

Justification for Change
National Research, Promotion, and Consumer Information Programs
OMB No. 0581-0093
December 2015

This Justification for Change requests revising the “Organic Exemption Request Form,” AMS-15, under OMB Control Number 0581-0093, National Research, Promotion, and Consumer Information Programs to bring the form into conformance with the Agricultural Act of 2014.

Currently, only persons that exclusively produce and market products certified as 100 percent organic are eligible for an exemption from assessments under commodity promotion programs. The Agricultural Act of 2014 modifies the organic assessment exemption for research and promotion programs to allow persons that produce, handle, market, process, manufacture, feed, or import “organic” and “100 percent organic” products to be exempt from paying assessments associated with commodity promotion activities, including paid advertising, conducted under a commodity promotion program administered by AMS, regardless of whether the person requesting the exemption also produces, handles, markets, processes, manufactures, feeds or imports conventional or nonorganic products. This rule expands the exemption to cover all “organic” and “100 percent organic” products certified under the National Organic Program regardless of whether the person requesting the exemption also produces, handles, markets, processes, manufactures, feeds, or imports conventional or nonorganic products.

The modified form will continue to be required under the revised regulations to assist the board or council in the effective administration of the exemption and to ensure compliance with the exemption requirements.

The changes to form AMS-15 are as follows:

- (1) Under the name of the form, “Organic Exemption Request Form,” we are adding a place for the name of the “board or council” to make it consistent with other forms and to ensure the applicant knows what program they are applying for;
- (2) Deleted the first sentence in the second block, which stated that “persons that produced and marketed only products eligible to be labeled 100 percent organic” could request an exemption from assessments under research and promotion programs – which is no longer the case and therefore is deleted;
- (3) Added a line requesting the “Applicant’s first and last name:” in order to have a contact at the company to answer any questions that the reviewer may have;
- (4) Added the “tax id” and “importer id” to ensure that the appropriate entities are getting the exemption;
- (5) Re-worded the section “In order to be exempt, the above-named company must meet all the following;” - this was done to bring the wording into conformance with the revised regulation that allows organic or 100 percent organic entities to be eligible for exemption;

(6) Deleted a section, as well as a continuation sheet, which requested the applicant to “Please list all commodities produces/handled/imported..” that were eligible to be labeled as 100 percent organic – this is no longer needed as producers, handlers, importers, exporter, processors, and manufacturers can request an exemption if they handle both conventional and organic (split operations);

(7) Added language under the “Certification Statement” to obtain information from the applicant concerning an estimate of “total amount of product” and how much would be organic and/or 100 percent organic – this is needed so the reviewer to ensure that they are eligible for exemption, approximately how much is organic or 100 percent organic and potentially exempt from assessment, and how much is conventional, which would still be subject to assessment;

(8) Added the statement that “any false statement or misrepresentation may result in a fine” to encourage accurate reporting; and,

(9) Deleted the “Continuation Sheet for AMS-15” as it is no longer needed due to the changes in the regulation.

Further, the changes will only impose minimal costs incurred in the filing of the exemption request and in maintaining records needed to verify the applicant’s exemption status during the period that the entity is exempt. Under the revised regulations, the required information collection burden will be reduced to 15 minutes per response for entities who wish to initiate or perpetuate an organic assessment exemption. Applicants will continue to be required to submit one application annually.

The estimated number of respondents filing exemption claims with the boards and councils after implementation of the changes to the regulations is anticipated as follows:

Current respondents – $2,489 \times 1\text{- response} = 2,489 \times 0.5 \text{ hours/response} = 1,244.5 \text{ burden hours}$

Estimated respondent incr. – $10,211 \times 1\text{- response} = 10,211 \times 0.25 \text{ hours/response} = 2,552.75 \text{ burden hours.}$

The total number of respondents for this form would increase respondents, responses and burden by:
 $7,722 \text{ respondents} \times 1\text{- response} = 7,722 \times 0.25 \text{ hours/response} = 1,930.5 \text{ hours.}$