

Supporting Statement – Part A

LOCAL FOOD MARKETING PRACTICES SURVEY

OMB No. 0535-0259

The National Agricultural Statistics Service (NASS) is seeking approval to conduct a reinstatement of an information collection to gather data related to the production and marketing of foods directly from farm producers to consumers or to retailers who then sell directly to consumers. A sample of operations will be drawn from the NASS List Frame. This survey will be conducted in early 2021 referencing the calendar year of 2020.

Due to the COVID-19 pandemic, the marketing of foods through normal, local markets could be vastly different than if the pandemic had not occurred. At the request of the USDA Agricultural Marketing Service (AMS) some questions have been added to the questionnaire to measure the impact the pandemic had on the 2020 data. The additional questions that were added to the questionnaire are itemized in the reply letter to AMS that is attached to this submission.

A. JUSTIFICATION

- 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 information to be gathered in the Local Food Marketing Practices Survey is vital to the USDA's and the public's understanding of the local foods sector, which in turn informs policymaking and program implementation. Section 10016(a) (1) (A) of the 2014 Farm Bill (P.L. 113-79) directs USDA to collect data on "the production and marketing of locally or regionally produced agricultural food products," while Section 10016 (b) (2) requires the Department to "conduct surveys and analysis and publish reports relating to the production, handling, distribution, retail sales, and trend studies... of or on locally or regionally produced agricultural food products." This survey fulfills those requirements.

Federal funding to the local foods sector substantially increased under the 2002 Farm Bill (P. L. 107-171), the 2008 Farm Bill (P.L. 110-246), and the 2014 Farm Bill (P.L. 113-79). The 2002 bill created the Farmers Market Promotion Program (FMPP) and expanded the Value-Added Producer Grant

program (VAPG) to include many activities that take place on farms producing local foods. The 2008 Farm Bill provided mandatory funding for FMPP and the Specialty Crop Block Grants Program (SCBGP), while creating a niche in the Business and Industry Loan Guarantee program for local foods enterprises. The 2014 Farm Bill expanded FMPP to include the Local Food Promotion Program (which focuses on local foods marketing channels that are not direct-to-consumer); expanded mandatory funding for VAPG, SCBGP, and Community Food Projects; and created the Food Insecurity Nutrition Incentives program, which expands local market opportunities for producers by providing incentives for low-income consumers to purchase local foods. In addition, significant policy support for local food systems also occurred with the institution of the USDA Know Your Farmer, Know Your Food Initiative (KYF2) in September 2009. KYF2 was designed to eliminate organizational barriers to improve coordination and availability of resources for the promotion of local food systems. The 2018 Farm Bill has provided funding for the continuation of the Local Food programs through 2023.

In 2016 NASS conducted the first comprehensive Local Food survey referencing the calendar year of 2015. In 2015, farmers produced and sold \$8.7 billion of edible food commodities directly to consumers, retailers, institutions, and a variety of local food intermediaries such as distributors and wholesalers that market and sell locally branded products. Consumers accounted for 35 percent of these direct food sales, and retailers, 27 percent. (Table 1 of the survey Highlights https://www.nass.usda.gov/Publications/Highlights/2016/LocalFoodsMarketingPractices_Highlights.pdf). Direct farm sales include both fresh foods and processed or value added products such as bottled milk, cheese, meat, jam, cider, wine, etc.

California, with \$2.9 billion in direct farm sales, accounted for 33 percent of the U.S. total. At the regional level, the seven-state southwestern region, of which California is part, had the largest share of direct sales (35 percent). Four of the top ten states in direct sales are among the 11 northeastern states that together accounted for 22 percent of the U.S. total.

California also leads the country in the number of farms selling food directly, with 14,315 farms selling fresh and processed food to consumers, retailers, institutions, and local intermediary businesses. Texas was the only other state with more than 10,000 farms selling directly. Regionally, the southeast and northeast had the most farms engaged in direct sales of food (32,516 and 30,297 farms, respectively).

The majority (53 percent) of farms marketing food directly were located in metropolitan counties, and two thirds (67 percent) of direct food sales were

from farms located in metropolitan counties. More than 80 percent of farms selling food directly sold all of their directly marketed food within a 100-mile radius of the farm.

