

2018 SUPPORTING STATEMENT
Plan for Estimating Daily Livestock Slaughter
Under Federal Inspection
OMB NO. 0581-0050

A. Justification.

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

Livestock, Poultry, and Grain Market News (LPGMN) provides a timely exchange of accurate and unbiased information on current marketing conditions (supply, demand, prices, trends, movement, and other information) affecting trade in the livestock, poultry, meat, egg, grain, hay, and wool markets.

Administered by the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS), this nationwide Market News program is conducted in cooperation with approximately 28 State departments of agriculture. Working closely with the States, USDA provides technical support and supervision to assure nationwide standardized application of USDA grades and uniform trading terminology.

The up-to-the-minute reports collected and disseminated by market reporters provide both buyers and sellers with the information necessary for making informed marketing decisions, thus putting everyone in the agricultural supply chain in an equal bargaining position.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), Section 203(g), and in accordance with 5 CFR 1320.6, Part 59, directs and authorizes the collection and dissemination of marketing information including adequate outlook information, on a market area basis, for the purpose of anticipating and meeting consumer requirements aiding in the maintenance of farm income and to bring about a balance between production and utilization.

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 Daily Estimated Livestock Slaughter Under Federal Inspection report is used primarily by the livestock and meat trade, which includes packers, processors, producers, brokers, and retailers of meat and meat products. The livestock and meat industry requested that the USDA issue slaughter estimates (daily and weekly), by species, for cattle, calves, hogs, and sheep in order to assist them in

making immediate production and marketing decisions and as a guide to the amount of meat in the supply channel. The information solicited from respondents includes their estimation of the current day's slaughter at their plant(s) and the actual slaughter of the previous day. The USDA's Economic Research Service (ERS) and the National Agricultural Statistics Service (NASS) use the reports to make market outlook projections and maintain statistical data.

Economists at most major agricultural colleges and universities use the reports to make market projections. They are used extensively by consulting firms and private economists to determine available supplies and current pricing. Data from these reports are also widely used for internal briefings and forwarded to USDA policy officials to keep them apprised of current market conditions and movement of livestock and meat in the United States.

NASS requires daily and weekly (compiled from daily figures) estimated slaughter data to assist them in identifying non-fed slaughter cattle. ERS uses this data to stay abreast of the livestock markets and for making market projections that are used by the livestock and meat industry as well as other Government agencies. ERS also uses the estimate as a guide to project or anticipate what the actual slaughter may be. Actual slaughter data is furnished by the USDA's Food Safety and Inspection Service (FSIS) about one week after the fact. Market conditions continually change which makes one-week-old data insufficient for making immediate decisions.

Data from these reports are incorporated by the U.S. sheep industry into price prediction models upon which a lamb price-risk plan of insurance is offered through the USDA's Risk Management Agency (RMA).

The livestock and meat industry could not collect the information themselves as they would not want to divulge their information to competitors, and danger of manipulation exists. Industry has grown to depend on the livestock and meat information for assistance in making marketing and production decisions.

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.**

Due to the nature of the information collected, the time constraints, and the respondents, the most efficient collection methods are telephone calls and electronic mail submissions. Collecting information using a database or other

information technology tools would only increase the burden on respondents, without improving the quality, quantity, or timeliness of the information.

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.**

The contacts for the slaughter information are divided by geographic regions, as assigned by the Livestock, Poultry, and Grain Market News headquarters office in Washington, to avoid duplication. As the only Government source for the information, there is no duplication with other Government agencies. ERS, NASS, the Grain Inspection, Packers, and Stockyards Administration (GIPSA), and the Commodity Credit Corporation (CCC) all obtain this information from the Livestock, Poultry, and Grain Market News Division. Although the information is available from FSIS, it is not available in a timely enough manner to be of any utility to its users.

