One commenter suggested that AMS conduct training sessions for packers who will be required to submit wholesale pork prices under LMR. AMS agrees with this comment and has allotted \$20,000 in funds for this type of activity, as outlined in the Executive Order 12866 and Executive Order 13563 sections of the proposed rule (77 FR 16951) and this rule.

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 developed these proposed regulations through extensive work with the affected industry as part of the negotiated rulemaking process. Several of the groups identified below represent all of the likely parties affected by this proposed rule. AMS and the industry members discussed possible ways to minimize the reporting burden on covered packers.

American Meat Institute:
Joe Weber; (757) 357-1611

Food Marketing Institute;
Erik Lieberman; (202) 220-0614

National Farmers Union;
Alan Hoefling; (712) 933-9400

National Meat Association:

Shane Miller; (510) 763-1533

National Pork Producers Council:
Jason Logsdon; (618) 594-2125

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.**

Chapter 5, Section 251, paragraph (a) of Act directs the Secretary to, "...make available to the public, information, statistics, and documents obtained from, or submitted by, packers, retail entities, and other persons under this subtitle in a manner that ensures that confidentiality is preserved regarding (1) the identity of persons, including parties to a contract, and (2) proprietary business information."

11. **PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE. THIS JUSTIFICATION SHOULD INCLUDE THE REASONS WHY THE AGENCY CONSIDERS THE QUESTIONS NECESSARY, THE SPECIFIC USES TO BE MADE OF THE INFORMATION, THE EXPLANATION TO BE GIVEN TO PERSONS FROM WHOM THE INFORMATION IS REQUESTED, AND ANY STEPS TO BE TAKEN TO OBTAIN THEIR CONSENT.**

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

12. **PROVIDE ESTIMATES OF THE HOUR BURDEN OF THE COLLECTION OF INFORMATION. THE STATEMENT SHOULD:**

- **INDICATE THE NUMBER OF RESPONDENTS, FREQUENCY OF RESPONSE, ANNUAL HOUR BURDEN, AND AN EXPLANATION OF HOW THE BURDEN WAS ESTIMATED. UNLESS DIRECTED TO DO SO, AGENCIES SHOULD NOT CONDUCT SPECIAL SURVEYS TO OBTAIN INFORMATION ON WHICH TO BASE HOUR BURDEN ESTIMATES. CONSULTATION WITH A SAMPLE (FEWER THAN 10) OF POTENTIAL RESPONDENTS IS DESIRABLE. IF THE HOUR BURDEN ON RESPONDENTS IS EXPECTED TO VARY WIDELY BECAUSE OF DIFFERENCES IN**

ACTIVITY, SIZE, OR COMPLEXITY, SHOW THE RANGE OF ESTIMATED HOUR BURDEN, AND EXPLAIN THE REASONS FOR THE VARIANCE. GENERALLY, ESTIMATES SHOULD NOT INCLUDE BURDEN HOURS FOR CUSTOMARY AND USUAL BUSINESS PRACTICES.

- **IF THIS REQUEST FOR APPROVAL COVERS MORE THAN ONE FORM, PROVIDE SEPARATE HOUR BURDEN ESTIMATES FOR EACH FORM AND AGGREGATE THE HOUR BURDENS IN ITEM 13 OF OMB FORM 83-I.**

The number of respondents is approximately 56. See AMS-71 spreadsheet for breakout.

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

It is estimated that the annual industry costs will be

	Cost per Respondent	Number of Respondents	Total Cost to Industry
Recordkeeping/ Average Submission Costs	\$ 116.10 \$1,347.59	56 56	\$ 6,501.60 \$75,465.04
Total Annual Costs	\$1,463.69	* 56	\$81,966.64

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.**

We estimate that the creation of this interface by in-house computer personnel will require an industry average of 15 hours per respondent. Further, we estimate the cost per hour for labor to average \$49.30 (Bureau of Labor Statistics), for a total cost, on average, of \$740. Those companies not having in-house computer personnel will incur such costs as are necessary to bring in outside computer programmers to accomplish the task.

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 mandatory price reporting program for wholesale pork would cost AMS \$621,161 in the first year of implementation, and subsequent year costs are estimated to be \$296,161. Therefore, the costs would be roughly \$404,500 per year.

Total Annual Cost to Government			
Cost Type	First Year Costs	Following Years' Costs	Average Cost/Year
Salaries	\$271,160.82	\$271,160.82	\$271,160.82
System Development Contract	\$325,000.00	--	\$108,333.33
Travel (20 trips @ \$1,000/trip)	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Miscellaneous	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Total Costs	\$621,160.82	\$296,160.82	\$404,494.15

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

This is a new collection of information and has been assigned the number 0581-0279 by OMB. After approval of the final rule collection package, AMS will request that it be merged into existed information collection titled "Livestock Mandatory Reporting Act of 1999" OMB Control number 0581-0186.

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.

On September 28, the President signed a bill into law that reauthorizes the Act through September 30, 2015.

The mandatory information collection augments existing publications and market reports of the Livestock and Seed Program's Livestock and Grain Market News Division (LGMN). The collected information will be gathered into an electronic database where it will be processed and aggregated for publication. This process will occur daily and weekly as required.

Once prepared, the market reports are published through an electronic communication system and are posted on the LGMN website.

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 seeking approval not to display the expiration date. All information is submitted electronically and this requirement poses an opportunity for those looking for a means of disruption to challenge the validity of the collection of information, or legal requirement imposed by regulations or statutes.

18. **EXPLAIN EACH EXCEPTION TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19, "CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS," OF OMB FORM 83-I.**

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

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

Statistical methods are not being used with this collection.