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 Local Food Marketing Practices Survey (LFMPS) is a renewal of a data collection that was conducted for the first time in 2016. The primary purpose of the Local Food Marketing Practices Survey is to measure growth and changes in this sector of the market since that initial benchmark survey. This survey will produce statistics on the number of operations that produce local foods, the value of local foods sales (in total and by specific marketing channel), and marketing practices and expenses. Farms in all 50 states will be asked to provide these data. NASS plans to release estimates at the national and regional or state levels, where publishable (due to disclosure limitations).

The LFMPS is valuable because local farms have different business models than conventional farms, and the LFMPS is able to discern important data that are otherwise unavailable from pre-existing farmer surveys. This includes details on different types of market channels used, information about on-farm value-added processing, and outreach and advertising directly to community members and shoppers. Food and agriculture economists and other researchers in university, government, and nonprofit sectors analyze and rely on the data in this survey to understand local food marketing practices, make programmatic decisions, and support farms and related food production, aggregation, and distribution businesses.

Because the survey gathers data on production, risk management, and marketing practices, it will be used by a number of USDA agencies and federal policymakers to inform their policies and programs. For example:

- Farm Service Agency (FSA): Data from this survey will illustrate the use of the FSA Microloan Program (mandated in the 2014 Farm Bill), the Noninsured Crop Disaster Assistance Program, and other FSA programs. The 2018 Farm Bill included provisions that require FSA analyze the

Noninsured Crop Disaster Assistance Program as it relates to urban, small, and direct marketing farmers. This survey will provide data that will be useful to that endeavor.

- Risk Management Agency (RMA): Data will inform implementation of the Whole Farm Revenue Protection program, which was mandated in the 2014 Farm Bill and targeted to smaller-scale, diversified producers such as those in local markets. Additionally, the 2018 Farm Bill directed RMA to carry out a study to determine the feasibility of a policy to insure production of farm products targeted toward local consumer markets. This study will provide additional information to complement that study.
- Rural Development (RD): Data will increase understanding of the value-added business activities of this sector, informing execution of some of RD's business programs, including its Value-Added Producer Grants which were joined with AMS local food grants under the Local Agriculture Markets Program (LAMP) in the 2018 Farm Bill.
- Agricultural Marketing Service (AMS): Data will increase understanding of the marketing outlets utilized by local food farms, and will shed light on the size and scope of marketing activities that take place within the local food sector. Data will also inform implementation of AMS grants, including the LAMP grants: Farmers Market Promotion Program, Local Food Promotion Program, and the new Regional Food Systems Partnership grants which were first authorized in the 2018 Farm Bill)
- Food and Nutrition Service (FNS): Data will measure acceptance of electronic benefit transactions (EBTs) from the Supplemental Nutrition Assistance Program (SNAP) by local food farmers and farmer engagement in farm-to-school activities. The National School Lunch Act as amended relies in part on locally grown foods that are marketed directly to local schools.

In addition, statistics from this survey will be used by state agencies to better understand, support, and promote their local food markets, as well as by researchers studying local foods. The statistics will also be informative for farmers and others in the agricultural industry in planning business strategies.

Past research publications based on usage of this data include:

- O'Hara, J.K. and J. Lin. "Population Density and Local Food Market Channels." *Applied Economic Perspectives and Policy* (2019): doi:10.1093/aep/ppy040.
- Plakias, Z.T., I. Demko, and A.L. Katchova. "Direct Marketing Channel Choices Among U.S. Farmers: Evidence From the Local Food Marketing Practices Survey" *Renewable Agriculture and Food Systems* (2019): doi: 10.1017/S1742170519000085.

- O'Hara, J.K. and S.A. Low. "Online Sales: A Direct Marketing Opportunity for Rural Farms? *Journal of Agricultural and Applied Economics* (2020): 52(2): 222-239.

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.

For this survey, NASS plans to develop a Computer Assisted Web Interview (CAWI) version of the questionnaire along with a Computer Assisted Telephone Interview (CATI) tool.

First, paper questionnaires (along with instructions on how to access the internet version) will be mailed to the sample, followed by telephone and face-to-face interviews with non-respondents. This will give respondents the flexibility to reply by several different modes.

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.

