

2016 SUPPORTING STATEMENT

Mandatory Country of Origin Labeling of Muscle Cuts and Ground Lamb, Chicken, and Goat; Wild and Farm-raised Fish and Shellfish; Perishable Agricultural Commodities; Peanuts; Macadamia Nuts; Pecans; and Ginseng Under the Authority of the Agricultural Marketing Act of 1946

OMB NO. 0581-0250

A. Justification

1. EXPLAIN THE CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY. IDENTIFY ANY LEGAL OR ADMINISTRATIVE REQUIREMENTS THAT NECESSITATE THE COLLECTION.

The 2002 (P.L. 107-171) and 2008 (P.L. 110-234), Farm Bills and the Consolidated Appropriations Act, 2016 (P.L. 114-113) amended the Agricultural Marketing Act of 1946 to require retailers to notify their customers of the country of origin of muscle cuts and ground lamb, chicken, and goat; wild and farm-raised fish and shellfish; perishable agricultural commodities; peanuts, pecans, and macadamia nuts; and ginseng. An interim final rule for mandatory Country of Origin Labeling (COOL) for fish and shellfish became effective on April 4, 2005. An interim final rule for the remaining covered commodities became effective on September 30, 2008. On January 15, 2009, a final rule was published for all covered commodities which became effective March 16, 2009. On May 23, 2013, a final rule was published to amend the definition of retailer and labeling requirements for meat muscle cut commodities derived from animals slaughtered in the United States. On February 29, 2016, a final rule was published to remove beef and pork. Enforcement activities have been conducted since 2006 utilizing cooperative agreements established with State agencies. Covered commodities include muscle cuts of lamb, chicken, goat, ground lamb, ground chicken, and ground goat; wild and farm-raised fish and shellfish; perishable agricultural commodities; macadamia nuts; pecans; ginseng; and peanuts.

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.

Individuals who supply covered commodities, whether directly to retailers or indirectly through other participants in the marketing chain, are required to establish and maintain country of origin and, if applicable, method of production information for the covered commodities and supply this information to retailers. As a result producers, handlers, manufacturers, wholesalers, importers, and retailers of covered commodities are affected. This public reporting burden is necessary to ensure conveyance and accuracy of country of origin and method of production declarations relied upon at the retail point of sale.

The public reporting burden also assures that all parties involved in supplying covered commodities to retail stores maintain and convey accurate information as required.

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.

There are no submission requirements associated with this mandatory program per se. Upon request by USDA representatives, suppliers, and retailers subject to this subpart shall make available to USDA representatives, records maintained in the normal course of business that verify an origin claim. Such records shall be provided within 5 business days of the request and may be maintained in any location. These records may be in any form that is auditable and verifiable, which would include those records maintained electronically.

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.

This collection is not prescriptive as to the form that records must take. Further, records maintained in the normal course of business are acceptable for verifying origin claims. In addition, the law prohibits the Secretary from requiring the creation of new records.

5. IF THE COLLECTION OF INFORMATION IMPACTS SMALL BUSINESSES OR OTHER SMALL ENTITIES (ITEM 5 OF THE OMB FORM 83-1), DESCRIBE THE METHODS USED TO MINIMIZE BURDEN.

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 (domestic manufacturers and importers) as those having annual receipts of no more than \$7 million. Under these definitions, the majority of manufacturers and importers that would be affected are considered small entities. We have estimated the number of respondents for this collection is 652,842 and we estimate that 218,049 are considered small businesses.

Information collection requirements have been reduced to the minimum requirements of the Order. The primary sources of information used to complete the required forms are readily available from normal business records maintained by manufacturers and importers. Such information can be supplied without data processing equipment or outside technical expertise. Thus, the information collection and reporting burden is relatively small, and requiring the same reporting requirements for all manufacturers and

importers does not significantly disadvantage any manufacturer or importer that is smaller than the industry average.

