

1 Supporting Statement – Part A

RENTAL RATES PILOT

OMB No. 0535-0264

This supporting statement addresses the new data collection effort to test a new version of the approved Cash Rents Survey (0535-0002). This pilot project will collect data from a sample of farmers and ranchers in three regions: Northwest (10 counties in the State of Washington), Southern Plains (10 counties in Northern Texas) and Mississippi River (10 counties in Arkansas). The reference period will be commodity year 2019.

Data collected under this supporting statement are for an interagency agreement between the National Agricultural Statistics Service (USDA-NASS) and United States Department of Agriculture's Farm Production and Conservation Mission Area (USDA-FPAC). The purpose of the pilot project is to determine if additional collected data provide USDA-FPAC information to help set CRP rates as it pertains to share rent. USDA-FPAC will determine if the additional data could provide better indications in counties where share renting predominates and set annual Conservation Reserve Program (CRP) payment rates that more accurately reflect market conditions. If this pilot is successful, NASS will submit a change request to the production survey for future years.

A. JUSTIFICATION

This survey is being conducted by USDA-NASS through an interagency agreement with USDA-FPAC under a full-cost recovery basis. USDA-NASS has interagency agreements with some USDA and other Federal agencies to fulfill its mission of providing timely, accurate, and useful statistics in service to United States agriculture. These cooperators often seek USDA-NASS's assistance to provide statistics beneficial to agriculture, but are not covered by USDA-NASS's annual Congressional appropriation. General authority for conducting cooperative projects is granted under U.S. Code Title 7, Section 450a which states that USDA officials may, "enter into agreements with and receive funds...for the purpose of conducting cooperative research projects..."

USDA-NASS benefits from these cooperative agreements by: (1) obtaining additional data to update its list of farm operators; (2) encouraging both parties to coordinate Federal survey activities and activities funded under a cooperative agreement to reduce the need for overlapping data collection and/or spread out respondent burden; and (3) facilitating additional promotion of USDA-NASS surveys and statistical reports funded by annual Congressional appropriations.

Respondents benefit from these cooperative agreements by: (1) having their reported data protected by Federal Law (U.S. Code Title 18, Section 1905; U.S. Code Title 7, Section 2276; and Public Law 107-347, Title V (CIPSEA)); (2) having

data collection activities for Federal and Cooperative surveys coordinated to minimize respondent burden; and (3) having high-quality agricultural data that are important to a state or region be collected and published.

- 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 primary function of the USDA National Agricultural Statistics Service (USDA-NASS) is to prepare and issue current official State and national estimates of crop and livestock production, value, disposition, and resource use.

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."

The Conservation Reserve Program takes marginal and/or vulnerable crop land out of production in order to reduce soil erosion, enhance water quality, and restore wildlife habitat. An annual payment, along with other incentives, is provided to encourage enrollment by landowners in this voluntary program. Effort is made to set the annual payment at the opportunity cost of participation, which should track closely with cash rents. Accordingly, the program has relied on NASS Cash Rent Survey estimates to inform payment rates, an approach that works well in highly productive agricultural regions where cash leases are common.

However, share or hybrid lease agreements are relatively common for marginal lands with highly variable crop yields, precisely the land targeting for program participation. This reduces the availability of respondents upon which NASS Cash Rent Survey estimates are based, reducing estimate precision where the CRP presence is largest and increasing the potential that CRP payment rates do not sufficiently reflect current market conditions.

- 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.**

USDA-NASS will conduct a survey of agricultural operations likely to have non-irrigated cropland acres in Washington, Arkansas, and Northern Texas. According to the USDA-NASS report "Farms and Land in Farms, 2018 Summary", there are

an estimated 325,200 farms combined in the three States. Each selected farmer or rancher will be asked to provide data on:

- Acres rented in 2019 for cash, share of crop production, or for free,
- Dollars per acres paid in 2019 for cash rent, and
- Percent share of revenue and expenditures for the renter and landowner.

No data will be published or presented from this information collection. USDA-FPAC will analyze the collected data in a secure data lab operated by NASS to determine if the additional questions provide the necessary data for the project goals.

- 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.**

During this data collection, USDA-NASS will mail out a paper questionnaire along with a cover letter and return envelope. There will be two mailings of the questionnaire, cover letter and return envelope. The mailings will include instructions to respond via Computer Aided Web Interviewing (CAWI) – i.e., on the internet. Operators who do not respond to these mailings or by CAWI will be contacted by an enumerator using Computer Assisted Telephone Interview (CATI). CATI data will be collected by a trained National Association of State Departments of Agriculture (NASDA) enumerator.

- 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.**

USDA-NASS cooperates with State departments of agriculture, land grant universities, and other State and Federal agencies to conduct surveys. Wherever possible, surveys meet both State and Federal needs, thus eliminating duplication and minimizing reporting burden on the agricultural industry.

There are no known reports that contain the data (or similar) this proposed survey will generate.

- 5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

This information collection will not have a significant economic impact on small entities. Out of the estimated sample size of 1,500, approximately 85% or 1,250 are estimated to be classified as small operations.

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 cash rents estimates derived from the cash rents surveys (0535-0002) supply basic information needed by farmers to make decisions for both short-term and long-term planning. These estimates may be used by individual producers in planning for their agricultural operation or by Agricultural Extension Services or university staff in developing operating budgets for agricultural operations in their locale.

