

SUPPORTING STATEMENT – Part A

COTTON GINNINGS

OMB No. 0535-0220

A. JUSTIFICATION

This is a renewal request of the Cotton Ginnings Surveys information collection for 3 additional years.

- 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 (NASS's) primary function is to prepare and issue State and national estimates of crop and livestock production, disposition, and prices, as well as specialty agricultural and environmental statistics. Agricultural statistics help maintain a stable economic atmosphere and reduce risk for production, marketing, and distribution operations. Modern agriculture increasingly calls upon NASS to supply reliable, timely, and detailed information in its commodity estimation programs.

The cotton plant produces pods that are interspersed with fiber (also known as lint) and seeds. Cotton gins are places where cotton fibers are separated from seeds and other debris. The ginning process produces usable fiber and cottonseed. The fiber is compressed into bales and a sample is taken from each bale so that experts can determine the quality. The result of ginning is information about how much usable fiber (lint) is produced, the quality of the fiber produced, and the amount of usable cottonseed.

Cotton ginning statistics provides information to U.S. and international cotton industries with the only data available concerning ginnings by district and by county. These data provide all segments of the cotton industry (buyers, brokers, shippers, textile firms, and researchers) with quantities of baled cotton that are available by specific geographic areas within the U.S. on a regular and recurring basis. Ideally, when all participants in an industry are equally informed, no one is at a disadvantage due to uncertainty.

The Cotton Ginnings survey obtains data mandated by Title 13, Section 42 U.S.C. to provide all segments of the cotton industry (producers, buyers, brokers, shippers, textile firms, and researchers) with quantities of baled cotton that are available by specific geographic areas within the U.S. on a regular and reoccurring basis.

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 majority of data are collected by telephone, mail, and fax. All active gins for a given crop season are included in the survey. This includes gins in all 17 cotton producing states. The survey begins on August 1st for the current production year. The sample size increases as the amount of cotton harvested and ginned increases. The peak number of gins that are surveyed will occur in November. The sample size will decline after that to coincide with the completion of harvesting and ginning in some States. The “End of Season” questionnaire is sent to each gin as they complete their ginning for the year, the summarized end of season data will be published in May.

On the in-season questionnaires, Gins provide the number of bales ginned to date and an estimate of how many more they expect to gin during the season. These questions are asked on the first and fifteenth day of each month as displayed in the table in item 12 below. Gins also report the average prices paid to producers for cottonseed from August through March on the first of each month questionnaire. In four States (AZ, CA, NM, and TX) the data is collected for both Upland Cotton and American Pima Cotton. In the remaining States (AL, AR, FL, GA, KS, LA, MS, MO, NC, OK, SC, TN, and VA) data is collected only for American Pima Cotton.

On the end-of-season questionnaire, the gins report total pounds of lint cotton produced from the bales ginned, the average weight per bale, and how many ginning plants (saw and roller) they operated during the season, for both Upland Cotton and American Pima Cotton. Gins are also asked to report total pounds of cottonseed derived from the bales ginned, how many pounds of cottonseed were or will be delivered to oil mills, or how many were used for feed, seed, or other uses. Gins also provide production data by county for which it was grown.

NASS uses these data as an aid in forecasting cotton production and considers the September through January ginnings data vital to forecast production. The "ginned to date" and "to be ginned" data are essential components of the production forecasts after harvest begins. The forecasting procedure involves calculating a weighted percent ginned to date as well as an allowance for cross-State movement and bale weight adjustments. Production by State allows adjustments for year-end State and county estimates. Total pounds of lint cotton

produced are used to derive an actual bale weight which increases the precision of production estimates. These data provide precise statistics, especially when at least 50 percent of the forecasted cotton production has been ginned in a State. Cotton ginnings data collected at the end of the season are also used in setting final State and County production estimates.

Cottonseed prices received are issued by NASS August through February, and are a component in the prices received by farmer's index. Collecting price data from cotton gins provides a consistent data source. Cotton gins are usually the "first point of sale" of cottonseed, the general criterion NASS applies when collecting prices received data. Accurate prices for this raw product are best obtained from ginner's because it is sold from the gins without being processed at an oilseed crushing plant, as was the former method.