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

These information collection requirements shall be reduced to the minimum needed to meet the requirements to obtain the information. There are no forms used and AMS requires only a minimal amount of information. This information can be supplied without data processing equipment or outside technical expertise. The primary sources of data are routinely used in all business transactions. Thus, the information collection and reporting burden is relatively small. Further, requiring the same reporting requirements for all producers, handlers, and importers does not disadvantage any producer, handler, or importer that is considered a small business.

There are no respondents under this information collection that qualify as small business.

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.**

Less frequent collection would reduce the utility of the information to its users, as marketing and production decisions by industry are constantly being made, and the rapidly changing marketplace requires current information.

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;**

The information collected for the slaughter report is disseminated by market reporters and is intended to provide both buyers and sellers with the information necessary for making informed marketing decisions, thus putting everyone in the agricultural supply chain in an equal bargaining position. Livestock, Poultry, and Grain Market News provides a timely exchange of accurate and unbiased information on current marketing conditions (supply, demand, prices, trends, movement, and other information) affecting trade in livestock, poultry, egg, meat, grain, hay, and wool markets. Reporting slaughter information on a quarterly basis would not be timely enough for effective marketing decisions.

- **REQUIRING RESPONDENTS TO PREPARE A WRITTEN RESPONSE TO A COLLECTION OF INFORMATION IN FEWER THAN 30 DAYS AFTER RECEIPT OF IT;**

The need for real time information for the fast changing markets of livestock and meat require that Market News collect, generate, and disseminate reports on a daily or weekly basis.

- **REQUIRING RESPONDENTS TO SUBMIT MORE THAN AN ORIGINAL AND TWO COPIES OF ANY DOCUMENT;**

There are no circumstances that require respondents to provide any such records to Market News.

- **REQUIRING RESPONDENTS TO RETAIN RECORDS, OTHER THAN HEALTH, MEDICAL, GOVERNMENT CONTRACT, GRANT-IN-AID, OR TAX RECORDS FOR MORE THAN FIVE YEARS;**

There are no circumstances that require respondents to provide any such records to Market News.

- **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;**

There are no circumstances that require respondents to provide any such records to Market News.

- **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 STATUTE 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.**

Market News is authorized under 7 U.S.C. 1622(g) under which confidentiality of the information collected and disseminated is protected under 7 U.S.C. 2276(a). This statute requires all information collected within this information collection must be reported in a manner such that the identity of the person who supplied such information is not discernible and is not material to the intended uses of such information. This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5 (d)(2).

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.**

The 60-day notice for comments on this collection of information was published in the *Federal Register* on July 19, 2017 (*Federal Register*, Vol. 82, No. 137, 33040). Two comments were received; one comment was not relevant to responses, respondents, and burden hours and one comment summarized the published *Federal Register* 60-day notice and noted online submission capabilities which is not relevant to this information collection.

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.

Consulting with respondents is an ongoing practice in the normal course of reporting markets. Investigating opportunities to improve the accuracy and timeliness of reports is a major priority of the Livestock, Poultry, and Grain Market News Division. Current market reporting procedures are discussed as well as the possibility of revisions that would provide more current information for the respective industry. Currently, the relationships between Market News and industry contacts have been mutually beneficial to both parties. This has resulted in no major problem in communication.

North American Meat Institute
Contact: Barry Carpenter
202-587-4262

National Pork Producers Council
Contact: Neil Dierks
515-278-8012

American Sheep Industry Association
Contact: Paul Rodgers
304-647-9981

National Cattlemen's Beef Association
Contact: Colin Woodall
202-638-0607

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

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.**

Agency policy has established confidentiality as a critical component in Market

News reporting. Market News is authorized under 7 U.S.C. 1622(g) under which confidentiality of the information collected and disseminated is protected under 7 U.S.C. 2276(a). This statute requires all information collected within this information collection must be reported in a manner such that the identity of the person who supplied such information is not discernible and is not material to the intended uses of such information. This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5 (d)(2). AMS has assured respondents of this responsibility and investigates any possible inadvertent disclosure of individual operations.

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 regarding sensitive language.