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 law requires the Agency to establish a program that requires retailers to label covered commodities with country of origin information, and for fish and shellfish covered commodities, method of production information. If such products are not produced under a system that ensures that their source of origin is maintained, it will not be possible for retailers to accurately label covered commodities, and consumers will not be able to purchase such products by their country of origin with any degree of confidence.

In addition, the 2008 Farm Bill contained a number of amendments to COOL provisions, which further reduces the burden on regulated entities. Therefore, any further reduction in the burden imposed by this mandatory program would result in a program that would not achieve the objective of the authorizing legislation and could result in a program that would provide unverifiable and even misleading information to consumers.

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;**
- **REQUIRING RESPONDENTS TO PREPARE A WRITTEN RESPONSE TO A COLLECTION OF INFORMATION IN FEWER THAN 30 DAYS AFTER RECEIPT OF IT;**
- **REQUIRING RESPONDENTS TO SUBMIT MORE THAN AN ORIGINAL AND TWO COPIES OF ANY DOCUMENT;**
- **REQUIRING RESPONDENTS TO RETAIN RECORDS, OTHER THAN HEALTH, MEDICAL, GOVERNMENT CONTRACT, GRANT-IN-AID, OR TAX RECORDS FOR MORE THAN 3 YEARS;**
- **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;**
- **REQUIRING THE USE OF A STATISTICAL DATA CLASSIFICATION THAT HAS NOT BEEN REVIEWED AND APPROVED BY OMB;**
- **THAT INCLUDES A PLEDGE OF CONFIDENTIALITY THAT IS NOT SUPPORTED BY AUTHORITY ESTABLISHED IN STATUE 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**

**- 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.**

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.6.

**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.**

As required by 5 CFR 1320.8(d) a 60-day notice for comments was published in the Federal Register on March 2, 2016, Vol. 81, No. 41, page 10827. COOL received one comment that was not germane to the scope of information collection request.

**- 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.**

The Agency is in continual contact with the following companies to gain better

understanding of how retailers, suppliers, and producers handle and feel about the record requirements.

Food Marketing Institute
2345 Crystal Drive, #800
Arlington, Virginia 22202
(202) 452-8444

National Fisheries Institute
7918 Jones Branch Drive, #700
McLean, Virginia 22102
(703) 524-8880

Produce Marketing Association
P.O. Box 6036
Newark, Delaware 19714
(302) 738-7100

National Grocers Association
1005 North Glebe Road, #250
Arlington, Virginia, 22201
(703) 516-0700

9. EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEES.

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.

There are no assurances of confidentiality being provided to respondents under this program.

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.

There are no questions of a sensitive nature in this information collection.

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) DESIRABLE. IF THE HOUR EXPECTED TO VARY WIDELY ACTIVITY, SIZE, OR COMPLEXITY, ESTIMATED HOUR BURDEN, AND EXPLAIN FOR THE VARIANCE. GENERALLY, ESTIMATES INCLUDE BURDEN HOURS FOR CUSTOMARY AND BUSINESS PRACTICES.

OF POTENTIAL RESPONDENTS IS BURDEN ON RESPONDENTS IS BECAUSE OF DIFFERENCE IN SHOW THE RANGE OF THE REASONS SHOULD NOT USUAL

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

This renewal submission reflects a total of 652,842 recordkeepers for 21,949,487 burden hours. Estimates of the recordkeeping burden have been summarized on the AMS-71 form.

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

In general, the supply chain for each of the covered commodities includes agricultural producers or fish harvesters, processors, wholesalers, importers, and retailers. Imported products may be introduced at any level of the supply chain. Other intermediaries, such as auction markets, may be involved in transferring products from one stage of production to the next. The paperwork burden will be incurred by the number and types of firms and establishments listed in Table 9, which follows.

