**2023 Supporting Statement**

**Origin of Livestock- Variance Request**

**Request for Approval of a New Information Collection**

**OMB No. 0581-NEW**

# A. Justification

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

The Organic Foods Production Act of 1990 (OFPA), as amended ([7 U.S.C. 6501 - 6524](https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title7-chapter94&saved=%7CZ3JhbnVsZWlkOlVTQy1wcmVsaW0tdGl0bGU3LWNoYXB0ZXI5NC1mcm9udA%3D%3D%7C%7C%7C0%7Cfalse%7Cprelim&edition=prelim)), authorizes the Secretary of Agriculture to establish the National Organic Program (NOP) and accredit certifying agents to certify that farms and businesses meet national organic standards. The purpose of OFPA is to: (1) establish national standards governing the marketing of certain agricultural products as organically produced products; (2) assure consumers that organically produced products meet a consistent standard; and (3) facilitate interstate commerce in fresh and processed food that is organically produced ([7 U.S.C. 6501](https://uscode.house.gov/view.xhtml?req=(title:7%20section:6501%20edition:prelim)%20OR%20(granuleid:USC-prelim-title7-section6501)&f=treesort&edition=prelim&num=0&jumpTo=true)).

On April 5, 2022, the U.S. Department of Agriculture’s (USDA) Agricultural Marketing Service (AMS) published the “Origin of Livestock” (OOL) final rule ([87 FR 19740](https://www.federalregister.gov/d/2022-06957)) related to livestock production practices under the USDA organic regulations ([7 CFR part 205](https://www.ecfr.gov/current/title-7/subtitle-B/chapter-I/subchapter-M/part-205)). AMS took this action to increase uniformity in organic dairy production practices and reduce organic certification discrepancies between certifying agents. The final rule clarified that certified organic dairy operations may transition nonorganic animals to organic production only once. After that, any animals added to a certified organic dairy operation must have been organically managed from the last third of gestation. To provide flexibility, the final rule allows [in [7 CFR 205.236(d)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d))] small certified organic dairy operations to request a variance under limited conditions. A variance is a process by which an entity requests permission to not follow a particular regulatory requirement without repercussion of regulatory noncompliance. If the variance is approved by AMS, the small certified organic dairy operation may source, sell, liquidate, or transfer, as one event, organic dairy livestock that were transitioned to organic production (livestock that were not organically managed from no later than the last third of gestation).

AMS did not estimate any information collection activities for this variance in the final rule ([87 FR 19740](https://www.federalregister.gov/d/2022-06957), April 5, 2022). However, during Office of Management and Budget (OMB) review of the final rule, it was determined that new information collection burdens are associated with the new variance request procedure. Accordingly, AMS is submitting this new information collection request.

## 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 procedure that small certified organic dairy operations must follow to request a variance (established by the OOL final rule, [87 FR 19740](https://www.federalregister.gov/d/2022-06957), April 5, 2022) is described in the USDA organic regulations in [7 CFR 205.236(d)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)), which states:

*§ 205.236 Origin of livestock.*

*…*

*(d) A request for a variance to allow sourcing of transitioned animals between certified operations must adhere to the following:*

*(1) A variance from the requirement to source dairy animals that have been under continuous organic management from the last third of gestation, as stated in* [*paragraph (a)(2)*](https://www.ecfr.gov/current/title-7/section-205.236#p-205.236(a)(2)) *of this section, may be granted by the Administrator to certified operations that are small businesses, as determined in* [*13 CFR part 121*](https://www.ecfr.gov/current/title-13/part-121)*, for any of the following reasons:*

*(i) The certified operation selling the transitioned animals is part of a bankruptcy proceeding or a forced sale; or*

*(ii) The certified operation has become insolvent, must liquidate its animals, and as a result has initiated a formal process to cease its operations; or*

*(iii) The certified operation wishes to conduct an intergenerational transfer of transitioned animals to an immediate family member.*

*(2) A certifying agent must request a variance on behalf of a certified operation, in writing, to the Administrator within ten days of receiving the request of variance from the operation. The variance request shall include documentation to demonstrate one or more of the circumstances listed in* [*paragraph (d)(1)*](https://www.ecfr.gov/current/title-7/section-205.236#p-205.236(d)(1)) *of this section.*

*(3) The Administrator will provide written notification to the certifying agent and to the operation(s) involved as to whether the variance is granted or rejected.*

AMS will be able to use other information submitted as part of the currently approved information collection package for the NOP (OMB #0581-0191) to determine if the applicants qualify as a small business [the first variance eligibility criterion at [7 CFR 205.236(d)(1)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)(1))].