The United States Department of Agriculture's National Agricultural Statistics Service (NASS) was directed through the 2008 Farm Bill to collect cash rents data for use by the Farm Production and Conservation Mission Area (FPAC) in program administration – including the Conservation Reserve Program (CRP). The Food, Conservation, and Energy Act of 2008, Section 2110, states, "The Secretary (acting through the National Agricultural Statistics Service) shall conduct an annual survey of per acre estimates of county average market dry land and irrigated cash rental rates for cropland and pastureland in all counties or equivalent subdivisions within each state that have 20,000 acres or more of cropland and pastureland."

There are some areas of the country where share rental arrangements predominate, but the current cash rental rates survey does not account for this arrangement. In an effort to obtain a more complete picture of rental arrangements, this pilot project is proposed.

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 original Federal Register Notice for this generic docket, soliciting comments was published on Dec. 10, 2018 on page 63468.

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 obtained input from the following individuals on the proposed survey:

1. Rich Iovanna Senior Agricultural Economist – Resource Economics Branch, USDA - Farm Service Agency (202) 720-5921
2. Joy Harwood, USDA - Farm Production and Conservation – Business Center (FPAC-BC), joy.harwood@usda.gov
3. Catherine Feather, USDA - Farm Production and Conservation – Business Center (FPAC-BC), catherine.feather@usda.gov

Throughout the year, numerous NASS statisticians and managers attend private industry and producer’s association meetings around the country. They take note of changes within the various industries and update our data collection instruments when possible, to keep our data current and useful to all data users.

9. Explain any decision to provide any payment or gift to respondents.

No payment or gifts will be provided 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; U.S. Code Title 7, Section 2276; and Public Law 107-347, Title V (CIPSEA) 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, USDA-NASS employees and USDA-NASS contractors comply with the OMB implementation guidance document, “Implementation Guidance for Title V of the E-Government Act, Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA).” CIPSEA supports NASS’s 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 USDA-NASS agents, subject to the limitations and penalties described in CIPSEA.

The following confidentiality pledge statement will appear on all USDA-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>.

All individuals who may access these confidential data for research are also covered under Titles 18 and CIPSEA and must complete a Certification and Restrictions on Use of Unpublished Data (ADM-043) agreement.

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.

Burden hours based on the average completion time per questionnaire are summarized below.

Burden hour calculations are shown below. The minutes-per-response figures were estimated based on like-previous surveys. 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 536 hours is multiplied by \$36.84 per hour for a total cost to the public of \$19,746.24.

USDA-NASS uses the Bureau of Labor Statistics' [Occupational Employment Statistics](#) (most recently published on March 29, 2019 for the previous May) to estimate an hourly wage for the burden cost. The May 2018 mean wage for bookkeepers was \$20.25. The mean wage for farm managers was \$38.43. The mean wage for farm supervisors was \$24.42. The mean wage of the three is \$27.70. To calculate the fully loaded wage rate (includes allowances for Social Security, insurance, etc.) USDA-NASS will add 33% for a total of \$36.84 per hour.

0535-0264 - Projected Respondent Burden for 2020														
Commodity	Sector	Survey	Sample Size	Waves of Data Collection	Resp. Count	Waves X Count	Min. / Resp	Burden Hours	Non-Resp Count	Waves X Count	Min / Non Resp.	Burden Hours	Total Burden Hours	
Rental Rates	Renters	First Mailing												
		Rental Rates Pilot	1,500	1	225	225	15	56	1,275	1,275	2	43	99	
					-	-			-	-			-	-
					-	-			-	-			-	-
					-	-			-	-			-	-
					-	-			-	-			-	-
		Second Mailing												
		Rental Rates Pilot	1,275	1	191	191	15	48	1,084	1,084	2	36	84	
					-	-			-	-			-	-
					-	-			-	-			-	-
			-	-			-	-			-	-		
			-	-			-	-			-	-		
		Subtotal	1,500		416	416		104	2,359	2,359		79	183	
		Phone Follow-Up	1,084	1	780	780	15	195	304	304	2	10	205	
Publicity Materials														
		Cover Letter and/or CAWI Instruction Sheet Two mailings at 5 minutes each	1,500		416	416	10	69	2,359	2,359	2	79	148	
TOTALS			1,500		1,196	1,196		368	304	2,663		168	536	

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 projected annual cost to conduct the Rental Rates Pilot is approximately \$200,000, most of which is staff costs. The costs will be reimbursed to USDA-NASS by USDA's Farm Production and Conservation Mission Area.

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).

This is a new request, so there is no current inventory.

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.

USDA-NASS's Regional Field Office (RFO) is responsible for manually editing and processing the questionnaires. The RFO creates and provides editing guidelines and estimation documentation to help ensure that all questionnaires are edited and analyzed in a consistent manner. After the data have been key entered and run through computer edits, survey data will be made available to approved USDA-FPAC personnel for analysis and summarization through a secure USDA-NASS data lab. Only summarized data that meets NASS disclosure standards will leave the data lab.

This is a pilot study to ascertain whether it is feasible to garner meaningful responses from a more complex survey instrument that encompasses the fuller range of lease arrangements and whether the associated estimates differ significantly from their cash rent counterparts.

No data will be published from this collection.

2019 (crop year) Survey:

Survey design.....June - October, 2019

Sample selection.....November - December, 2019

Questionnaire design.....June - July, 2019
Mail Survey.....February, 2020
Phone Follow-up.....March, 2020
End of Data Collection.....April, 2020
Analysis.....May, 2020

- 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.

November, 2019