Table 9. Estimated Costs Associated with Paperwork Burden

Type	Firms	Initial Costs	Establishments	Maintenance Costs	Total Costs
Producers					
Sheep and Lamb	88,338	10,916,810	88,338	16,547,474	27,464,284
Goats	128,456	15,874,592	128,456	24,062,378	39,936,970
Chicken	32,935	4,070,107	32,935	6,169,384	10,239,492
Farm-Raised Fish & Shellfish	5,533	683,768	5,533	1,036,442	1,720,210
Fishing	2,259	279,167	2,259	140,871	420,038
Fruits	137,026	16,933,673	137,026	8,544,941	25,478,614
Vegetables	72,045	8,903,321	72,045	4,492,726	13,396,047
Ginseng	140	17,301	140	8,730	26,032
Peanuts	6,561	810,808	6,561	409,144	1,219,952
Pecans	16,284	2,012,377	16,284	1,015,470	3,027,847

Type	Firms	Initial Costs	Establishments	Maintenance Costs	Total Costs
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Producers, continued

Macadamia	920	113,694	920	57,371	171,065
Totals:	490,497	60,615,619	490,497	62,484,932	123,100,552

**Handlers,
Processors, &
Wholesalers**

Livestock Processing & Slaughtering	2, 770	3,625, 930	2, 629	63,268, 462	66,894, 392
Stockyards, Dealers, and Market Agencies	4, 723	6,182, 407	4, 723	5,683, 091	11,865, 498
Meat & Meat Product Wholesalers	2, 405	3,148, 145	2, 162	2,601, 491	5,749, 636
Chicken Processors & Wholesalers	517	676, 753	517	622, 096	1,298, 849
Fresh & Frozen Seafood Processing	589	771, 001	589	708, 732	1,479, 733
Fish & Seafood Wholesale	1, 954	2,557, 786	1, 954	2,351, 209	4,908, 995
Frozen Fruit, Juice & Vegetable Mfg.	221	289, 289	221	265, 925	555, 214
Fresh Fruit & Vegetable Wholesalers	4, 854	6,353, 886	4, 854	5,840, 721	12,194, 607
Peanut, Pecans, & Macadamia Nut Wholesalers	246	322, 014	12	14, 439	336, 453
General Line Grocery Wholesalers	2, 832	3,707, 088	2, 832	3,407, 689	7,114, 777
Retailers	4,504	5,895, 736	37,890	45,592, 279	51,488,015
Totals:	25,615	33,530,035	58,383	130,356,136	163,886,171

Producers	490,497	60,615,619	362,041	20,201,888	80,817,507
Handlers, Processors, & Wholesalers	25,615	33,530,035	15,992	18,469,481	51,999,516
Retailers	4,504	5,895,736	37,890	320,022,729	325,918,465
Grand Total	520,616	100,041,390	415,923	358,694,097	458,735,488

The affected firms will broadly incur two types of costs. First, newly established firms will incur initial or start-up costs to comply with the rule establishing a record keeping system. Initial costs will be borne by each firm, even though a single firm may operate more than one establishment. Second, firms will incur additional recordkeeping costs associated with storing and maintaining records on an ongoing basis. These activities will take place in each establishment operated by each affected business.

There are approximately 103,344 firms yearly that are subject to COOL and would need to establish a record collection system. Since the information collection requirement for the COOL regulations was part of the initial rule, established firms should not have any additional fees establishing a system record keeping system.

Initial Recordkeeping Costs

With respect to initial recordkeeping costs, it is believed that most producers currently maintain many of the types of records that would be needed to substantiate country of origin and, if applicable, method of production claims. However, producers do not typically record or pass along country of origin information and, if applicable, method of production information to subsequent purchasers. Therefore, producers will incur some additional incremental costs to record, maintain, and transfer country of origin and, if applicable, method of production information to substantiate required claims made at retail. Because much of the necessary recordkeeping has already been developed during typical farm, ranch, and fishing operations, it is estimated that the incremental costs for producers to supplement existing records with country of origin and, if applicable, method of production information will be relatively small per firm. Examples of initial or start-up costs would be any additional recordkeeping burden needed to record the required country of origin and, if applicable, method of production information and transfer this information to handlers, processors, wholesalers, or retailers via records used in the normal course of business.