However, this new variance request specifies new information not currently collected by AMS. This new information is described in the USDA organic regulations in [7 CFR 205.236(d)(1)(i)-(iii)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)) (see above). To apply for a variance, respondents (small certified organic dairy operations) will need to submit to AMS, through their certifying agent, records that demonstrate that they qualify for a variance due to bankruptcy proceedings, forced sales, insolvency, or an intergenerational transfer.

The new information collected will be used by AMS to grant (or deny) individual, small certified organic dairy operations a variance from the USDA organic regulations in regard to the origin of livestock.

## 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.

The NOP is primarily a paperless office, and certifying agents submit information to NOP electronically using e-mail. In the variance procedures described in the USDA organic regulations in [7 CFR 205.236(d)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)) established by the OOL final rule, AMS specified that certifying agents must submit variance requests on behalf of small certified organic dairy operations. Organic dairy operations will submit information to their certifying agent (electronically or otherwise to allow for maximum flexibility). Organic dairy operations have established information submission relationships with their certifying agent. The certifying agent will then submit the information to the NOP electronically, through their established relationships with NOP Accreditation Division staff (Accreditation Managers assigned to each certifying agent).

## 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.

In an effort to identify duplication, AMS is requiring small certified organic dairy operations to submit variance requests through their certifying agent. These certifying agents are best positioned to identify previously collected information that may be used as part of the variance request.

## 5. If the collection of information impacts small businesses or other small entities (item 5 of OMB form 83-i, describe the methods used to minimize burden.

The OOL final rule clarifies that organic dairy operations may transition nonorganic animals to organic production only once. After that, any animals added to an operation must have been organically managed from the last third of gestation. To provide flexibility, the final rule allows small, certified organic dairy operations to request a variance for transitioning additional animals under limited conditions specified at [7 CFR 205.236(d)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)).

This collection of information only impacts small businesses (or other small entities). The OOL final rule specifically limited variance eligibility to small businesses to reduce the economic burden that the OOL final rule may have on small businesses (and accords with the Regulatory Flexibility Act). To minimize the collection of information burden, AMS requires variance requests to be submitted through certifying agents, which is explained in further detail above in Item 3 and Item 4.

Only certified organic dairy operations that qualify as a small business (or small entity) are eligible to request a variance, as described in the USDA organic regulations in [7 CFR 205.236(d)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)) (see pages [19750-19751](https://www.federalregister.gov/d/2022-06957/p-147)).

Certifying agents must send variance requests to AMS on behalf of the small certified organic dairy operations. AMS understands that most certifying agents would also be considered small businesses. This is because certifying agents fall under North American Industry Classification System (NAICS) code 541990 (All Other Professional, Scientific, and Technical Services), with average annual receipts of $19.5 million or less [Small Business Administration (SBA) [13 CFR 121.201](https://www.ecfr.gov/current/title-13/section-121.201)]. While certifying agents are small entities that will be impacted by this collection of information, AMS expects the burden to be minimal as certifying agents must already comply with the current regulations, which specifically requires them to maintain certification records for their clients and to submit these records to AMS as necessary. These existing activities are covered in the currently approved information collection package for the NOP (OMB #0581-0191).

## 6. Describe the consequences 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.

If the collection of information were not conducted, AMS would not be able to grant variances to small businesses who would otherwise be significantly impacted by the recent changes made to the requirements for the origin of livestock, as described in the USDA organic regulations in [7 CFR 205.236(d)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)).

The OOL final rule clarified that organic dairy operations may transition nonorganic animals to organic production only once. After that, any animals added to an operation must have been organically managed from the last third of gestation. To provide flexibility, the final rule allows small, certified organic dairy operations to request a variance for transitioning additional animals under limited conditions specified at [7 CFR 205.236(d)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)).

In the OOL final rule, AMS discussed how there are certain limited, legitimate, and reasonable situations where movement of transitioned animals between operations (through an approved variance request) is warranted. If AMS does not conduct this information collection, AMS will not be able to administer the USDA organic regulations at [7 CFR 205.236(d)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)) and will be unable to grant variances to small businesses as they are requested.