These data provide all segments of the cotton industry (buyers, brokers, crushers, shippers, textile firms, and researchers) with exact quantities of cotton available at specific geographic locations within the U.S. on a regular basis. Some examples of usage include emergency planning and staffing of cotton classification offices. Should disaster occur in a specific cotton producing area, policy makers will have data available for that area to assist with disaster program implementation. The Agricultural Marketing Service, which is responsible for grading cotton, will staff their classing offices more efficiently, according to the amount of cotton being ginned. Private industry also uses these data in their analysis and forecasts.

- 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 first-of-month and mid-month Cotton Ginnings Reports have been made available for electronic data reporting (EDR) via the Internet. Each respondent is provided a user name and password to secure the data; instructions are included in a pre-survey letter. The minutes to complete the Web surveys are estimated to be the same as the paper-based questionnaires. Approximately 2% of the ginning reports are completed using the internet application. All of the forms are available electronically, except for the Cotton Ginner's Record Book. This tool is provided to the respondents to keep their records in if they do not have a system of their own. It is totally up to the respondent if they choose to use this book for keeping their records in.

NASS does not mail out questionnaires using email addresses for two primary reasons.

1. With many businesses they may have one person that reports price data, one person that reports production data, and possibly another person who reports stock data. We have learned that it is best to send a paper questionnaire through the US Postal Service to make sure the correct person is contacted for the survey(s).
2. Further, we have noticed that many people change their internet providers on a fairly frequent basis and it is very time consuming to keep monitoring and updating email addresses for the hundreds of thousands of people we contact each year for all of the different surveys conducted by NASS.

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.

The USDA's Agricultural Marketing Service (AMS) maintains a list (names and addresses) of gins that is annually matched and reconciled with the existing NASS list. Currently AMS has some data series that they maintain, but they do not go to the county or district level which is needed by numerous data users.

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.

Although all cotton gins will be contacted, those indicating they are idle for the year are contacted only at the beginning of the season to verify their inactivity. Active gins are contacted only for the time periods they are operating. The length of the period in which questionnaires are mailed varies by State, type of cotton gin, and progress of ginnings during the season. These procedures reduce burden on all gin operators.

Approximately 425 of the total 650 cotton gins will be classified as small operations.

Cotton ginning operations usually calculate a daily total of bales ginned to date; thus, response time to answer this questionnaire item is minimal.

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.

Title 13, Section 42 U.S.C. dictates the frequency at which these surveys are conducted. If information collection were less frequent the cotton industry would be without county-level quantities ginned which could seriously affect transportation costs and marketing strategies. The entire industry currently functions in a stable market because the uncertainty of quantities by location is

minimized. The Agricultural Marketing Service (AMS) classification offices would have difficulty determining the quantities arriving at their offices for grading during certain time periods and office staffing would not be at the most efficient levels.

- 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 Federal Register Notice soliciting comments was published on October 31, 2016, on page 75373. NASS did not receive any public comments.

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.

NASS consults with respondents, the Agricultural Marketing Service (AMS), the National Cottonseed Products Association, and the National Cotton Council of America to stay abreast of activities in the cotton industry.

- 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 for confidentiality of 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.

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

The information you provide will be used for statistical purposes only. Your responses will be kept confidential and any person who willfully discloses ANY identifiable information about you or your operation is subject to a jail term, a fine, or both. This survey is conducted in accordance with the Confidential Information Protection provisions of Title V, Subtitle A, Public Law 107-347 and other applicable Federal laws. For more information on how we protect your information please visit: <https://www.nass.usda.gov/confidentiality>. Response if voluntary.

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. 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.

Cost to the public of completing the questionnaire is assumed to be comparable to the hourly rate of those requesting the data. Reporting time of 1,277 hours is multiplied by \$25 per hour for a total cost to the public of \$31,925.

NASS regularly checks the Bureau of Labor Statistics' [Occupational Employment Statistics](#) (Published March 30, 2016). Mean wage rates for bookkeepers, farm managers, and farm supervisors are averaged to obtain the wage for the burden cost. The May 2015 mean wage for bookkeepers is \$18.74. The mean wage for farm managers is \$33.60. The mean wage for farm supervisors is \$23.22. The mean wage of the three is \$25.19.

