

Supporting Statement – Part A

COLD STORAGE

OMB No. 0535-0001

A. JUSTIFICATION

This docket is being submitted for revision and extension of three years. Only minor changes are being made from the previous submission, such as small changes to sample sizes and total burden.

- 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 State and national estimates of crop and livestock production, value, and disposition. In this capacity the Agency also prepares a number of associated estimates affecting the agriculture industry, such as this Cold Storage report. This monthly survey provides information on national supplies of food in refrigerated storage facilities. A biennial survey of refrigerated warehouses is also conducted to provide a benchmark of the capacity available for refrigerated storage of the nation's food supply.

Providing information on national supplies of food in refrigerated storage facilities has been the responsibility of the Department of Agriculture since 1914. This service is the outcome of an investigation made by the Department in 1911, in response to allegations that food warehouses were being used by food speculators to "corner the market" and drive up prices paid by consumers. The Secretary recommended that the public should know the amounts of foods in warehouses and that the Department should issue periodic reports on a pre-announced day and time.

General authority for these data collection activities 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."

- 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 monthly Cold Storage reports include inventory statistics for approximately 100 food items held in public, private, and semi-private refrigerated warehouses. USDA agencies such as the World Agricultural Outlook Board, Economic Research Service, and Agricultural Marketing Service use information from the Cold Storage report in setting and administering government commodity programs and in supply and demand analysis. Included in the report are stocks of pork bellies, frozen orange juice concentrate, butter, and cheese which are traded on the Chicago Board of Trade.

The stocks figures in the Cold Storage reports are used by food processors, food brokers, and farmers in making production, marketing, and pricing decisions. The availability of this data results in the production and marketing of products in a more efficient and orderly fashion, which in turn helps to stabilize prices. The warehouse industry uses the published data to learn what portion of total food storage is in public space and the occupancy level of cooler and freezer rooms. The stocks numbers are also used by industry analysts, transportation companies, insurance adjustors, banks, and other lending institutions as they service the refrigerated warehouse and food service industries. The monthly *Cold Storage* report is placed in a Civil Defense file to be available as part of the country's preparedness file in case of national emergency.

Information from the biennial *Capacity of Refrigerated Warehouses* report is used by warehousemen, food processors, and Government agencies such as the Farm Service Agency and Environmental Protection Agency to determine the number of plants and the amount of refrigerated space on a State and national basis.

- 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 monthly Cold Storage Survey currently uses primarily e-mail to obtain data. On or around the 24th of each month, about 11 companies representing 150 facilities, query their inventory systems for the information asked for on the questionnaire and then send in the spreadsheet (Excel) or text file to

NASS via e-mail. The files are reformatted and appended to the regular keyed data file. With hundreds of firms/branches being asked for data on 100 items, this spreadsheet-based method is the most efficient and places the least amount of burden on the respondents. Approximately 10 percent of responses are received this way but they account for 65 percent of total tonnage.

For all other operations, the questionnaires are mailed using the US Postal Service. Some of the operations that receive the questionnaires by mail will respond by email, but the majority of them will respond either by Fax, US Postal Service or by telephone.

The questionnaires also are available by internet if the respondents choose to reply by this means. The respondents secure internet access code is included with the paper questionnaire that is mailed to the respondent each month.

4. Describe efforts to identify duplication.

The National Agricultural Statistics Service cooperates with State Departments of Agriculture and land grant universities to conduct agricultural surveys. This eliminates gathering the same data by more than one agency.

NASS constantly builds and maintains a list sampling frame which contains identification information on all operations that have either refrigerated, freezer, or controlled atmosphere facilities along with their usable capacity data. The name, address, and telephone number(s) of operations are continuously monitored to eliminate duplication in this frame. These surveys meet both State and Federal needs, thus eliminating duplication and minimizing reporting burden on the agricultural industry.

The U.S. Apple Association now collects data for apples in cold storage each month, and publishes this information in their own publication. NASS collects similar data on the variety of apples that are in cold storage in Pennsylvania through a cooperative agreement between NASS and the State of Pennsylvania's Dept. of Agriculture. The apple, cold storage data is published by our Pennsylvania Field Office. The 100 operations that are reported in the burden table in Item 12, for the Apple Storage Survey are all located in Pennsylvania. NASS discontinued the monthly fruit storage surveys for other States in January 2011.

Juice Storage data are collected by NASS from the Florida Department of Citrus Grower Co-Op. Previously, NASS collected these data from individual operations. NASS assessed the quality of the administrative data collected by

the Florida Department of Citrus Grower Co-Op, and determined the data were of sufficient quality and timeliness to justify discontinuing the NASS' separate information collection in this area.

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.

An agreement in Pennsylvania covers the collection of data on fresh apples by variety in storage. Otherwise, apple stocks data is now collected and published by the United States Apple Association. NASS discontinued the monthly fruit storage surveys for other States in January 2011.

This ensures comprehensive coverage, and reduces the multiplicity of reports asked of this industry. With the exception of apples in Pennsylvania, cold storage data collected by these surveys are not available from any other source.

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 reduces the value of the information to data users. A majority of the items have certain times when there is heavy movement into and out of storage and these movements are important to track. Data collection is timed to coincide with the availability of the respondent's monthly inventory report and requires a minimum of additional effort.

For those facilities, which store butter or cheese, an accurate response to this monthly inquiry is mandatory under **Public Law No. 106-532 and 107-171**.

