**SUPPORTING STATEMENT**

QUALITY SAMPLES PROGRAM

OMB # 0551-0047

**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 Quality Samples Program (QSP) is authorized by Section 5 of the Commodity Credit Corporation Charter Act, 15 U.S.C. 714c(f), which became effective on November 15, 1999. Section 5 provides that in the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress pursuant to Chapter 91 of Title 31, the Corporation is authorized to use its general powers to export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities (other than tobacco), including fish and fish products, without regard to whether such fish are harvested in aquacultural operations. By this authority the program pays for U.S. commodity samples and shipping to foreign ports in order to demonstrate the quality of the U.S. product to industrial users who are unfamiliar with the product.

**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 Foreign Agricultural Service (FAS) administers the program for the Commodity Credit Corporation (CCC). Data collected is used by FAS marketing specialists and program managers for funding allocations, program management, planning, and evaluation. Participants are required to keep documents for 5 years after completing a project.

Proposals: Through the proposal, prospective applicants submit data about their organizations so that FAS can determine the extent to which applicants satisfy the criteria upon which allocations are based. Proposals must be submitted through FAS’s Unified Export Strategy (UES) system and must include all of the information and supporting documents requested by FAS or specified in the Notices of Funding Opportunity published to Grants.gov.

Project Agreements: The project agreement is a binding instrument and creates a legal obligation on the part of CCC to make funds available to the Participant. The agreement creates a cooperative relationship between CCC and the Participant with each side contributing resources to support achievement of mutual goals. Since the agreement binds the United States Government, it is a proper basis for obligating funds and establishing the basis for this program. For the QSP, the project agreements consist of an approval letter and agreement document.

Evaluation: FAS requires Participants, in their applications, to submit performance measures in order to (1) monitor performance of technical assistance projects, (2) evaluate the benefits and effects of these projects, and (3) document the experience gained from these activities for use in the design and implementation of future projects. Based on this information, FAS program managers are also better able to determine what changes are needed to improve program performance when designing future programs.

Reimbursement Claims: The project agreement and corresponding amendments provide the authorities and limitations for Participants to make expenditures. The Participant is responsible for instituting a financial management and accounting system that ensures accurate, current, and complete disclosure of all financial transactions for each approved activity. All expenditures incurred must be proper, reasonable, and in accordance with FAS regulations. The Participant is responsible for submitting claims to FAS requesting reimbursement for incurred costs as outlined in the application. Reimbursement claims are submitted, usually on a monthly basis, throughout the agreement timeline until 90 days after the expiration of the agreement. Claims must be submitted through the UES.

Office Management Records: Other reporting and recordkeeping requirements, e.g. travel reports, are required as a means of ensuring that U.S. Government resources are disbursed as judiciously as possible. FAS requires the same control of Participant spending of taxpayer funds as the U.S. Government requires of its own employees. For example, FAS asks Participants traveling on U.S. Government funds to follow provisions of the Federal Travel Regulations.

Other Reports and Record Keeping Requirements: Other reports and records are required to ensure the proper and judicious use of Government resources. Participants must submit financial and performance reports, and reports of findings whenever CCC resources are used for travel or research purposes. Auditable supporting documentation is required for all expenses reimbursed with CCC resources. These might include, but are not necessarily limited to: canceled checks, invoices, samples of produced materials, etc. As a rule, such requirements conform to generally accepted Government standards.

**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.**

FAS requires only the bare minimum in data collection and submission from the industry. For example, Participants are urged to use standard accounting and auditing procedures consistent with their own needs rather than government–directed accounting systems. The few activity codes established by FAS for use by Participants are used to answer congressional inquiries in very sensitive program areas such as travel, administrative costs, and evaluation.

The Unified Export Strategy (UES) system, an electronic data transfer system using a web–based interface, allows reimbursement claims to be sent electronically from the Participant’s computer systems to FAS via an information system maintained by FAS, resulting in a major reduction in one of the largest paperwork requirements in the system. The financial management functions within the UES system allow for streamlined data collection requirements, improved program accountability, and reduced administrative burden on the Participants.

**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.**

The data required of Participants is submitted in accordance with contract specifications and cannot be obtained from any other source other than the Participants. Program Participants are commodity organizations who develop proposals specifically for each project. Most of the data developed and presented to FAS is developed by in–house technical experts.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83–1), describe any methods used to minimize burden.**

This program places information collection requirements on Participants, who generally include U.S. government agencies, State government agencies, non–profit trade associations, universities, agricultural cooperatives, and private companies. Thus, the information collection requirements imposed by this program do not require any significant actions on the part of small businesses.

Of the 10 respondents, the agency estimates none 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.**

Proposals are only submitted when an applicant would like to receive funding for a project. No other data is collected unless the proposal is approved. Less frequent collection is not possible without complete elimination of the needed data.