NASS works closely with state agriculture departments and universities to conduct agricultural surveys. These surveys meet both state and federal needs, thus eliminating duplication and minimizing reporting burden on the agriculture industry. Comprehensive data on local food producers and markets at the state and national levels are not available from any other source.

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 survey will be conducted in early 2021. Respondents will have multiple options for reporting, including by mail, internet, phone, or personal interview. In addition, the questions to be asked have been designed to make it as easy as possible for respondents to report, generally with minimal consultation of their record books. Over 95% of the respondents will be classified as small operations. Response to this survey will be mandatory.

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 Local Food Marketing Practices Survey was first conducted in 2016, referencing the calendar year of 2015, which fulfilled the requirements outlined in Section 10016(b) (2) of the 2014 Farm Bill, as mentioned in Part 1 above. The 2018 Farm Bill has provided funding for 2019 - 2023 to continue promoting the local food markets around the country. Data collected in 2021 referencing 2020 will be compared to the baseline data obtained in 2016 to better support future policy decisions. Without this information it would be extremely difficult to measure the changes within the local food programs, and the impact that it has had on US farmers and consumers.

For example, the final Produce Safety Rule of the Food Safety Modernization Act (P.L. 111-353) imposes new costs and regulatory burdens on produce growers, including those selling into local and regional markets. Section 10016(a)(1)(B) of the 2014 Farm Bill directed the USDA to collect data on “direct and indirect regulatory compliance costs affecting the production and marketing of locally or regionally produced agricultural food products.” The Local Food Marketing Practices Survey asks respondents about food safety related expenses, food safety certification or audits, and food safety plans. Results from this survey will be USDA’s only nationwide source of data on how the Produce Safety Rule specifically affects local foods producers.

The 2018 Farm Bill extends the importance of programs like the Farmers Markets and Local Food Promotion Program, and provided permanent funding for the Food Insecurity Nutrition Incentive (FINI) program that provides monetary incentives for Supplemental Nutrition Assistance Program (SNAP) consumers to use SNAP benefits at direct-to-consumer markets and retail stores that promote locally and regionally produced foods.

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. 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 April 16, 2020 on pages 21176 – 21177. NASS received two public comments, one was from the USDA Agricultural Marketing Service in support of the survey and requesting to add several questions to the questionnaire that were COVID-19 related. The second comment was from an individual named B. Ker. The comments are attached to this submission.

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 Provide on the data elements to be recorded, disclosed, or reported.

NASS consulted with:

- o Tricia Kovacs (Agricultural Marketing Service) tricia.kovacs@usda.gov,
- o Jeffery O'Hara (Agricultural Marketing Service) jeffreyk.ohara@usda.gov,
- o Ed Ragland (Agricultural Marketing Service) Edward.Ragland@usda.gov, and
- o Ken Keck (Agricultural Marketing Service) ken.keck@usda.gov

on questionnaire content and for general subject matter expertise.

In addition, NASS receives input from numerous individuals and groups at the following public forums.

- o Annual Stakeholder Meeting was held on Tuesday, April 21, 2020 as a virtual meeting. It was free and open to the public.
- o USDA Advisory Committee on Agriculture Statistics - Meeting was held on November 14 - 15, 2018, at the Wyndham San Antonio Riverwalk, 111 E Pecan St., San Antonio, TX 78205.

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; 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, NASS employees and 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 NASS agents, subject to the limitations and penalties described in CIPSEA.

The following confidentiality pledge statement will appear on all 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>.

In addition, if the farmer or rancher goes on line to complete the questionnaire using the NASS Computer Assisted Web Interview (CAWI) they will see the confidentiality and burden statements there on the opening screens. At the beginning of the data collection a pressure sealed postcard may be mailed to the target sample with instructions on how to access the CAWI instrument. The statements will not appear on the postcards due to limited space, however the respondents will see it when they access the website. Non-respondents will see these statements on the second mailing when a cover letter and paper questionnaire are mailed to them.

11. Provide additional justification for any questions of a sensitive nature.

The questions on race and ethnicity on the report form comply with the OMB Standards for the Classification of Federal Data on Race and Ethnicity.

- 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.**

The renewal has a sample size of 36,550, a total number of 113,853 responses and a total of 20,428 burden hours.

