

**2019 SUPPORTING STATEMENT
SPECIALTY CROPS MARKET NEWS REPORTS
OMB NO. 0581-0006**

A. Justification.

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

Section 203(g) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621) directs and authorizes the collection of information and disseminating of market 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 bringing about balance between production and utilization of agriculture products.

Market News provides all interested segments of the market chain with timely, accurate information from an unbiased third party. Equal access to timely and reliable market information tends to equalize the competitive position of all market participants. In the absence of Market News information and reports, small and medium sized market participants with limited resources for developing and collecting information are at a competitive disadvantage to larger participants who might be able to afford very sophisticated information systems.

Market News information and market reports foster efficient marketing and orderly distribution of the nation's food supplies. Orderly marketing tends to maximize returns to growers and provide consumers a consistent supply of food stuffs at competitive prices.

Market News reports serve as data sources for other Government agencies, such as the Economic Research Service and support the National Agricultural Statistical Service's Crop Production reports, and others. The Perishable Agricultural Commodities Act Branch of the Agricultural Marketing Service, the International Trade Commission, and the Department of Commerce all use Market News information routinely in their processes related to market value. The data is also widely used by various other Government agencies for planning and policy development. Market News reports are also used by Federal, state and local governments' food purchase programs as a source of unbiased supply and price data, which is critical to their needs. Additionally, Market News data is widely used in value determination in settlements and contracts, as well as in international trade disputes.

In times of catastrophic events, Market News reporters are a critical resource for collecting information for Government policy makers as the reporters already have an established relationship for sharing information with producers, shippers, transportation companies and others.

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.

Market information on 733 specialty crops for prices and supply are collected in person and by phone throughout the country. This data is used for the production of Market News information and market reports that are then available to the industry and other interested parties in various formats. Interview questions are a guideline for Market News reporters to gather market data. This is a sample of questions reporters use to ask respondents:

- How is business (trading) today?
- What did you sell _____ for today? (Reporters track over 300 items in a typical report).
- Did you receive anything new in today?
- Any feedback from the area experiencing the recent _____ (freeze, flooding, etc.), and how will that impact your supplies?
- How is business (demand) today?

The respondents are not required to complete a form, consequently the burden shown on the AMS-71 is time for the respondent to reply to these questions.

Users of Market News include producers or farmers, processors and distributors, retailers, restaurants and institutions, consultants, brokers, scholars, forecasters, transportation and financial institutions.

Government agencies such as the Foreign Agricultural Service, Economic Research Service, and the National Agricultural Statistics Service routinely use Market News data. Market News information aids these Government agencies in tracking prices, and productivity, and serve as indicators of economic activity. Other agencies, such as the International Trade Commission, use Market News information as a tool to assist in assessing whether illegal dumping by other countries has taken place. The Customs Service uses Market News information to determine import fees or duties. The Risk Management Agency uses the information for value determination in crop insurance and disaster payments.

Additionally, educational institutions, specifically, agricultural colleges and universities use Market News information. The information provided by Market News is very valuable as a teaching tool as it is the same third party information

used for value determination within many “real” situations that face the industry on a near daily basis.

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 two basic types of information collected by Market News from respondents – qualitative and quantitative. Quantitative information includes volumes and total shipments. Electronic mail, and the Internet are used to collect quantitative information on a more timely basis and reduce telephone time for the respondent and the Government. However, the bulk of qualitative market information must be collected verbally. Reporters at the wholesale terminal markets must make a variety of appraisals and judgments of product appearance, condition and many other attributes in order to clearly define the item.

Market News does receive quantitative commodity shipment and import data from industry sources and other Government agencies by electronic mail, where possible. These electronic methods reduce the burden on data suppliers, enhance the timeliness of data collection, and the completeness of the data. However, the personal interviews with respondents are essential to the process for reporting the qualitative part of the market such as demand, and to be able to share information with the respondent. This “two way” conversation is the backbone of the voluntary collection system that Market News functions under.

