

Supporting Statement – Part A

Tenure, Ownership, and Transition of Agricultural Land (TOTAL)

OMB No. 0535-0240

This supporting statement requests a three year approval for the reinstatement of a previously approved Census of Agriculture follow-on survey. The previous approval expired in September 2000, and the survey title was the Agricultural Economics and Land Ownership Survey (AELOS). The Tenure, Ownership and Transition of Agricultural Land (TOTAL), like its predecessor, will collect data from both farm operators and farm landlords. However, the survey methodology has had several major changes from the previous survey. TOTAL will use two questionnaires, one for farm operators and one for landlords who do not farm. The combined data series will yield a complete picture of farm expenses and land ownership of American farmland.

Like its predecessor, TOTAL will be conducted as a follow-on survey to the 2012 Census of Agriculture. Both TOTAL questionnaire versions will be mandatory surveys. The TOTAL survey will be conducted in all States except Alaska and Hawaii.

A. JUSTIFICATION

This docket is being submitted to renew the authority to conduct a mandatory survey, consisting of two parts:

- * Tenure, Ownership and Transition of Agricultural Land (TOTAL), Operator Version; and
- * Tenure, Ownership and Transition of Agricultural Land (TOTAL) Landlord Version.

Approximately every ten years (coinciding with the Census of Agriculture), a survey of farm land ownership and farm operators regarding farm revenues and expenses is conducted. We propose to field TOTAL to address this need. In intervening years, the Agricultural Resource Management Survey (ARMS) Version III (OMB # 0535-0218), an economic survey with content similar to the farm operator portion of the decennial survey, is conducted. Accordingly, in this proposal to field TOTAL, we also propose to suspend ARMS III for 2015 to minimize respondent burden as well as to remove possible duplication of data.

The ARMS I (screener survey) and ARMS II (chemical use) surveys will still be conducted in 2015.

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 functions of the National Agricultural Statistics Service (NASS) are to prepare and issue state and national estimates of crop and livestock production, disposition, and prices and to collect information on related environmental and economic factors. The 2014 Tenure, Ownership and Transition of Agricultural Land (TOTAL) survey will obtain data to accurately the economic status of U.S. farm operations and households.

Detailed, farm level, economic data are essential for making informed decisions relating to the farming industry. The TOTAL survey program would collect data from both farm operators as well as landlords who are not farm operators to create a complete picture of farm costs, land ownership, demographic data for farm operators and landlords, and improvements made to farm land and buildings, among other characteristics. The information collected through TOTAL would be an integral part of the 2012 Census of Agriculture program, and is therefore conducted under the authority of the Census of Agriculture Act of 1997 (Public Law 105-113).

Annually, NASS conducts the Agricultural Resource Management Study (ARMS) in three phases. The ARMS Phase I is used as a screening form, in which the other two phases' samples will be drawn. ARMS Phase II is the Crop Production Practices version, in which NASS collects data on detailed cropping practices and chemicals used for selected crops. ARMS Phase III is the Costs and Returns version (OMB 0535-0218).

Similar to the TOTAL survey, the former Agricultural Economics and Land Ownership Survey (AELOS) was last conducted in 2000 for the reference period of 1999. Prior to the 1999 survey conducted by NASS, AELOS was conducted by the Census Bureau in 1959, 1964, 1970, 1979, and 1988. Funding for the next cycle of AELOS (renamed TOTAL featuring a somewhat different information collection process) was not available until recently. Data from the TOTAL survey would be used to provide benchmark statistics upon which the Agricultural Census to prior and subsequent annual time series data collected by the ARMS Phase III survey could be linked.

The combined data from the TOTAL and (prior and subsequent) ARMS III surveys will be the primary source of information for the U.S. Department of Agriculture on a broad range of issues related to agricultural resource use, costs of production, and farm sector financial conditions. TOTAL will provide whole farm data for objective evaluation of many critical issues related to agriculture and the rural economy, such as: whole farm finance data, marketing information,

input usage, production practices, and crop substitution possibilities. This detailed information will be used to set operation level estimates of: types of operations, loan commodities, operator's household income, credit/debt levels, and other economic farm/ranch data.

Data from TOTAL will be used to produce estimates of net farm income by type of commercial producer as required in 7 U.S.C. 7998 and estimates of enterprise production costs as required in 7 U.S.C. 1441(a). Data from this survey are also used as weights in the development of the Prices Paid Index, a component of the Parity Index referred to in the Agricultural Adjustment Act of 1938 and as amended by the Agricultural Acts of 1948, 1949, 1954, and 1956. These indexes are used to calculate the annual federal grazing fee rates as described in the Public Rangelands Improvement Act of 1996 and Executive Order 12,548 and as promulgated in regulations found in Title 36 CFR 222.51.