**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;**
* **requiring respondents to prepare a writ­ten response to a collection of infor­mation in fewer than 30 days after receipt of it;**
* **requiring respondents to submit more than an original and two copies of any docu­ment;**
* **requiring respondents to retain re­cords, other than health, medical, government contracts, grants-in-aid, or tax records for more than three years;**
* **in connection with a statisti­cal sur­vey, that is not de­signed to produce valid and reli­able results which can be general­ized to the uni­verse of study;**
* **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 secrets, 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.**

There are no special circumstances.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, 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.**

FAS published a 60-day Notice of Proposed Information Collections for public comments in the Federal Register, Volume 88; Page 39821 on June 20, 2023. The public was given until August 21, 2023, to submit comments on the proposed information collection. FAS received 1 comment on this proposed collection. No response was provided as the comment did not apply to the actual collection of information.

**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.**

FAS marketing specialists and QSP program managers regularly consult with their counterparts in the Participant organizations to discuss program status, evaluations, management issues, and direction; FAS leadership is also in contact with Participant executives to discuss problems, program direction, and policy; and FAS administrative personnel are in contact with their counterparts in the organizations in order to assist with procedural and accounting issues. Additionally, an annual meeting is held between FAS and the industry to discuss all phases of program administration and implementation.

FAS consulted via email on April 28, 2023 with the following Participants on the accuracy of the burden hours estimated in the data collection for the Quality Samples Program. The comments received from the Participants and FAS’ responses are noted as follows:

1. Kimberly Gordon, International Programs Manager, U.S. Livestock Genetics Export, Inc., 522 Springdale St., Suite 102, Mount Horeb, WI 53572, Phone: 618-315-3125, email: kgordon@uslge.org, www.uslge.org, agreed with the estimates for the burden hours as presented by FAS.

FAS Response: FAS appreciates USLGE’s response and participation in the program.

1. Jennifer Sydney, Vice President, Programs and Planning, U.S. Wheat Associates, 3103 10th St. N., #300, Arlington, VA 22201, Phone: 202-463-0999, email: jsydney@uswheat.org, agreed with the burden estimates for the reimbursement claims and office management records, but thought the rest of the burden estimates were too high. She said in her experience preparing a QSP proposal takes approximately 2–4 hours (as opposed to 10 in the estimate), reviewing agreements takes no more than 30 minutes (as opposed to 3 hours in the estimate), and preparing the QSP evaluation takes about 1–3 hours (as opposed to 7 hours in the estimate).

FAS Response: FAS appreciates this feedback on the QSP burden estimates and is happy to hear that USW finds the program processes manageable and not as burdensome as estimated by FAS. FAS is aware, however, that USW is a veteran program participant with a sophisticated and seasoned professional staff that is well versed in the program operations. As such, FAS is inclined to keep the burden estimates as they are without changes. We are aware that there is a steep learning curve associated with becoming proficient in program operations and best practices, and, while a veteran participant such as USW may be able to conduct each process more efficiently, the estimated hours are a measure of the burden likely to be incurred by the average applicant, and a new applicant that is unfamiliar with the program may not enjoy the efficiency gains that USW experiences. FAS staff are always available to offer support in this effort and to provide any needed guidance and training materials that Participants need to be successful.

3) Jeff Nawn, CEO/Founder, The North Hill Group, Phone: 202-805-2615, Email: jeff@NorthHG.Com, www.TheNorthHillGroup.com, agreed that the burden estimates were accurate. He said that what takes the most time when implementing a QSP program is not preparing the proposal and managing the agreement, it is getting a workable agreement between the sample supplier, the international transportation company, the importer, the warehouser, and the sample distributor. Planning and implementing a good technical seminar is also very time consuming. But as for writing the proposal, doing the agreement, filing the claim, and filing the evaluation, he thought the estimates were spot on. He appreciated that the program staff was always available to answer questions, and said that QSP has proven to be a really effective tool for the U.S. pork industry, and has driven a measurable increase in exports of primal loin cuts to Mexico.

FAS Response: FAS appreciates this feedback on the QSP burden estimates. We also appreciate the positive words about the value of the program and the quality of the QSP professional staff. FAS understands that this program is a valuable tool for industry and endeavors to operate the most responsive and effective program possible.

Based on the feedback from the participants, FAS did not make any changes to the burden estimates.

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

The agency does not provide any payment or gift to respondents, other than remuneration of contractors or grantees.

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

Participants will be aware that information collected relating to this program is generally open for public inspection, but the agency may withhold information which could cause substantial competitive harm to the submitter under exemption 4 of the Freedom of Information Act (FOIA), 5 U.S.C. 552(b)(4). It is also the agency’s policy, prior to responding to an FOIA request, to obtain and consider the views of the submitter of the information if the information submitted is not readily identifiable as privileged or business confidential. If the agency disagrees with the views presented by the submitter, it will give the submitter sufficient time, prior to release of the information, to pursue legal action to prevent the release.

FAS is not collecting any PII information.