For imports into the U.S., the Agricultural Marketing Service and Market News are working with other government agencies to more fully utilize the efficiencies and improved data access to the ACE/ITDS (Automated Commercial Environment System / International Trade Data System). ACE will reduce much of the duplication in paperwork and data collection efforts by creating one system for all imports. This multi-year effort, funded by Congress, has evolved into a Presidential mandate. The initial roll-out of ACE was in early 2017, with significant enhancements and further development continuing. All of AMS Market News is training its lead specialists to ensure that they can fully utilize the system. Market News is actively working with Customer and Border Protection (CBP) and APHIS to stay involved and informed on changes and enhancements in the system.

Market News continues to work with various industry groups to add or enhance the electronic collection of quantitative data. By working directly with lead industry groups and associations, the program is continually seeking to further

utilize this means of data collection.

- 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.**

For domestic market information, there is none. The market data collected is not available from other sources or is not available in the detail and timely fashion necessary to make it useful in promoting the orderly harvesting, packing and/or processing, transportation and marketing of perishable fruit and vegetable products. Market News does work with secondary disseminators to ensure the widest distribution of Market News reports and information as possible.

- 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 collection of information does not significantly disadvantage businesses that are smaller than industry average. Conversely, businesses benefit directly from contact with knowledgeable market reporters. The information is provided to Market News voluntarily, who in turn aggregate comparable information and make it available to the public in several convenient fashions. These include radio, newspapers, the Internet, emails and through a wide range of secondary disseminators.

Market News has indicated 2,776 respondents on OMB form 83-I, and estimates that 70% are small businesses.

- 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.**

Frequency is related to the needs expressed by the various industry and related groups that use the data. Less frequent collection of information would result in inaccurate and dated reports that would be far less useful to the fruit and vegetable industry, as it is a more volatile commodity group with limited shelf life and narrow marketing windows.

The absence of these data would deny primary and secondary users' information that otherwise would be available to aid them in their production and marketing decisions, analyses, research and knowledge of current market conditions. The omission of these data could adversely affect prices, supply, and demand.

- 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;**

Current release times for market reports are consistent with the demand by users for timely information. That is, the value of market reports to the industry is in the time frame that makes them useful in making marketing and shipping decisions. As markets are determined daily, most market information is collected and released daily.

- **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, daily or weekly information for the highly volatile markets for fresh fruit and vegetables require that Market News collect and disseminate information on a daily or weekly basis.

- **requiring respondents to submit more than an original and two copies of any document;**

There are no special circumstances that would require 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;**

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;**

All data collected for statistical reports are aggregated to generalize the results and prevent disclosures of any one respondent.

- **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.

All Market News information collection is strictly confidential as to individual or firms' proprietary information. Respondents provide information to market reporters with complete confidence that their information will not be used in any way that would disclose their individual operations.

Market News is protected pursuant to Section 1770 of the Food Security Act of 1985, 7 U.S.C. # 2276, which requires USDA to keep source information collected under the authority of 7 U.S.C. 1622(g) strictly confidential.

- 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 Agency published a notice on May 23, 2019 (Vol. 84, No. 100, page 23754) announcing its request for comments from the public. No comments were received.

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.

Market News did a Customer Satisfaction Survey that was completed in February, 2019 by a contractor, CFI Group, using a widely recognized Customer Satisfaction Index procedure. The survey measured overall satisfaction with USDA Market News and identified key drivers of satisfaction. These were:

- Market reports
- Information
- Customer satisfaction

The primary applications for the Market News information products and data was

general market awareness, analyzing market and product pricing. The overall satisfaction with USDA Market News was a score of 75 out of 100. This compares with an average for the Federal government of 64.

The Customer Satisfaction Survey included an In-Depth Interview component in order to gain more specific insight from data users on how Market News information is useful to them and how it can be improved. Forty trade contacts that regularly share price and/or movement data with Market News participated in the In-Depth Interviews.

Businesses that provide Market News with market information on a daily basis are:

- Tony Vitrano Company – 410-799-7444
- TMK Produce Company – 215-463-0100
- Jersey Fruit Company – 856-863-9100

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.