Average minutes per response for the surveys included in this docket are based on the amount of data asked on the questionnaire and the time needed for respondents to find and report the data. Total hours of burden are shown in the table below.

Cost to the public of completing a questionnaire is assumed to be comparable to the hourly rate of those requesting the data. Reporting time of 20,428 hours is multiplied by \$37.47 per hour for a total cost to the public of \$765,437.16.

NASS uses the Bureau of Labor Statistics' [Occupational Employment Statistics](#) (most recently published on March 31, 2020 for the previous May) to estimate an hourly wage for the burden cost. The May 2019 mean wage for bookkeepers was \$20.65. The mean wage for farm managers was \$38.63. The mean wage for farm supervisors was \$25.25. The mean wage of the three is \$28.18. To calculate the fully loaded wage rate (includes allowances for Social Security, insurance, etc.) NASS will add 33% for a total of \$37.47 per hour.

Estimate of Burden for Federal Register Notice

Estimated Total Burden for Local Food Marketing Practices Survey (2020)											
Survey	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	
Mailing of a sealed postcard to push internet responses	36,550	1	3,655	3,655	30	1,828	32,895	32,895	2	1,097	2,924
Initial Mailing of Questionnaire	32,895	1	8,224	8,224	30	4,112	24,671	24,671	2	822	4,934
Second Mailing of Questionnaire	24,671	1	4,934	4,934	30	2,467	19,737	19,737	2	658	3,125
Phone and Field Enumeration Follow-up of non-respondents	19,737	1	12,434	12,434	30	6,217	7,303	7,303	5	609	6,826
Respondent Letter and Publicity Materials	36,550	1	16,813	16,813	7	1,962	19,737	19,737	2	658	2,619
Total	36,550		29,247	29,247		16,585	7,303	84,606		3,843	20,428

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 cost to the Federal Government for the Local Food Marketing Practices Survey is estimated to be \$2.5 million. About \$1.4 million is for federal salaries, \$900,000 is for telephone and field enumeration by NASDA enumerators, and \$200,000 will be used for printing, postage, data processing, etc.

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 reinstatement of a data collection package last conducted in 2016 referencing calendar year 2015. The reinstatement will be for a survey conducted in 2021 referencing calendar year 2020. The biggest program change that will be occurring is the creation of the target population. Previously NASS used both, the NASS List Frame of known farmers and supplemented that with names found on the internet from a research tool called MACE. The MACE tool will not be used this time, since NASS just completed the 2017 Census of Agriculture and that data has been captured to the NASS List Frame and used for sampling new surveys.

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 majority of the data will be available in numerous tables located online at the NASS Quick Stats found at:

https://www.nass.usda.gov/Publications/AgCensus/2012/Online_Resources/Local_Food/index.php. Several small summary publications will be printed.

The data will be summarized and published at the US level as well as 7 regional levels and 30 states. This is the same breakdown of the data, as used for the 2015 survey. The highlighted states are the ones that will be published separately when possible. (Based on confidentiality rules.)

REGION 1	REGION 2	REGION 3	REGION 4	REGION 5	REGION 6	REGION 7
Arizona	Connecticut	Idaho	Iowa	Alabama	Florida	Illinois
California	Delaware	Montana	Kansas	Arkansas	Georgia	Indiana
Colorado	Maine	Oregon	Minnesota	Louisiana	Kentucky	Michigan
Nevada	Maryland	Washington	Missouri	Mississippi	North Carolina	Ohio
New Mexico	Massachusetts	Wyoming	Nebraska	Oklahoma	South Carolina	Wisconsin
Utah	New Hampshire	Alaska	North Dakota	Texas	Tennessee	
Hawaii	New Jersey		South Dakota		Virginia	
	New York				West Virginia	
	Pennsylvania					
	Rhode Island					
	Vermont					

The table below contains the projected schedule for this survey:

Task	Target Date
Initial Postcard Mailing	12/7/2020
Initial Questionnaire Mailing	1/4/2021
Follow-up Mailing	Mid-march 2021
Phone Enumeration Follow-up	April 2021
Field Enumeration Follow-up	April 2021
Data Analysis	April to September 2021
Publication/Disclosure Review	October 2021
Publication Release (Proposed)	11/18/2021

- 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.**

There is no request for approval of 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.

July 2020