Producers will need an estimated 4 hours to modify an established system for organizing records to carry out the purposes of this regulation. This additional time would be required to modify existing recordkeeping systems to incorporate any added information needed to substantiate country of origin claims. Although not all farm products ultimately will be sold at retail establishments covered by this rule, it is assumed that virtually all producers will wish to keep their marketing options as flexible as possible. Thus, all producers of covered commodities will establish recordkeeping systems sufficient to substantiate country of origin claims. It is also recognized that some operations will require substantially more than 4 hours modifying their recordkeeping systems. In particular, it is believed that livestock operations, stockers, and feeders will face a greater burden in establishing recordkeeping systems. These types of operations will need to track country of origin information for animals brought into the operation as well as for animals sold from the operation via records used in the normal course of

business, increasing the burden of substantiating country of origin claims. Conversely, operations such as fruit and vegetable farms that produce only United States products likely will require little if any change to their existing recordkeeping systems in order to substantiate country of origin claims. Overall, it is believed that 4 hours represents a reasonable estimate of the average additional time that will be required per year across all types of producers.

In estimating initial recordkeeping costs, May 2015 wage rates and benefits published by the Bureau of Labor statistics from the National Compensation Survey are used. For producers, it is assumed that the added work needed to initially adapt an existing recordkeeping system for country of origin and, if applicable, method of production information is primarily a bookkeeping task. This task may be performed by an independent bookkeeper, or in the case of operations that perform their own bookkeeping, an individual with equivalent skills. The Bureau of Labor Statistics (BLS) publishes wage rates for bookkeepers, accounting, and auditing clerks. It is assumed that this wage rate represents the cost for producers to hire an independent bookkeeper. In the case of producers who currently perform their own bookkeeping, it is assumed that this wage rate represents the opportunity cost of the producers' time for performing these tasks. The May 2015 wage rate is estimated at \$23.23 per hour. For this analysis, an additional 33 percent is added to the wage rate to account for total benefits which includes social security, unemployment insurance, workers compensation, etc. The estimate of this additional cost to employers is published by the BLS. At 4 hours per firm and a cost of \$30.90 per hour, initial recordkeeping costs to producers are estimated at approximately \$12.7 million to modify existing recordkeeping systems in order to substantiate country of origin and, if applicable, method of production claims. This is an overall decrease in the total of initial costs due to the elimination of beef and pork firms from COOL requirements.

The recordkeeping burden on handlers, processors, wholesalers, and retailers is expected to be more complex than the burden most producers face. These operations will need to maintain country of origin and, if applicable, methods of production information on the covered commodities purchased and subsequently furnish that information to the next participant in the supply chain. This will require adding additional information to a firm's bills of lading, invoices, or other records associated with movement of covered commodities from purchase to sale. Similar to producers, however, it is believed that most of these operations already maintain many of the types of necessary records in their existing systems. Thus, it is assumed that country of origin and, if applicable, method of production information will require only modification of existing recordkeeping systems rather than development of entirely new systems.

The Label Cost Model Developed for FDA by RTI International is used to estimate the cost of including additional country of origin and, if applicable, method of production information to an operation's records. It is assumed that limited information, one-color redesign of a paper document will be sufficient to comply with the rule's recordkeeping requirements. The number of hours required to complete the redesign is estimated to be 29 with an estimated cost at \$1,309 per firm. While the cost will be much higher for some firms and lower for others, it is believed that \$1,309 represents a reasonable

estimate of average cost for all firms. Based on this, it is estimated that the initial recordkeeping costs to intermediaries such as handlers, processors, and wholesalers (importers are included with wholesalers) will be approximately \$122,443, and initial recordkeeping costs at retail will be approximately \$29,668. The recordkeeping cost decreased due to the elimination of beef and pork from COOL requirements.

The total initial recordkeeping costs for all new firms are thus estimated at approximately \$544,509. This decrease in the recordkeeping cost is due to removing the labeling requirement for beef and pork, which affected cattle and hog producers; stockyards, dealers, and market agencies; and livestock processing, slaughtering, meat and meat wholesale processors having been established and initial cost is now accrued for newly established firms.