**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 sensitive questions involved in this information collection.

**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 current annual burden estimate of 1,200 hours is based on separate estimates of five distinct areas of data collection: Proposals, project agreements with FAS, evaluations, reimbursement claims, and related administrative functions, office management records, and other reports and record keeping requirements. The estimates used to determine the burden on the public are explained as follows:

a) Proposals. Proposals include separate assessments, projections, goals, etc., all of which make up a comprehensive proposal. The current estimate for one Participant to complete a proposal is approximately 10 hours.

b) Project Agreements. The project agreement is a binding instrument and creates a legal obligation on the part of CCC to make funds available to the Participant. Participants will take approximately 3 hours to review the proposed contracts prepared by FAS, clear them with their lawyers, and return them to FAS.

c) Evaluations. Participants are required to evaluate the effectiveness of their programs. FAS encourages participants to use the GPRA as a guideline for their evaluations. Participant applications include evaluation plans and performance measures in order to (1) monitor performance of technical assistance projects, (2) evaluate the benefits and effects of these projects, and (3) document the experience gained from these activities for use in the design and implementation of future projects. Establishing good performance measures enables Participants to perform meaningful evaluations. Based on these evaluations, Participants and FAS program managers are better able to determine what changes are needed to improve program performance when designing future programs. Evaluations are expected to take 7 hours to prepare.

1. Reimbursement Claims. Participants seek reimbursement from FAS whenever they feel their costs are of sufficient size to justify a claim for reimbursement. The billing cycle varies by Participant depending on the level of activities and size of program, but a typical Participant might submit monthly claims. Participants are required to maintain receipts for all costs incurred for which reimbursement from project funds will be requested. The estimate of 2 hours per billing includes all incidental office costs and procedures necessary to prepare and support each claim. Participants are required to maintain appropriate records for three calendar years after termination of the project agreement or five calendar years following the end of the year in which the transaction evidenced by the record took place, whichever is less.
2. Office Management Records. Participants are required to keep good office records available for audit. These records include such things as travel reports and receipts for all disbursements. Maintaining office records is estimated to require 2 hours.

The program over estimated hourly cost used in the previous 2017 ICR. FAS has updated hourly costs to reflect a more accurate view of costs to participants in 2023:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Information Collection Tools(s)/Form(s)** | **Number of Respondents** | **Number of Responses per Respondents** | **Total Annual Responses** | **Avg. Burden Hours per Response** | **Total Annual Burden Hours** | **\*Hourly Cost** | **\*Total Annual Cost** |
| A) Proposals  | 10 | 5 | 50 | 10 | 500 | $70  |  $35,000  |
| B) Project Agreements  | 10 | 5 | 50 | 3 | 150 | $80  |  $12,000  |
| C) Evaluation | 10 | 5 | 50 | 7 | 350 | $70  |  $24,500  |
| D) Reimbursement Claims  | 10 | 5 | 50 | 2 | 100 | $40 |  $4,000  |
| E) Office Management Records  | 10 | 5 | 50 | 2 | 100 | $40  |  $4,000  |
| Totals: | 10 |  | 250 |  | 1,200 |  | $79,500 |

*\*Costs include fringe benefits*

The annual estimated cost to participants for this collection is $79,500. Hourly costs range from $40 to $80 per hour based on 2023 General Pay Scale for a GS-9 Step 10/GS-13 Step 10/GS-15 Step 3, which represents the FAS Program Specialists and Program Managers reviewing information submissions. Costs used in the estimates includes fringe benefits.

**13. Provide estimates 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 estimates 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.**

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. Also, provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.**

The program over estimated cost used in the previous 2017 ICR. FAS has updated hourly rates to reflect a more accurate view of costs to the Federal Government in 2023:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ITEM | ORG | GRADE | HOURLY RATE | HOURS | \*COST |
| A) Proposals | PODCoPD | 1213 | $59$70 | 20320 | $1,180$22,400 |
| B) Project Agreements | PODCoPD | 1213 | $59$70 | 4080 | $2,360$5,600 |
| C) Evaluation | PODCoPD | 1213 | $59$70 | 20160 | $1,180$11,200 |
| D) Administrative Procedures | POD | 12 | $59 | 100 | $5,900 |
| Totals |  |  |  |  | $49,820 |

*\*Costs include fringe benefits*

The annual estimated cost to the Federal Government for this collection is $49,800. Hourly cost ranges from $59 to $70 per hour based on the 2023 General Pay Scale for a GS-12 Step 10/GS-13 Step 10, which represents the FAS Program Specialist reviewing information submissions. The cost used in the estimate includes fringe benefits.

*Note*: POD refers to the Programs Operations Division of FAS. This office is responsible for administrative operation of the Quality Samples Program. CoPD refers to the Cooperator Programs Division of FAS which is responsible for the review of application and evaluation content and day to day contact with program Participants.

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83–I.**

FAS did not make any changes to the burden hour estimates for this information collection.

**16. For collections of information whose results are planned to be published, outline plans for tabulation and publication.**

The agency has no plans to publish any information.

**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.

**18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions” of OMB Form 83–1.**

There are no exceptions.