The length of time it takes to complete the questionnaires was determined from input provided by our Survey Methodologists combined with feedback from enumerators on how long it took them to complete a questionnaire with the respondent(s).

In the table below the ineligible cases have been removed from the sample sizes.

Estimated Annual Burden for Cotton Ginning Surveys - 2017 - 2019

		Sample Size	Waves of Data Collection	Responses			Non-response				Total Burden Hours	
				Resp. Count	Waves x Count	Min./ Resp.	Burden Hours	Nonresp Count	Waves x Count	Min./ Nonr.		Burden Hours
Advance letter, record book, and Web Instructions		650	1	618	618	10	103	32	32	2	1	10
August	1st	50	1	48	48	10	8	2	2	2	0	
September	1st	100	1	95	95	10	16	5	5	2	0	
	15th	600	1	570	570	10	95	30	30	2	1	9
October	1st	600	1	570	570	10	95	30	30	2	1	9
	15th	600	1	570	570	10	95	30	30	2	1	9
November	1st	650	1	618	618	10	103	32	32	2	1	10
	15th	650	1	618	618	10	103	32	32	2	1	10
December	1st	600	1	570	570	10	95	30	30	2	1	9
	15th	600	1	570	570	10	95	30	30	2	1	9
January	1st	550	1	523	523	10	87	27	27	2	1	8
	15th	500	1	475	475	10	79	25	25	2	1	8
February	1st	500	1	475	475	10	79	25	25	2	1	8
March	1st	350	1	333	333	10	56	17	17	2	1	5
End of Season	Final	650	1	618	618	15	155	32	32	2	1	15
Total		650		618	7,271		1,264	32	379		13	1,264

- Questionnaires for August thru March for both first of month and mid-month contain the same content as the December sample questionnaires that are submitted with this docket. Only the Final Report contains additional questions.

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 total annual cost to the Federal government for the data collection and summarization associated with the Cotton Ginnings surveys is expected to remain at \$500,000, for the next three years.

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).

The annual burden for Cotton Ginnings is estimated to be 1,277 hours which is an increase of 173 hours from the current inventory of 1,104. The number of responses is projected to increase from 6,850 to 7,650 annually.

	Program Changes		Adjustments		Totals
	Responses	Non-Responses	Responses	Non-Responses	
Number of Responses	333	13	773	-319	800
Burden Hours	55	1	129	-12	173

The program change includes the inclusion of a March 1st survey to collect data from operations that have late ginnings. The adjustment are due to small adjustments in the monthly sample sizes, and the increasing of projected response rates based on response rates from the previous year.

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 respondent universe for the Cotton Ginnings survey consists of all cotton gins in the United States which are operating during the current crop year. It covers 17 southern States from August through March. No sampling is used. All

operating gins are mailed a letter at the beginning of the season. A record book is mailed to gins upon request. During the crop year (see Survey Date column in the table in Item 12) they receive a questionnaire on which to enter summary data from their own files. The duration of the questionnaire contacts varies by State, type of cotton gin (saw gin or roller gin), and progress of ginnings. All operations receive a final questionnaire by March.

There are two versions of the biweekly questionnaire. The first-of-the month and mid-month versions both ask ginnings to date and an estimate of bales to be ginned for both upland and American-Pima cotton. The first of the month version also asks the average price(s) paid for cottonseed for the previous month. There is one version of the final questionnaire which asks ginnings about Upland and American-Pima including total bales ginned, expected bales to gin, total pounds of lint cotton or average weight per bale, and items concerning derived cottonseed. The final questionnaire also requests information about the number of plants (saw and roller gins) operated and cotton production by county for which it was grown.