In addition, TOTAL data will be used to produce estimates of sector-wide production expenditures and other components of income that are used in constructing the estimates of income and value-added that is transmitted to the U.S. Department of Commerce, Bureau of Economic Analysis (BEA), by the USDA Economic Research Service (ERS) for use in constructing economy-wide estimates of Gross Domestic Product. This transmittal of data, prepared using TOTAL (and ARMS), is undertaken to satisfy a 1956 agreement between the Office of Management and Budget and the Departments of Agriculture and Commerce that a single set of estimates be published on farm income.

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.

Farm organizations, banks, commodity groups, agribusinesses, Congress, and the USDA use farm economic data collected by NASS to evaluate the financial performance of farm and ranch businesses and households and to make policy decisions affecting agriculture. The TOTAL survey would provide a robust database of information to address varied needs of policy makers. TOTAL data would be combined with the annual ARMS III (0535-0218) data to create a more complete picture of the farm economy. Annually, NASS conducts the ARMS III through a cooperative agreement with USDA - Economic Research Service (ERS). ERS would be able to use combined TOTAL and ARMS III data in their data series timeline.

A few uses of the information collected from TOTAL and ARMS are listed below.

- The TOTAL and ARMS surveys provide the farm sector portion of the gross domestic product for the nation. The USDA links receipts and expenses associated with the production and sale of agricultural commodities to measure profit or loss over a calendar year. Measures of net farm income are developed. ERS's value-added estimates are used by the Bureau of Economic Analysis (BEA) in the development of the National Income Accounts and for the Gross Domestic Products. If these data were not available, BEA would have to conduct their own survey of farm operators. They are also used by the Organization for Economic Cooperation and Development (OECD) in their international agricultural accounts.
- Congressional mandates exist for the development of annual estimates of the cost of producing wheat, feed grains, cotton, tobacco, and dairy commodities. To ensure accurate and reliable estimates, particularly as these relate to changes in water quality and erosion rates, a comprehensive survey is needed to obtain data on production practices and the amounts of inputs used. Estimates of crop and livestock costs and returns provide a basis for understanding changes in the relative efficiency of crop and livestock production and the break-even prices needed to cover all costs. The combined TOTAL and ARMS surveys will provide the data needed to develop "enterprise" budgets, showing costs and input use by size and type of farm in different regions of the country. An "enterprise" is the portion of an operation's resources devoted to producing a specific commodity.
- Responses to TOTAL and ARMS questions on farm assets and debts will be used to develop a balance sheet for the farm as well as to provide a variety of financial ratios for measuring financial performance. Changes in the level of income earned affect rates of return and net worth. Purchases and sales of assets such as buildings, machinery, and land; changes in their value; and any associated debt are very sensitive to changes in farm earnings and economic performance as well as to changes in the general economy. The balance sheet can change rapidly from one year to the next and can be adequately monitored only through data collected on an on-going basis. Balance sheet analysis helps identify areas of poor financial performance and pockets of potential financial stress. The combined TOTAL and ARMS surveys will provide the data necessary to develop annual estimates of the farm operation's assets, debts, equity, capital gains, capital flows, and the rates of return to agricultural resources and also identifies how these items (and farm household finances) change from one year to the next.

The TOTAL and ARMS information on farm expenses describes the relative importance of production inputs used by farmers. These data are used to update the prices paid index for commodities, services, interest, taxes, and wage rates, known as the parity index. This index helps determine the parity price for over 100 agricultural commodities. Parity prices have been a part of farm legislation since 1938, when the Agricultural Adjustment Act established that parity prices be computed for agricultural commodities.

- The TOTAL data can be used to measure energy use in agriculture. Financial data (expenses for diesel, gas, propane, etc.) are converted to BTU's for analysis regarding agricultural energy use and greenhouse gas emissions. The USDA Office of the Chief Economist compiles data from the TOTAL and ARMS for Staff Analysis and Congressional Testimony.

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.

Both of the TOTAL questionnaires (operator and landlord) will be available on the internet. All respondents selected to receive either of these questionnaires will be mailed a blank copy of the questionnaire, an instruction sheet, cover letter and instructions on how to access the internet version of the questionnaire. Due to NASS security protocol, only the people who are selected to be in this survey will be able to access this website. The individualized password that is needed to gain entry will be sent out with the cover letter.

Sampled operations that do not respond by mail or internet will be attempted by either phone or by face to face enumeration. Phone enumerators will have access to Computer Assisted Telephone Interview (CATI) software that is driven by BLAISE. Field enumerators, who will conduct face-to-face interviews, will have access to Computer Assisted Personal Interview (CAPI) software that will be conducted on iPads.

If respondents prefer not to report data by one of our computer devices, the enumerators will have paper questionnaires available to use in the 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.