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; or requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

Survey data are collected monthly and biennially depending on the need for information to keep the U.S. Department of Agriculture abreast of changes at the State and national level. Timing and frequency of the surveys have evolved to meet the needs of producers, facilities, agribusinesses, and government agencies.

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 Federal Register Notice soliciting comments was published on October 22, 2012 on pages 68731 - 68732. One public comment was received in connection with this notice from Ms. Jean Public.

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 following trade associations are consulted regarding the Cold Storage Survey:

International Association of Refrigerated Warehouses
1500 King St, Suite 201
Alexandria, VA 22314

National Chicken Council
1015 Fifteenth St, NW
Washington, DC 20005

Processing Strawberry Advisory Board of California
741 East Lake Ave
Watsonville, CA 95077

National Milk Producers Federation
2101 Wilson Boulevard, Suite 400
Arlington, Virginia 22201

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 confidentiality for 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.

For those facilities which store butter or cheese, response to the dairy products portion of the Cold Storage Report is **mandatory** and subject to verification by the Agricultural Marketing Service under **Public Law No. 106-532**. This law specifically protects the confidentiality of the operator's data from public disclosure, except as directed by the US Secretary of Agriculture or the US Attorney General for enforcement purposes to ensure compliance with the Dairy Product Mandatory Reporting program.

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.

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 4,173 hours are multiplied by \$24 per hour for a total cost to the public of \$100,152. NASS regularly checks the Bureau of Labor Statistics' Occupational Employment Statistics. Median wage rates for bookkeepers and accountants are averaged to obtain the wage for the burden cost. The May, 2012 median wage for bookkeepers is \$16.91. The median wage for accountants is \$30.55. The mean wage of the two is \$23.73.

Annual Projected Cold Storage Response Burden for 2013 - 2015											
Survey	Sample Size	Frequency	Responses				Nonresponses				Total Burden Hours
			Resp. Count	Freq x Count	Min./ Resp,	Burden Hours	Nonresp. Count	Freq. x Count	Min. / NonResp.	Burden Hours	
Voluntary Surveys											
Monthly Cold Storage	550	12	468	5,610	30	2,805	83	990	2	33	2,838
Apple Storage Survey	100	12	85	1,020	10	170	15	180	2	6	176
Refrigerated Capacity *	1,700	0.5	1,445	723	15	180	255	128	2	4	184
Voluntary Subtotal	1,700		1,998	7,353		3,155	353	1,298		43	3,198
Mandatory Survey											
Cold Storage **	325	12	325	3,900	15	975	0	0	2	0	975
Mandatory Subtotal	325		325	3,900		975	0	0		0	975
Total	1,700		2,323	11,253		4,130	353	1,298		43	4,173

* Capacity Survey is conducted only in odd numbered years of everyone who has refrigerated storage capacity. The other surveys are all a subsample of the population. The large reduction in sample size is due to the removal of fruit storage facilities.

13. Provide an estimate of the total annual cost burden to respondents or record keepers 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 (equipment, overhead, printing, and staff), and any other expense that would not have been incurred without this collection of information.

The total cost to the Federal government for the Cold Storage Surveys is approximately \$500,000. About 95 percent of that is staff cost for data collection and the remainder is out-of-pocket cost.^a The reduction in cost of \$100,000 from the previous submission is due primarily to the reduction in sample size of the capacity survey and the discontinuation of the fruit storage survey.

15. Explain the reasons for any program changes or adjustments (reasons for changes in burden).

The new burden hour total of 4,173 is 3,776 hours less than the current inventory of 7,949 hours. The total population for these surveys is 1,700 with a total number of responses of 12,551, a decrease of 7,986. These reductions are due to program changes. NASS is no longer conducting the separate fruit storage survey or the juice storage survey. NASS has also reduced the capacity survey to exclude operations that only had refrigerated space used to store fruit.

Citrus data that is obtained from the Florida Department of Citrus Grower Co-Op is included in the NASS monthly Cold Storage report. Fruit storage data is available from the US Apple Association to its members. Discontinuing these two surveys has reduced respondent burden along with costs to the Federal Government.

The Refrigerated Capacity sample is the population that the other surveys are drawn from.

Operations that store butter or cheese are required by law (Public Laws 106-532 and 107-171) to provide this information on a monthly basis. We have separated these from the voluntary respondents in the burden calculation table.

^a Out of pocket costs, refers to the costs associated with the printing of questionnaires, postage, envelopes, etc.

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.**

The reference period and data collection period are the same for both cold storage and apple storage; all questionnaires are mailed about the 24th of each month. Each response is compared with the response on the previous month's questionnaire for completeness and accuracy. Sharp changes are investigated for possible reporting or copying errors. Estimates are made for missing reports based on monthly changes for firms reporting. The historical relationships of commodities are also used in making these estimates.

Responses by email, telephone, and fax are handled similarly. All modes of data collection are either directly read into the processing system when possible or are keyed into the processing system just as the paper forms would be.

The *Cold Storage* report provides stocks data for approximately 100 items. National totals are provided for all food items and regional totals for many items. The *Cold Storage* report is issued about the 22nd of each month for the preceding month.

The Refrigerated Storage Capacity Survey is conducted October 1 of every odd numbered year based on the monthly cold storage survey population to determine number of facilities and the amount of refrigerated and freezer space on a State and national basis. The *Capacity of Refrigerated Warehouses* summary report is issued the following January.

These publications are available on-line immediately after release at:

Capacity-

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1424>

Monthly Cold Storage-

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1034>

Annual Cold Storage Summary-

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1416>

- 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.

January, 2013

Revised May, 2013