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) OF POTENTIAL RESPONDENTS IS DESIRABLE. IF THE HOUR BURDEN ON RESPONDENTS IS EXPECTED TO VARY WIDELY BECAUSE OF DIFFERENCES IN ACTIVITY, SIZE, OR COMPLEXITY, SHOW THE RANGE OF ESTIMATED HOUR BURDEN, AND EXPLAIN THE REASONS FOR THE VARIANCE. GENERALLY, ESTIMATES SHOULD NOT INCLUDE BURDEN HOURS FOR CUSTOMARY AND USUAL BUSINESS PRACTICES.**
- **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.

Estimated cost to respondent:

Since industry must keep an accurate record of each transaction for their own use, the cost to the respondent is minimal. At the same time, the respondents receive information from the Market News reports; therefore, deriving a benefit from the overview information.

The respondents estimated annual cost in providing information to the industry is \$12,350. There were no costs for postage or printing for respondents.

It is estimated that approximately 60 percent of respondents are in sales and 40 percent are in administrative support. Based upon the 2016 Bureau of Labor Statistics data, the average hourly wages for sales staff are \$29.95 under Agriculture, Forestry, Fishing and Hunting, Sales and Related Occupations. The average hourly wages for administrative staff under Agriculture, Forestry, Fishing and Hunting, Office and Administrative Support Occupations are \$16.56.

Wages were obtained from the BLS National Industry-Specific Occupational Employment and Wage Estimates at http://www.bls.gov/oes/current/naics2_11.htm.

SUMMARY:

Sales:	301.26 hour @ \$29.95 = \$9,022.74
Administrative:	200.9 hours @ \$16.56 = \$3,326.90

TOTAL: \$12,350

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 AND START-UP COSTS INCLUDE, AMONG OTHER ITEMS, PREPARATIONS FOR COLLECTING INFORMATION SUCH AS PURCHASING COMPUTERS AND SOFTWARE; MONITORING, SAMPLING, DRILLING, AND TESTING EQUIPMENT; AND RECORD 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 KEEP RECORDS FOR THE GOVERNMENT, OR (4) AS PART OF CUSTOMARY AND USUAL BUSINESS OR PRIVATE PRACTICES.**

There are no capital/start-up or operation and maintenance costs associated with this information collection.

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, OPERATIONAL 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.

Estimated cost to the Federal Government:

The estimated cost to the Federal government to collect slaughter information during regular contact with industry sources is \$26,604 per year.

This number is calculated on the basis that the average Livestock, Poultry, and Grain Market News reporter is a GS-11, for which the average hourly salary rate including benefits is \$31.87 (GS11/7).

With two reporters spending approximately 20 percent of their time doing data collection, the approximate cost for salaries and benefits is \$26,604. Other costs associated directly with data collection include printing and operational expenses which allow Market News reporters to maintain the relationship and essential trust needed with respondents. These costs for FY 2016 are estimated at \$1,000. Therefore, the costs for regular data collection are \$27,604.

SUMMARY

Regular Contact with Industry: \$26,604

Printing and operational expenses: \$1,000

Total costs to the Government: \$27,604 per year

15. **EXPLAIN THE REASON FOR ANY PROGRAM CHANGES OR ADJUSTMENTS REPORTED IN ITEMS 13 OR 14 OF OMB FORM 83-1.**

Since the last submission there is a decrease of three respondents, resulting in an overall decrease of -25.84 burden hours. The consolidation in industries is the one significant reason for the reduction in the number of livestock slaughter facilities contacted for information. These consolidations have taken place due to the realignment of livestock production.

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 information collection augments existing AMS Livestock, Poultry, and Grain Market News Division (LPGMN) publications and market reports. The collected information is gathered into an electronic database where it is processed and aggregated for publication. This process occurs daily and weekly as required, and

once prepared, the market reports are published through an electronic communication system and posted on the AMS website.

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.**

The agency is not requesting approval not to display 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.**

AMS does not request an exception to the certification of this information collection.

B. Collection Of Information Employing Statistical Methods

This information collection does not employ statistical methods.