NASS is making every attempt to use existing data and only ask additional questions that are needed. Although not as comprehensive as the TOTAL survey, NASS has suspended the ARMS III Survey for the 2015 data collection period (referencing 2014 calendar year) to reduce the possibility of unnecessary duplication. Additionally, NASS field offices are asked to document any State information collection projects that overlap with the surveys contained in this docket. When State projects are identified, NASS makes every effort to incorporate the data needs from these projects with the NASS surveys so as to reduce unnecessary duplication and burden. Currently, no such State projects are underway.

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.

NASS identifies only those data items absolutely necessary to answer the needs of data users. Information requested on these surveys may require respondents to refer to their record books for the answers. To minimize the interview time, branching is used throughout the questionnaires to skip those sections not applicable to particular respondents. Enumerators also attend training schools for instruction and practice on using the questionnaires. Data collection for this survey is coordinated with other surveys to minimize contacts with respondents.

Sampling techniques are applied to minimize burden to individual operations which could potentially be selected in multiple NASS surveys. List frame units selected for other current year NASS probability surveys or the previous ARMS III are replaced, where possible, by similar sample units whose respondent burden is less. This design reduces the number of consecutive ARMS contacts and multiple contacts for different surveys in the same year.

Periodically, NASS reviews record keeping systems used by farm operators to record financial data for Income Tax forms. When possible, NASS makes changes to questionnaires to emulate these other documents, to help reduce respondent burden and reduce potential reporting errors.

NASS continues to conduct research on new sampling and data modeling strategies to reduce data requirements and respondent burden. NASS also started looking at the feasibility of using previously reported survey data, where appropriate, to reduce burden.

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.

NASS and ERS are charged with the responsibility of providing the Secretary of Agriculture, the Congress, the Executive Branch, farm groups, financial

institutions and the public with reliable, up-to-date information concerning the nation's farms and ranches. The combined TOTAL questionnaires (operator and landlord versions) are the only source of information capable of providing this type of vital information (farm operator and landlord: demographics, rental expenses, rental agreements, rental income, land transactions, etc.). Collecting economic data is critical to the mission of USDA, Congress, other governmental agencies, farm credit industry, banks, farm supply companies, and the private sector. The data collected by TOTAL, combined with the annual ARMS III data, are essential for NASS to update the Parity Index for Prices Paid and Prices Received by Farmers so ERS can accurately estimate farm income each year.

Samples of questionnaires, instruction sheets, publicity materials, etc. are attached to this OMB docket submission and are available for public review, through the <http://www.reginfo.gov/public/> website.

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 April 21, 2014 (Volume 79, Number 76), on pages 22092 - 22094. NASS received only one comment for this reinstatement. The comment was from Dr. Dennis Fixler, Chief Statistician for the Bureau of Economic Analysis at the US Dept. of Commerce. Dr. Fixler's letter of support and our response are attached to this renewal docket.

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 ARMS briefing room on the ERS Web site provides an opportunity for stakeholder feedback regarding economic data characteristics, use of the information for statistical purposes, and questionnaire content. ERS receives 40 to 60 inquires annually from this facility.

NASS Regional and State Directors meet with growers associations and their members to see what changes are needed to keep questionnaires current.

The Advisory Committee on Agriculture Statistics, appointed by the Secretary of Agriculture, is the principal contact with data users outside the Federal Government. It meets on a regular basis and makes recommendations regarding all areas of the Agency's agriculture statistics programs. The committee advises the agency on current and future data needs, the ability (or willingness) of respondents to supply the information requested, general data collection methods, content and format of census and other survey report forms.

NASS Regional and State Directors also meet with growers associations and their members to see what changes are needed to keep questionnaires current.

Also, internal committees within USDA (including NASS, Economic Research Service (ERS), Agricultural Marketing Service (AMS), Agricultural Research Service (ARS), National Institute of Food and Agriculture (NIFA), and Natural Resource and Conservation Service (NRCS)) have been formed to inquire about what data are needed by these organizations to better inform them of changes with American farmers and to coordinate data collection efforts.

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.

TOTAL 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 NASS employees 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 compliance statement.

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's 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 following CIPSEA Pledge statement will appear on all future NASS questionnaires.

The information you provide will be used for statistical purposes only. In

accordance with the Confidential Information Protection provisions of Title V, Subtitle A, Public Law 107–347 and other applicable Federal laws, your responses will be kept confidential and will not be disclosed in identifiable form to anyone other than employees or agents. By law, every employee and agent has taken an oath and is subject to a jail term, a fine, or both if he or she willfully discloses ANY identifiable information about you or your operation.

Minor changes were made to the wording of the pledge so that it would be consistent with NASS procedures.

11. Provide additional justification for any questions of a sensitive nature.

The questions on race and ethnicity on both the operator and landlord forms comply with the OMB Standards for the Classification of Federal Data on Race and Ethnicity. The question on total household income is a collapse of the stratum breaks used on the approved Agricultural Resource Management Survey, OMB Control #0535-0218.