Approximate Data Collection and Publication Schedule for any Crop Year											
Month	First of Month Questionnaire			Mid-month Questionnaire*			Prices				
	Data Collection	Pub. Date	Publication	Data Collection	Pub. Date	Publication	Pub. Date	Publication			
August	1-5*	12	<i>Cotton Ginnings</i>	<i>Cotton Ginnings</i>			31	<i>Agricultural Prices</i>			
September	1-5	12					15-19		25	30	
October	1-5	12					15-19		25	31	
November	1-5	12					15-19		25	30	
December	1-5	12					15-19		25	31	
January	1-5	12					15-19		25	31	
February	1-5*	12								28	
March	1-14	20									
May	<i>Cotton Ginnings Summary</i>										

* Includes price data.

Cotton ginnings data are collected on the first of the month in August thru March and mid-month September through January. August through February, U.S. and State ginnings data as of the first of the month are published in the one-page *Cotton Ginnings* release at the same time as the monthly *Crop Production* report, around the 10th of the month. The larger, mid-month *Cotton Ginnings* report is released about the 25th of the month. It contains U.S. and State ginnings data through the 15th of the month plus county-level data as of the middle of the month. Because of the small number of American-Pima (roller) gins, the county-level data published mid-month are for "all cotton" to avoid derivation of American-Pima ginning operations.

Since there is no mandatory reporting requirement, imputation may be necessary for the "ginnings to date" asked on the questionnaires because totals are published. Imputation procedures and other statistical procedures are reviewed by the NASS Summary, Estimation, and Disclosure, Methodology Branch, Methodology Division.

The final ginnings survey is conducted in all 17 States by March (each gin is asked to complete the final report as they complete their ginnings for the season) and preliminary totals are released in *Cotton Ginnings* about the 25th of March. This release contains the U.S. and State running bales for upland and American-Pima ginned to date, equivalent 480-pound bales ginned, average bale weight, number of active gins, and ginners' estimates of quantity to be ginned, if any. The county-level data is for running bales ginned plus ginners' estimates of bales to be ginned. In this final survey, cross-State movement data (the quantity of cotton produced in one State but ginned in another State) is collected.

All NASS publications can be found at:

<https://www.nass.usda.gov/Publications/>

All first of month and mid-month cotton ginning survey publications can be found at:

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1041>.

Detailed final ginnings data are published in the *Cotton Ginnings, Annual Summary* in May:

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1042>.

This publication contains, for each reporting period, the U.S. and State running bales ginned and county data for running bales ginned, equivalent 480-pound bales ginned, number of active gins, running bales produced, average bale weight, and rank by running bales produced. Information for American-Pima cotton gins is limited to U.S. and State data and includes ginnings by reporting period, a season total, bales produced in a State, and 480-pound bales ginned. This format prevents disclosure of individual operations because of the low number of American-Pima gins.

Cottonseed price data are collected on the first-of-the-month cotton ginnings questionnaire in August from Texas gins (the only State with sales then) and in September thru March from all 17 States. Prices are published monthly, August through March, for the ten largest cotton States and the U.S. in the *Agricultural Prices* release:

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1002>.

A preliminary marketing year average price is published in February's *Crop Values*

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1050>

for all 17 States and the U.S. The season's final monthly prices for the 10 largest States and the U.S. and the marketing year average price for all 17 survey States are published in the following October *Agricultural Prices* release

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1002>.

The 10 monthly estimating States weight each gin's reported price by its number of bales ginned during the first 14 days of the month. Each month and also for the February preliminary monthly revisions and preliminary marketing year average, the U.S. price is weighted by multiplying each monthly estimating State's ginnings for the first 14 days of the month by its respective 3-year average cross-State factor. Adjusting by the cross-State factor eliminates the effects of cotton that is produced in one State but ginned in another State. The bales ginned portion of this weight is the same number of bales used in developing each State's weighted price--not the total bales ginned for the State. The previous season's final cross-State factor is used for the October U.S. final monthly and marketing year average revisions. The U.S. marketing year average price is weighted using the sum of these monthly weights, applied to each month's U.S. price.

The seven smaller cotton States, called the non-monthly estimating States, also collect monthly price data although estimates are not published. Monthly data provide the most reliable marketing year average price and are more accurate than asking for a season's average price at the end of the season. Marketing year average price for non-monthly States is weighted using weighting procedures similar to those used for monthly States.

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.

January 2017