There is no mechanism for collecting the information less frequently as there is no timeline or required respondents. This collection of information is an optional variance request available to small businesses that are certified organic for dairy production.

## 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;

No respondents associated with this information collection are required to report more than quarterly. Requesting a variance, and thus submitting a response, is voluntary.

### Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

No respondents associated with this information collection are required to respond in fewer than 30 days. Requesting a variance, and thus submitting a response, is voluntary.

### Requiring respondents to submit more than an original and two copies of any document;

No respondents associated with this information collection are required to submit more than an original and two copies of any document. Document types are described above in Item 2.

### Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;

Respondents associated with this information collection are required to retain records for more than three years. However, this is not a new requirement associated with this information collection. Respondents associated with this information collection are subject to record retentions mandated by the OFPA [[7 U.S.C. 6519(a)](https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title7-chapter94&saved=%7CZ3JhbnVsZWlkOlVTQy1wcmVsaW0tdGl0bGU3LWNoYXB0ZXI5NC1mcm9udA%3D%3D%7C%7C%7C0%7Cfalse%7Cprelim&edition=prelim)] and the USDA organic regulations (7 CFR 205.103 and 205.510). These record retentions are covered in the currently approved information collection package for the NOP (OMB #0581-0191). These existing record retentions include the following:

Certified organic livestock operations must maintain, for no less than 5 years, records concerning the production or handling of certified organic agricultural products [[7 CFR 205.103(b)(4)](https://www.ecfr.gov/current/title-7/part-205#p-205.103(b)(4))].

Certifying agents must maintain, for no less than 10 years, records concerning the activities of the certifying agent [[7 CFR 205.510(b)](https://www.ecfr.gov/current/title-7/part-205/subpart-F#p-205.510(b))].

### 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;

Respondent information collected is not connected to a statistical survey.

### Requiring the use of a statistical data classification that has not be reviewed and approved by OMB;

Respondents are not required to use statistical data classifications that has not been reviewed and approved by OMB.

### That includes a pledge of confidentiality that is not supported by authority established in statue 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

No unsupported pledge of confidentiality is used in this information collection. Confidentiality is addressed in the OFPA [[7 U.S.C. 6519(a)(5)](https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title7-chapter94&saved=%7CZ3JhbnVsZWlkOlVTQy1wcmVsaW0tdGl0bGU3LWNoYXB0ZXI5NC1mcm9udA%3D%3D%7C%7C%7C0%7Cfalse%7Cprelim&edition=prelim)], which states:

*§6519. Recordkeeping, investigations, and enforcement*

*(a) Recordkeeping*

*…*

*(5) Confidentiality*

*Except as provided in section 6506(a)(9) of this title, or as otherwise directed by the Secretary or the Attorney General for enforcement purposes, no officer, employee, or agent of the United States shall make available to the public any information, statistic, or document obtained from, or made available by, any person under this chapter, other than in a manner that ensures that confidentiality is preserved regarding—*

*(A) the identity of all relevant persons (including parties to a contract); and*

*(B) proprietary business information.*

Certifying agents must also remain compliant with the USDA organic regulations, [7 CFR 205.501(a)(10)](https://www.ecfr.gov/current/title-7/part-205#p-205.501(a)(10)), which incorporates additional certifying agent confidentiality requirements from OFPA [7 U.S.C. 6515(f)](https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title7-chapter94&saved=%7CZ3JhbnVsZWlkOlVTQy1wcmVsaW0tdGl0bGU3LWNoYXB0ZXI5NC1mcm9udA%3D%3D%7C%7C%7C0%7Cfalse%7Cprelim&edition=prelim). The USDA organic regulations state:

*§ 205.501 General requirements for accreditation.*

*(a) A private or governmental entity accredited as a certifying agent under this subpart must:*

*…*

*(10) Maintain strict confidentiality with respect to its clients under the applicable organic certification program and not disclose to third parties (except for the Secretary or the applicable State organic program's governing State official or their authorized representatives) any business-related information concerning any client obtained while implementing the regulations in this part, except:*

*(i) For information that must be made available to any member of the public, as provided for in § 205.504(b)(5);*

*(ii) For enforcement purposes, certifying agents must exchange any compliance-related information that is credibly needed to certify, decertify, or investigate an operation, including for the purpose of verifying supply chain traceability and audit trail documentation; and*