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.

Burden hours based on the average completion time per questionnaire are summarized below.

Cost to the public for completing the questionnaire is assumed to be comparable to the hourly rate of those requesting the data. Average annual reporting time of 119,618 hours, are multiplied by \$25 per hour for a total annual cost to the public of \$2,990,450. NASS regularly checks the Bureau of Labor Statistics' [Occupational Employment Statistics](#). Mean wage rates for bookkeepers, farm managers, and farm supervisors are averaged to obtain the wage for the burden cost. The May, 2013, mean wage for bookkeepers is \$17.91. The mean wage for farm managers is \$35.20. The mean wage for farm supervisors is \$22.09. The mean wage of the three is \$25.07.

Estimate of Respondent Burden for 2014 TOTAL Survey

Survey	Sample Size	Freq	Responses				Non-response				Total Burden Hours
			Resp. Count	Freq x Count	Min./ Resp.	Burden Hours	Nonresp Count	Freq. x Count	Min./ Nonr.	Burden Hours	
Operator questionnaire											
First Mailing	45,000	1	6,750	6,750	100	11,250	38,250	38,250	2	1,275	12,525
Second Mailing	38,250	1	2,295	2,295	100	3,825	35,955	35,955	2	1,199	5,024
Post Card Reminder	35,955	1	899	899	100	1,498	35,056	35,056	2	1,169	2,667
Internet	35,056	1	2,244	2,244	100	3,739	32,813	32,813	2	1,094	4,833
Phone follow-up	32,813	1	18,047	18,047	100	30,078	14,766	14,766	2	492	30,570
Personal enumeration	14,766	1	7,973	7,973	100	13,289	6,792	6,792	2	226	13,515
Sub Total	45,000		38,208	38,208		63,679	6,792	40,752 *		5,455	69,134
Landlord Only questionnaire											
First Mailing	45,000	1	6,750	6,750	30	3,375	38,250	38,250	2	1,275	4,650
Second Mailing	38,250	1	2,295	2,295	30	1,148	35,955	35,955	2	1,199	2,347
Post Card Reminder	35,955	1	899	899	30	449	35,056	35,056	2	1,169	1,618
Internet	35,056	1	2,244	2,244	30	1,122	32,813	32,813	2	1,094	2,216
Phone follow-up	32,813	1	18,047	18,047	30	9,023	14,766	14,766	2	492	9,515
Personal enumeration	14,766	1	7,973	7,973	30	3,987	6,792	6,792	2	226	4,213
Sub Total	45,000		38,208	38,208		19,104	6,792	40,752 *		5,455	24,559
Publicity Materials											
Cover letter, EDR instruction sheet, information sheet, etc. **	90,000	1	76,416	76,416	20	25,472	13,584	13,584	2	453	25,925
Total	90,000		76,416	76,416		108,255	13,584	81,504 *		11,363	119,618

* The sub-total and total number for frequency is not a summation of the columns but is a calculated number by taking the final number of respondents multiplied by 6. This represents the number of times the final sample refused or was inaccessible.

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

The projected total cost to the Federal government to develop, conduct, summarize and set estimates from the TOTAL surveys is \$4.5 million. This amount will be spread out over Fiscal Years 2014 and 2015 with the majority of this going towards staff costs.

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).

This is a reinstatement of a previously approved data collection. The total respondent burden will be 119,618 hours. The target population will be approximately 45,000 farm operators and 45,000 landlords with a total number of contacts or responses at 157,920.

Within the ROCIS submission system there is an error with the system. There are no Changes due to Potential Violation of the PRA, since this is a reinstatement.

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.

This table is a summary of data collection, analysis, and publication dates.

Key TOTAL Survey Dates	
Activity	Date(s)
Survey Specifications Developed	October 2013
Development of Landlord Sampling Frame	April - October 2014
Questionnaire Design and Testing	March - July 2014
National Training of Field Office Statisticians	January 2015
Data Collection Begins	January 2015
Data Collection Ends	April 2015
Summarization and Imputation	April - August 2015
Publication of Survey Results	August 2015

Examples of the questionnaires and other documents are attached to this submission in the ROCIS system.

Printed copies of our Quick Stats are available from NASS Publications Office by telephone (customer service at 1-800-727-9540 or 202-720-3878). Electronic access is available from the NASS Internet Web-site <http://www.nass.usda.gov>.

NASS has begun to publish Methodology and Data Quality Measure reports for the public to have and use. The reports that have been completed thus far can be found at the following link:

http://www.nass.usda.gov/Publications/Methodology_and_Data_Quality/index.asp

- 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.**

No approval is requested for 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, 2014

Revised November, 2014