

SUPPORTING STATEMENT – PART B

Annual Survey of Farmer Cooperatives

OMB No. 0570-0007

PART B. Collections of Information Employing Statistical Methods

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

This data collection does not employ sampling methods. This is a census survey of all farmer cooperatives in the U.S. The population at last count was 1,778 farmer cooperatives, and the number decreases from 50 to 100 each year due mergers, business consolidations, and business failures. Anywhere from 1 to 20 agricultural cooperatives are added each year given recently formed cooperatives and from a search of existing cooperatives via searches of newspaper articles, agricultural publications, governmental loan and grant program recipients, provision of information from State cooperative councils, and other sources. This collection has been ongoing for many years. Last year's survey had a response rate of 96 percent. The response rate was 94 percent for both 2017 and 2016.

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

a. Statistical methodology for stratification and sample selection:

A statistical methodology for sample collection is not used. Rather, a census approach is employed. The number of farmer cooperatives decreases each year and the population is not extensive. Furthermore, many of the agricultural cooperative sectors that are surveyed have few cooperatives—thus, a stratified sample should not be used on such small populations as the use of a stratified sample would result in strong statistical bias.

b. Estimation procedure:

Estimates are based on the most recent information from the non-respondents. They are also based on how other similar cooperatives in similar regions of the country fared in the year in question. Inflation factors have been used in the past but were found to be unreliable when later compared to actual data. Most of the non-respondents are smaller cooperatives and their aggregate business volume is a small portion of the total business volume of the population.

c. Degree of accuracy needed for the purpose described in the justification:

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

d. Unusual problems requiring specialized sampling procedures:

Sampling is not used.

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

The survey is conducted annually to document the operating and financial status and performance of farmer cooperatives and for important benchmarking analysis. Survey questions are designed to be available from annual financial reports that all cooperatives develop yearly. Many cooperatives send in their annual reports and do not completely fill in the surveys. The only survey questions not readily available in most cooperatives' annual reports are number of members and number of full- and part-time employees.

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

A continuing strong response rate of more than 90 percent of the population of farmer cooperatives is expected. The survey covers questions readily available in cooperative annual financial reports. The questions use the same terminology commonly found in income statements, balance sheets, and supplemental information of cooperative annual reports. The surveys have been analyzed over many years by RBS staff with accounting expertise and by cooperative general managers, chief financial officers, and accountants. The same questions have been used over many years and the same survey format has been used over the last three decades and beyond. It has been very well accepted.

Most of the cooperatives actively participate in the annual data collection because they know the importance of having access to the overall status and statistical trends for their cooperative industry and for sound benchmarking statistics from which to gauge their respective operations. The common-size financial and operational statistics provided for benchmarking are broken down into 36 different type categories and by various different size categories dependent on the population of the type in question. These tables provide valuable benchmarking statistics for all the farmer cooperatives in the United States. These statistics help cooperatives, as well as researchers and others, more fully understand various cooperative sectors and are invaluable in strategic and financial planning. The annual Agricultural Cooperative Statistics service report and summary RD Bulletins provide an ongoing current and historical accounting of cooperative financial and operating performance that is not available by any other entity or means. The data is also used to provide a directory (compiled given permission of the cooperatives) on our Web

page for contact information for cooperatives as well as the products that they sell or market (no financial data is reported in the directory). Close to 1,300 cooperatives (about 73 percent of the population) are listed in our cooperative directory. The directory is updated monthly with information provided by our cooperative clientele. Summary statistical articles are written as RD Bulletins sent out to subscribers of GovDelivery, which include cooperatives, researchers, rural residents, and interested parties.

We do not expect to have any non-response bias, but we monitor responses closely. Information from each respondent is compared to prior year responses and further crosschecked with their annual reports. We also contact those cooperatives who have email addresses to follow-up on discrepancies.

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

The survey has been pre-tested internally and cooperatives have provided much feedback. Survey results are most often entirely from cooperative annual reports. Income statements end with a bottom line and balance sheets balance, so our survey information must agree with cooperative annual reports. Cooperative financial information is not available from other sources but we do compare our results with farm and farm income information from USDA's National Agricultural Statistics Service, and agricultural sector analysis published by USDA's Economic Research Service, and as well some outside entities such as CoBank and National Cooperative Bank (NCB).

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

The person responsible for the survey program is James Wadsworth (202) 720-7395, james.wadsworth@usda.gov, with USDA's Rural Business-Cooperative Service, Business Development Division, Cooperative Services Branch.