*(iii) If a certified operation's proprietary business information is compliance-related and thus credibly needed to certify, decertify, or investigate that operation, certifying agents may exchange that information for the purposes of enforcing the Act, but the information in question still retains its proprietary character even after it is exchanged and all of the certifying agents that are involved in the exchange still have a duty to preserve the confidentiality of that information after the exchange.*

### 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.

There are no other special circumstances that require respondents to submit proprietary trade secret, or other confidential information. Confidentiality is addressed in the OFPA [[7 U.S.C. 6519(a)(5)](https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title7-chapter94&saved=%7CZ3JhbnVsZWlkOlVTQy1wcmVsaW0tdGl0bGU3LWNoYXB0ZXI5NC1mcm9udA%3D%3D%7C%7C%7C0%7Cfalse%7Cprelim&edition=prelim)], which states:

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*(A) the identity of all relevant persons (including parties to a contract); and*

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*(i) For information that must be made available to any member of the public, as provided for in § 205.504(b)(5);*

*(ii) For enforcement purposes, certifying agents must exchange any compliance-related information that is credibly needed to certify, decertify, or investigate an operation, including for the purpose of verifying supply chain traceability and audit trail documentation; and*

*(iii) If a certified operation's proprietary business information is compliance-related and thus credibly needed to certify, decertify, or investigate that operation, certifying agents may exchange that information for the purposes of enforcing the Act, but the information in question still retains its proprietary character even after it is exchanged and all of the certifying agents that are involved in the exchange still have a duty to preserve the confidentiality of that information after the exchange.*

## 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.

AMS published a notice and request for public comment in the Federal Register (Vol. 88, No. 80) on April 26, 2023, on page 25,289 ([88 FR 25289](https://www.federalregister.gov/d/2023-06885)). The 60-day comment period ended on June 26, 2023, and AMS received eight comments. Some comments did not respond to the questions asked by AMS, but instead commented on the existing USDA organic regulatory language for the variance request [[7 CFR 205.236(d)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d))]. Other comments addressed the lack of data available for the organic dairy market or other topics unrelated to the information collection. AMS does not address comments that are unrelated to this information collection here, but all comments can be found at <https://www.regulations.gov/docket/AMS-NOP-22-0055/comments>.

One certifying agent stated that AMS significantly underestimated the time it will take for a certified organic dairy operation to collect and submit information to their certifying agent, and for their certifying agent to review the information and submit the variance request to AMS. In the Federal Register notice, AMS presented an estimation of one hour each for both certifying agents and certified organic dairy operations to collect and submit this information. This commenter noted that the records a certified organic dairy operation will need to submit will vary widely, depending on which of the qualifying three reasons identified in [7 CFR 205.236(d)(1)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)(1)) the operation fits into: (1) bankruptcy or forced sale, (2) insolvency or liquidating animals as a result of ceasing operations, or (3) intergenerational transfer of animals. The commenter noted that records proving insolvency and the necessity of liquidation may be complex and extensive.

In contrast, another certifier stated that AMS’s recordkeeping and reporting estimates were reasonable. However, this commenter suggested that additional time will be needed for certifying agents to develop and implement new variance request systems. Other commenters suggested that AMS’s estimation for certified organic dairy operations was reasonable but believed the estimate for certifying agents was too low. These commenters also estimated that AMS would receive no more than 10 variance requests per year rather than the 28 variance requests AMS estimated in the Federal Register notice.

Two certifying agents noted that they had not yet had any certified organic dairy operation request a variance. As such, one of them noted that it has been unable to evaluate the burden of this information collection. The other stated that while information collection costs will be significantly higher than AMS estimated, they do not think the burden will have a detrimental impact on the organic dairy industry or certifying agents.

After reviewing the public comments, AMS is proceeding with this proposed information collection. AMS recognizes that the burden to certified organic dairy operations and certifying agents may vary depending on which of the three qualifying reasons the operation is applying for the variance under. In response to these public comments, AMS has increased the reporting burden for certifying agents from one hour to two hours. AMS also recognizes that the 28 variance requests per year may be overestimated but has decided to retain this estimate. In response, however, AMS has reduced the number of respondent certifying agents from 57 to 28. Fifty-seven (57) is the number of certifying agents currently accredited to certify organic livestock, but AMS believes the burden estimate is more accurate if this number matches the estimated number of variance requests (28) submitted to AMS in a year.