Reporters in the field who are in regular contact with the respondents and users of the Market News data suggest revisions to reflect changing needs for information, production patterns, methods of marketing, packaging, processing and/or transporting various commodities. There are no unresolved problems relative to circumstances that would preclude consultation.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts have been provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Market News provides assurance of confidentiality to the respondents by means of the methodology and procedures of the Market News program. Records showing the names of respondents are destroyed as soon as data is collected, checked for accuracy, finalized and published. Additionally, the information collected by Market News is protected under Section 1770 of the Food Security Act of 1985, 7 U.S.C. §2276, which requires USDA to keep source information collected strictly confidential. Agency policy has established the importance of

confidentiality in Market News reporting. The information collected is not published if such action would divulge the trading practices of individual or specific trading companies. The market information is then broadly disseminated to the public and individual source documents are destroyed.

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.

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 difference 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.**

There are 2,776 respondents with 560,752 responses for a total of 56,636 burden hours.

- **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 83.1.**
- **provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in item 14.**

It is estimated that 75 percent of respondents are in sales and 25 percent are in administrative support. Based upon the Bureau of Labor Statistics data on wage

estimates, the average hourly wages are \$28.13 hourly wage with an additional \$8.92 for benefits and compensation for sales staff under Sales Representatives, Manufacturing and Wholesale, Except Technical and Scientific Products. The average hourly wage for administrative support staff under Secretaries and Administrative Assistants except, Legal, Medical, and Executive is \$17.61 with an additional \$5.58 for benefits and compensation.

Summary:

Sales -	42,477 hours @ \$37.05 =	\$1,573,773
Administrative -	14,159 hours @ \$23.19 =	\$ 328,347
TOTAL =		\$ 1,902,120

Wages were obtained from the National Occupational Employment and Wage Estimates, May 2018. The data can be found at: https://www.bls.gov/oes/current/oes_nat.htm. Benefits and compensation guidelines from Bureau of Labor Statistics press release dated December 14, 2018.

- 13. Provide an estimate of the total annual cost burden to respondents or record keepers 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 keeping records for the government, or (4) as part of customary and usual business or private practices.**

There are no capital, startup, operation, or maintenance costs associated with this program.

- 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.**

Estimated cost to the Federal Government:

The estimated cost to the Federal government to collect market information during regular contact with industry sources is \$4,222,027.

This number is calculated on the basis that the average Specialty Crops Market News reporter is a GS-12, for which the average hourly salary rate, \$43.50 including benefits (37.6%) is \$ 59.86. With 42 Market News reporters spending 75 percent of their time doing data collection, the approximate cost for salaries and benefits is \$3,922,027 per year. Additional costs associated directly with this data collection include travel, printing, and operational expenses in the amount on \$300,000. Therefore, the costs for regular data collection are \$4,22,027.

Summary:

	Salary and benefits	Associated costs	Total
Regular contact with industry	\$ 3,922,027	\$ 300,000	<u>\$ 4,222,027</u>

- 15. Explain the reason for any program changes or adjustments reported in items 13 or 14 of the OMB form 83-1.**

Since the last submission there is a decrease of 1,583 respondents; a decrease of 297,971 number of responses; and a decrease of 27,519 burden hours due to fewer overall retailers and wholesalers in the produce industry. Wholesalers and suppliers must manage large scale demands with fewer retailers in order to stay in

business and many do not survive. Many produce businesses are family owned and without succession plans, resulting in the company being sold.

Additionally, Market News has suspended reporting the Detroit and St. Louis wholesale markets due to staff shortages, thus decreasing the number of respondents. Estimates of the burden of collection of information have been summarized on AMS-71.

- 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.**

Data on price and supply collected mostly on a daily basis for 733 ornamental, fresh fruit and vegetable and specialty commodities and available daily via various modes, including the Internet, e-mail, radio, printed reports and telephone recorders. Most market information is available daily, however, some reports are published weekly and monthly.

The information is released in the form of market reports in most cases, with several hundred individual reports issued daily. The information is also input by market reporters directly into the Market News Information System, or database. With the Market News Portal, users can pull specific market information from the database as opposed to reviewing sections of market reports. Therefore, there are any number of customized reports generated directly by users on a given day in addition to the historic market reports, which may cover a region or commodity group in a fashion thought to best meet the needs of a large community of interested parties.

- 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.**

Market News is not seeking to display any expiration dates.

- 18. EXPLAIN EACH EXCEPTION TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19, "CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS," OF OMB FORM 83-1.**

No exceptions are requested to the certification statement identified in item 19 of OMB form 83-1.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection of information does not employ statistical methods.