Storage and Maintenance Costs

In addition to these one-time costs to modify recordkeeping systems, enterprises will incur additional recordkeeping costs associated with storing and maintaining records. Again, the marginal cost for producers to maintain and store any additional information needed to substantiate country of origin and, if applicable, method of production claims is expected to be relatively small.

For wild fish harvesters, fruit, vegetable, ginseng peanut, macadamia nut, and pecan producers, country of origin and, if applicable, method of production generally is established at the time that the product is harvested. Therefore, there is no need to track country of origin and, if applicable, method of production information throughout the production lifecycle of the product. This is also the case for many of the chicken products as the vast majority of chicken products sold by firms are from chickens that are born, raised, and harvested in a controlled environment in the United States. This group of producers is estimated to require an additional 4 hours a year, or 1 hour per quarter, to maintain country of origin and, if applicable, method of production information.

Compared to wild fish harvesters, chicken, fruit, vegetable, ginseng, peanut, macadamia nut, and pecan producers, it is expected that fish farmers and livestock producers will incur higher costs to maintain country of origin and, if applicable, method of production information. Wild fish, chicken, fruits, vegetables, ginseng, peanuts, and macadamia nuts are generally harvested once and then shipped by the producer to the first handler. In contrast, farm-raised fish and livestock can and often do move through several geographically dispersed operations prior to sale for processing or slaughter. Farm-raised fish and livestock may be acquired from other countries by United States producers, which may complicate the task of tracking country of origin and, if applicable, method of production information. Because animals are frequently sorted and regrouped at various stages of production and may change ownership several times prior to slaughter, country of origin information will need to be maintained on animals as they move through their lifecycle. Thus, it is expected that the recordkeeping burden for farm-raised fish farmers and livestock producers will be higher than for producers of other covered commodities. It is estimated that these producers on average will require an additional 12 hours a year, or 1 hour per month, to maintain country of origin and, if applicable, method of production records.

It is assumed that farm labor will primarily be responsible for maintaining country of origin information at producers' enterprises. NASS' 2015 Farm Labor data are used to estimate average farm wage rates--\$11.74 per hour for livestock workers and \$11.72 per hour for other crops workers. Applying the rate of 33 percent to account for benefits, the result is an hourly rate of \$15.61 for livestock workers and \$15.59 for other crops workers. Wage rates for fish workers were unavailable, so the average wage rate for livestock workers is used. Assuming 12 hours of labor per year for livestock and farmed fish operations and 4 hours per year for all other operations, the estimated total annual maintenance costs to producers is \$62.5 million, which is lower due to the removal of beef and pork from the COOL program.

It is expected that intermediaries such as handlers, processors, and wholesalers will face higher costs per enterprise to maintain country of origin and, if applicable, method of production information compared to costs faced by producers. Much of the added cost is attributed to the larger average size of these enterprises compared to the average producer enterprise. In addition, these intermediaries will need to track products both coming into and going out of their businesses.

With the exception of livestock processing and slaughtering establishments, the maintenance burden hours for country of origin and, if applicable, method of production recordkeeping is estimated to be 52 hours per year per establishment. For this part of the supply chain, the recordkeeping activities are on-going and are estimated to require an additional hour a week. It is expected, however, that livestock processing and slaughtering enterprises will experience a more intensive recordkeeping burden. These enterprises disassemble carcasses into many individual cuts, each of which must maintain its country of origin identity. In addition, businesses that produce ground lamb and goat, products may commingle product from multiple origins, which will require some monitoring and recordkeeping to ensure accurate labeling and to substantiate the country of origin information provided to retailers. Maintenance of the recordkeeping system at

these establishments is estimated to total 1,040 hours per establishment, or 20 hours per week.

Maintenance activities will include inputting, tracking, and storing country of origin and, if applicable, method of production information for each covered commodity. Since this is mostly an administrative task, the cost is estimated by using the May 2015 BLS wage rate from the National Compensation Survey for administrative support occupations (\$17.40 per hour with an additional 33 percent added to cover benefit costs for a total of \$23.14 per hour). This occupation category includes stock and inventory clerks and record clerks. Coupled with the assumed hours per establishment, the resulting total annual maintenance costs to handlers, processors, and wholesalers and other intermediaries are estimated at approximately \$84.8 million.