Other public comments that AMS received, but is not taking action on, are outlined below.

One commenter requested a resource or factsheet with examples of appropriate records that can be used in a variance request. AMS maintains and develops many resources, factsheets, and trainings regarding organic certification on the [USDA website](https://www.ams.usda.gov/about-ams/programs-offices/national-organic-program) (including in the NOP’s [Organic Integrity Learning Center](https://www.ams.usda.gov/services/organic-certification/training)) that are available for public access. AMS will continue to develop training and resource materials, as needed.

A certifying agent suggested that certified organic dairy operations requesting a variance should submit information directly to AMS to minimize the burden on certifying agents. This commenter then also acknowledged that removing certifying agents from the variance request process would not align with the monitoring role certifying agents hold. Conversely, another certifying agent suggested that they (certifying agents) should approve variance requests, rather than AMS. AMS is not responding to these comments, as the variance request process was established by the OOL final rule ([87 FR 19740](https://www.federalregister.gov/d/2022-06957), April 5, 2022) and cannot be modified in the course of this information collection request. The OOL final rule requires that variance requests be submitted to AMS through a certifying agent. AMS’s rationale for this process is described in the final rule (see [page 19750](https://www.federalregister.gov/d/2022-06957/p-147)).

Several commenters noted that some certified organic dairy operations may not be comfortable with, or may object on religious grounds, to using certain technologies to collect information. These commenters requested AMS provide certified organic dairy operations with options for multiple communication methods, such as mail, fax, and email. Certifying agents are free to offer multiple communication methods for their clients, as many already do.

### 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.

The NOP, regularly sends email bulletins, the “[Organic Insider](https://www.ams.usda.gov/reports/organic-insider)”, to members of the public who are subscribed to “[GovDelivery](https://public.govdelivery.com/accounts/GOVENGAGE/subscriber/new)” updates from AMS. Through this bulletin, the NOP sent a “[Origin of Livestock Information Collection Notice](https://content.govdelivery.com/accounts/USDAAMS/bulletins/357167c)” request for public comment on April 26, 2023, to over 125,000 subscribers.

Consultant responses were submitted via public comment and are addressed in Item 8 above.

### Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three 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.

As described in Item 8 above, AMS reached out to over 125,000 subscribers asking for public comment on this information collection through NOP’s Organic Insider email bulletin. After approval, this new OOL variance request information collection will be merged with currently approved information collection package for the NOP (OMB #0581-0191). Consultation with representatives of those from whom information is to be obtained will occur once every three years as the NOP renews the information collection package and seeks public comment in that process.

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

No payments or gifts will be provided to respondents.

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

Respondents are provided confidentiality assurance as the variance requests are to be submitted to AMS through their certifying agent. As certifying agents accredited by AMS, certifying agents (along with all government employees and government contractors) are considered an “agent of the United States” and are held to the confidentiality statues in the OFPA [[7 U.S.C. 6519(a)(5)](https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title7-chapter94&saved=%7CZ3JhbnVsZWlkOlVTQy1wcmVsaW0tdGl0bGU3LWNoYXB0ZXI5NC1mcm9udA%3D%3D%7C%7C%7C0%7Cfalse%7Cprelim&edition=prelim)], which states:

*§6519. Recordkeeping, investigations, and enforcement*

*(a) Recordkeeping*

*…*

*(5) Confidentiality*

*Except as provided in section 6506(a)(9) of this title, or as otherwise directed by the Secretary or the Attorney General for enforcement purposes, no officer, employee, or agent of the United States shall make available to the public any information, statistic, or document obtained from, or made available by, any person under this chapter, other than in a manner that ensures that confidentiality is preserved regarding—*

*(A) the identity of all relevant persons (including parties to a contract); and*

*(B) proprietary business information.*

Certifying agents must also remain compliant with the USDA organic regulations, [7 CFR 205.501(a)(10)](https://www.ecfr.gov/current/title-7/part-205#p-205.501(a)(10)), which incorporates additional certifying agent confidentiality requirements from OFPA [7 U.S.C. 6515(f)](https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title7-chapter94&saved=%7CZ3JhbnVsZWlkOlVTQy1wcmVsaW0tdGl0bGU3LWNoYXB0ZXI5NC1mcm9udA%3D%3D%7C%7C%7C0%7Cfalse%7Cprelim&edition=prelim). The USDA organic regulations state:

