

Supporting Statement – Part B

PART B. Collections of Information Employing Statistical Methods

- 1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.**

This information collection does not employ sampling methods. This is a census survey of all agricultural cooperatives. The population is now 2,200, and it decreases by about 100 per year due to mergers, business consolidations, and business failures. About 10 agricultural cooperatives are added each year to the population through searches of agricultural publications, provision of information from State cooperative councils, and other sources. This collection has been conducted previously. Last year's survey had a response rate of 92 percent. The response rate was 95 percent in 2011 and 92 percent in 2010.

- 2. Describe the procedures for the collection of information including:**

- **Statistical methodology for stratification and sample selection,**

A statistical methodology for sample collection is not used. A census approach is employed. Many of the agricultural cooperative sectors that are surveyed have few cooperatives—a stratified sample could not be used on such small populations.

- **Estimation procedure,**

Estimates are based on the most recent information from the non-respondent. Inflation factors have been used in the past but were found unreliable when compared later to actual data.

- **Degree of accuracy needed for the purpose described in the justification,**

With a response rate of over 90 percent, very little estimation is used. Most non-respondents have provided information sometime in the past. That information is used to estimate missing information.

- **Unusual problems requiring specialized sampling procedures, and**

Sampling is not used.

- **Any use of periodic (less frequent than annual) data collection cycles to reduce burden.**

The survey is conducted annually to document the health and importance of agricultural cooperatives to the total agricultural sector. Survey questions are designed to be available from annual reports that all cooperatives conduct yearly. Cooperatives are encouraged to send us their annual reports and not fill in the surveys. The only survey questions not readily available in a cooperative's annual report are number of members and number of cooperative full- and part-time employees.

- 3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield "reliable" data that can be generalized to the universe studied.**

We anticipate a continued strong response rate. The survey covers questions readily available in cooperative annual reports. The questions use the same terminology commonly found in income statements, balance sheets, and supplemental information of cooperative annual reports. The surveys have been analyzed by accountants within RBS and by cooperative general managers, chief financial officers, and accountants. The same questions have been used over the last decade and the same survey format has been used over the last three decades.

Secondly, we provide information back to cooperatives based on their survey responses. Every year in July all cooperatives receive a comparison report that has a common size income statement, common size balance sheet, and selected financial ratios. The reports are by cooperative size and type of products they sell or market, 105 different reports were issued this year to 2,200 cooperatives. This type of information is not available to most of our cooperative clientele. We also provide a directory on our web page that has contact information for the cooperative as well as the products that they sell or market. Almost 1,500 cooperatives are listed in our 396 page cooperative directory. The directory is updated each month with information provided by our cooperative clientele. Each cooperative also receives a copy of our magazine, *Rural Cooperatives*, which is published 6 times a year. Articles in *Rural Cooperatives* cover management and financial issues as well as product development.

We do not expect to have any non-response bias, but we monitor responses closely. Information from each respondent is compared to prior year responses and further crosschecked with their annual reports.

- 4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.**

We have pre-tested internally. Survey results are most often entirely from cooperative annual reports. Income statements end with a bottom line and balance sheets balance, so our survey information must agree with cooperative annual reports. Cooperative financial information is not available from other sources but we do compare our results with farm income information and agricultural sector analysis published by USDA's Economic Research Service.

5. **Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.**

The persons responsible for the survey are E. Eldon Eversull, (202) 690-1415 and Sarah Ali, (202) 720-2480. Both individuals are with USDA's Rural Business-Cooperative Service.