Retailers will need to supply country of origin and, if applicable, method of production information for each covered commodity sold at each store. Therefore, additional recordkeeping maintenance costs are believed to affect each establishment. Because tracking of the covered commodities will be done daily, it is believed that an additional hour of recordkeeping activities for country of origin and, if applicable, method of production information will be incurred daily at each retail establishment. These additional activities result in an estimated 365 additional hours per year per establishment. Using the BLS wage rate for administrative support occupations (\$17.40 per hour with an additional 33 percent added to cover benefit costs for a total of \$23.14 per hour) results in total estimated annual maintenance costs to retailers of \$45.6 million.

The total maintenance recordkeeping costs for all enterprises are thus estimated at approximately \$192.9 million. The decrease in the maintenance recordkeeping cost is decrease in the number of establishments and an increase in wages.

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 START-UP COSTS INCLUDE, AMONG OTHER ITEMS,

AND

SUCH AS MONITORING, EQUIPMENT; AND RECORD PREPARATIONS FOR COLLECTING INFORMATION PURCHASING COMPUTERS AND SOFTWARE; SAMPLING, DRILLING AND TESTING 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 KEEPING RECORDS FOR THE GOVERNMENT, OR (4) AS PART OF CUSTOMARY AND USUAL BUSINESS OR PRIVATE PRACTICES.

The total initial recordkeeping costs for all new firms are estimated at approximately \$100 million. The total maintenance recordkeeping costs for all enterprises are estimated at approximately \$358.7 million.

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, OPERATION 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.

AMS deployed an effective surveillance and enforcement program. A primary component of the enforcement program will be surveillance activities performed by State governments. This will require AMS to enter into cooperative agreements with each State and transfer sufficient funds to cooperating State agencies to conduct the

surveillance activities. The estimated costs are as follows:

Retail Surveillance Reviews		
900/year x \$600/Review		\$540,000
2,000/year x \$800/Follow-up Reviews		\$1,600,000
Primarily paid to States		
Administration-Salary and Benefits		\$1,300,000
12 Staff Years x 108,000		
Miscellaneous Costs		\$525,000
Rent/utilities/phones		
Dept. assessments/travel		
Printing/equipment		

The total annual cost to the Government to maintain this regulation is \$4 million.

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

Reg. No.	Reason	Previous Burden	New Burden	Difference	Type of Change
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Set-Up & Maintenance (Recordkeeping)					
	Producers (Reduced burden due to elimination of beef and pork from COOL.)	1,061,296	392,396	-668,900	Adj.
	Intermediaries (Reduced burden due to elimination of beef and pork from COOL.)	140,360	122,438	-17,922	Adj.
	Retailers (Increase in burden due to more retailer establishments.)	26,332	29,667	3,335	Adj.
Storage & Maintenance (Recordkeeping)					
	Livestock & Fish & Shellfish (Reduced burden due to elimination of beef and pork from COOL.)	12,916,668	2,667,924	-10,248,744	Adj.
	Chicken, Wild Fish &	1,001,792	1,072,680	70,888	Adj.

	Shellfish, etc. (Increase in burden due to more chicken producers.)				
	Handlers, Processors & Wholesalers (Reduced burden due to elimination of beef and pork from COOL.)	1,116,544	953,732	-162,812	Adj.
	Livestock Processing & Slaughtering	2,839,200	2,880,800	41,600	Adj.
	Retailers (Increase in burden due to more retailer establishments.)	12,334,810	13,829,850	1,495,040	Adj.
TOTALS		31,437,002	21,949,487	-9,487,515	Adj.

There is a decrease of -9,487,515 burden hours due to a decrease in firms as a result of the final rule published February 29, 2016, removing beef and pork as covered commodities.

- 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.**

Information obtained under this information collection is not published.

- 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 form submission requirement associated with this collection.

- 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. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This information collection does not employ statistical methods.