*§ 205.501 General requirements for accreditation.*

*(a) A private or governmental entity accredited as a certifying agent under this subpart must:*

*…*

*(10) Maintain strict confidentiality with respect to its clients under the applicable organic certification program and not disclose to third parties (except for the Secretary or the applicable State organic program's governing State official or their authorized representatives) any business-related information concerning any client obtained while implementing the regulations in this part, except:*

*(i) For information that must be made available to any member of the public, as provided for in § 205.504(b)(5);*

*(ii) For enforcement purposes, certifying agents must exchange any compliance-related information that is credibly needed to certify, decertify, or investigate an operation, including for the purpose of verifying supply chain traceability and audit trail documentation; and*

*(iii) If a certified operation's proprietary business information is compliance-related and thus credibly needed to certify, decertify, or investigate that operation, certifying agents may exchange that information for the purposes of enforcing the Act, but the information in question still retains its proprietary character even after it is exchanged and all of the certifying agents that are involved in the exchange still have a duty to preserve the confidentiality of that information after the exchange.*

## 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.

No questions in this information collection relate to sexual behavior and attitudes or religious beliefs. Certified organic dairy operations requesting a variance must submit information showing that they meet one of the qualifying three reasons for a variance identified in [7 CFR 205.236(d)(1)](https://www.ecfr.gov/current/title-7/part-205#p-205.236(d)(1)): (1) bankruptcy or forced sale, (2) insolvency or liquidating animals as a result of ceasing operations, or (3) intergenerational transfer of animals. Respondents may consider bankruptcy and the cessation of an operation to be of a sensitive nature, but AMS does not consider this information to be private, as most bankruptcy cases are public record, and the cessation of an operation is not an unusual or uncommon occurrence.

AMS considers this information to be necessary to collect, as this variance is intended to reduce economic burden that would otherwise exist for these small operations if they were unable to obtain a variance for the origin of livestock in the three scenarios described. This is described in further detail in the OOL final rule that established this variance ([87 FR 19740](https://www.federalregister.gov/d/2022-06957), April 5, 2022, [page 19750](https://www.federalregister.gov/d/2022-06957/p-147)).

## 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.

This burden estimate accounts for certified organic dairy operations submitting a variance request to AMS.

Number of Respondents: 56

Frequency of Response: 1 per year

Annual hour burden: 98

The 56 respondents include 28 certified organic dairy operations and 28 certifying agents. AMS estimated that 28 certified organic dairy operations would submit a variance request to AMS in a given year. While there are currently 57 certifying agents accredited by AMS to certify livestock, AMS only included 28 certifying agents in this estimate, as the number of certifying agents involved in submitting a variance request could not be higher than the number of certified organic dairy operations requesting a variance.

AMS estimated that each response would take certified organic dairy operations one (1) reporting hour and certifying agents two (2) reporting hours, for a total of 84 hours. AMS estimated that each respondent would require 0.25 recordkeeping hours, for a total of 14 hours. This results in a total annual hour burden of 98. These estimates are covered in further detail in the accompanying OMB form 83-i and AMS 71 Grid spreadsheet.

### 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.

There is no form associated with this information collection. How information is reported is explained in further detail above in Item 2.

### Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

The estimated annual cost to respondents for the hour burden for this collection of information is estimated to be $4,877. These estimates are covered in further detail in the “Summary Tables” and “Respondents” pages of the accompanying AMS 71 Grid spreadsheet. The Summary Tables (1 and 2) are included below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SUMMARY TABLE 1** | **Reporting Burden** | | | |
| **USDA Existing Certified Dairy Operations** | **Number of Respondents** | **Wage & Benefits** | **Total Reporting Hours** | **Total Reporting Costs** |
| USDA Certified Producers - Domestic | 17 | $58.39 | 17.00 | $993 |
| USDA Certified Producers - Foreign | 11 | $43.42 | 11.00 | $478 |
| ***USDA Organic Operations - All*** | **28** |  | **28.00** | **$1,470** |
|  |  | | | |
| **USDA Certifying Agents Reporting Burden** | **Number of Respondents** | **Wage & Benefits** | **Total Reporting Hours** | **Total Reporting Costs** |
| USDA U.S.-Based Certifiers | 17 | $53.64 | 34.00 | $1,824 |
| USDA Foreign-Based Certifiers | 11 | $39.88 | 22.00 | $877 |
| ***Total USDA Certifiers - All*** | **28** |  | **56.00** | **$2,701** |
|  |  |  |  |  |
| **All Respondents - Reporting Burden** | 56 |  | 84.00 | **$4,171** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SUMMARY TABLE 2** | **Recordkeeping Burden** | | | |
| **USDA Existing Certified Dairy Operations** | **Number of Respondents** | **Wage & Benefits** | **Total Record-keeping Hours** | **Total Record-keeping Costs** |
| USDA Certified Producers - Domestic | 17 | $58.39 | 4.25 | $248 |
| USDA Certified Producers - Foreign | 11 | $43.42 | 2.75 | $119 |
| ***USDA Organic Operations - All*** | **28** |  | **7.00** | **$368** |
|  |  | | | |
| **USDA Certifying Agents Reporting Burden** | **Number of Respondents** | **Wage & Benefits** | **Total Record-keeping Hours** | **Total Record-keeping Costs** |
| USDA U.S.-Based Certifiers | 17 | $53.64 | 4.25 | $228 |
| USDA Foreign-Based Certifiers | 11 | $39.88 | 2.75 | $110 |
| ***Total USDA Certifiers - All*** | **28** |  | **7.00** | **$338** |
|  |  |  |  |  |
| **All Respondents - Recordkeeping Burden** | 56 |  | 14.00 | **$705** |

## 13. Provide an estimate of the total annual cost burden to respondents for recordkeepers resulting from the collection of information. Do not include the cost of any hour burden shown in items 12 and 14.

The hourly burden estimate resulting from this information collection is described in Item 12. There is no other annual cost burden to respondents for recordkeepers to describe here as there are no capital and start-up costs associated with this information collection.

### 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 would 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.

There is no (a) capital and start-up cost estimated or (b) operation maintenance or service purchasing cost associated with this information collection.

### 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.

Burden estimates and their associated cost are described in Item 12. AMS does not expect a wide range of recordkeeping or reporting burden due to this collection of information.

### 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.

This information collection does not require the purchase of equipment or services.

## 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.

AMS does not expect any variance requests submitted to AMS to impact the existing annualized cost of conducting business at AMS or the NOP.

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

AMS reports a program change of 98 hours in 13(f) of OMB form 83-i. As this is a new information collection, certified organic dairy operations and certifying agents were not previously recording and reporting variance requests (zero hours). How this program change was estimated is explained above in Item 12.

## 16. For collections of information whose results would 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.

AMS does not plan to publish data obtained through this information collection. However, the NOP frequently updates the organic industry on the activities of the program at annual certification agency training (not open to the public) and at biannual National Organic Standards Board [the NOP’s Federal Advisory Committee (FACA)] meetings. AMS may share summaries of variances reviewed at these events. No complex analytical techniques will be used. If published, AMS would share information such as, how many requests were received in a certain timeframe and how many requests were granted. No confidential information would be published.

## 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.

AMS is seeking approval to not display the expiration date for OMB approval of this information collection, as there is no form on which to display the expiration date. How information is collected is explained in further detail above in Item 2.

## 18. Explain each exception to the certification statement identified in item 19, “Certification for Paperwork Reduction Act Submissions” of OMB form 83-i.

AMS is not claiming any exceptions to the certification statement identified in Item 19 of the OMB form 83-i.

In Item 19 (Certification for Paperwork Reduction Act Submissions) of OMB 83-i, AMS certifies that the collection of information encompassed by this request complies with 5 CFR 1320.9. The following is a summary of the topics, regarding the proposed collection of information, that the certification covers:

It is necessary for the proper performance of agency functions;

It avoids unnecessary duplication;

It reduces burden on small entities;

It uses plain, coherent, and unambiguous terminology that is understandable to respondents;

Its implementation will be consistent and compatible with current reporting and recordkeeping practices;

It indicates the retention period for recordkeeping requirements;

It informs respondents of the information called for under 5 CFR 1320.8(b)(3):

Why the information is being collected;

Use of information;

Nature of response (voluntary, required for a benefit, or mandatory);

Nature and extent of confidentiality; and

Need to display currently valid OMB control number;

It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected (see note in Item 19 of the instructions);

It uses effective and efficient statistical survey methodology; and

It makes appropriate use of information technology.