

2024 SUPPORTING STATEMENT
for
NATURAL GRASS SOD PROMOTION, RESEARCH
AND INFORMATION ORDER; REFERENDUM PROCEDURES
OMB NO. 0581-NEW

NOTE TO REVIEWER: These are procedures for conducting a referendum to determine whether natural grass sod producers favor issuance of a new checkoff program. The proposed rules were published in the *Federal Register* on October 16, 2023, and covered the establishment of procedures for conducting a referendum to determine whether natural grass sod producers favor issuance of a new checkoff program. Upon approval of this collection, the Agricultural Marketing Service (AMS) will submit a Justification Request to merge this collection into the currently approved Office of Management and Budget (OMB) No. 0581-0093, National Research, Promotion, and Consumer Information Programs.

A. Justification.

- 1. EXPLAIN THE CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY. IDENTIFY ANY LEGAL OR ADMINISTRATIVE REQUIREMENTS THAT NECESSITATE THE COLLECTION.**

Congress has delegated to the U.S. Department of Agriculture (USDA) the responsibility for implementing and overseeing promotion, research, and information (R&P) programs for a variety of commodities, including natural grass sod. The proposed Natural Grass Sod Promotion, Research, and Information Order (Order) is authorized under the Commodity Promotion, Research, and Information Act of 1996 (Act) (PL 104-127, 110 Stat. 1032, April 4, 1996, 7 U.S.C. §§7411-7425).

To determine whether sod producers favor establishing an industry funded promotion, research, and information program, AMS considered the public comments received by December 15, 2023. There appears to be a general industry consensus to establish an industry-funded promotion, research, and information program for natural grass sod products, thus AMS is publishing a final rule for the procedures for conducting a referendum. This final rule will include information about the timing and voting method for the referendum. If the industry votes, through the upfront referendum, to establish an industry-funded promotion, research, and information program for natural grass sod products, AMS would finalize the program via a final Order (final rule).

To conduct the referendum, the program requires the use of a referendum ballot covered under OMB No. 0581-NEW.

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 proposed Order is authorized under the Act, which authorizes USDA to establish agricultural commodity research and promotion orders that may include a combination of promotion, research, industry information, and consumer information activities funded by mandatory assessments. As defined under §513 of the Act, agricultural commodities include “(F) products processed or manufactured from products specified in the preceding subparagraphs, as determined appropriate by the Secretary.” The Act also includes provisions that authorize the Secretary to tailor programs to the specific characteristics of each different commodity, such as natural grass sod. The Order will be used by natural grass sod producers covered under the R&P program.

AMS developed forms needed to effectively implement a R&P program for natural grass sod under the Order authorized by the Act.

LP-8 and LP-8-1 Official Referendum Ballot and Envelope (OMB Form No. 0581-NEW).

This form would be used in voting for the implementation, suspension, termination, or continuation of the proposed Order. The other information requested on this form is used for the purpose of verification. The form includes the Registration Statement, the Ballot, Certification Statement, and envelope (LP-8-1). Referendum agents or the Secretary will tabulate the results of the referendum. The agents are officials of USDA who are charged with promulgating and administering the proposed program.

This form was noted in both proposed rules as it will be used in an upfront referendum to establish the checkoff program and then will be used in subsequent referendums throughout the life of the checkoff program. This form will also be noted in the second proposed rule for the Order and the final rule for the referendum procedures.

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 form will not be available for electronic submission due to funding constraints. The form will be made available in a pdf fillable format located on AMS' Web sites, allowing users to fill in and print off a copy to submit by email, fax, or mail to the Farm Service Agency (FSA). A hard copy version is also available through FSA for users without Internet access.

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.

Information collection processes are periodically reviewed to avoid unnecessary duplication by industry and public sector agencies. At the present time, there is no duplication between Federal agencies for the current order and there is no anticipated for the proposed Order.

5. IF THE COLLECTION OF INFORMATION IMPACTS SMALL BUSINESSES OR OTHER SMALL ENTITIES (ITEM 5 OF THE OMB FORM 83-I), DESCRIBE THE METHODS USED TO MINIMIZE BURDEN.

Small Business Administration defines, in 13 CFR part 121, small agricultural producers as those having annual receipts of no more than \$1 million. According to the 2022 USDA's National Agricultural Statistics Service data, 1,012 firms – approximately 69 percent of producers – would be classified as small agricultural producers based on value of sales per farm. Table 1 compares the average value of sales per farm to the average assessment per farm for each category. Because the assessment is calculated on a production basis, the proportionate burden is the same across the industry, regardless of firm size. On a farm basis, small natural grass sod producers would pay between \$205 and \$6,787 in assessments annually per firm, while large natural grass sod producers would pay between \$13,138 and \$66,387.

Table 1. Number of Farms, Acres, Value of Sales, and Average Proposed Assessment per Farm

NAICS Code 111421	(2022 dollars)			
	Farms	Acres	Average Value of Sales per Farm	Average Annual Assessment per Farm
Total Industry	1,447	376,227	\$793,997	\$11,326
Small Firms (<\$1,000,000)	1,012	71,439	\$238,698	\$2,840
Large Firms (>\$1,000,000)	435	304,788	\$2,266,881	\$34,233

DESCR

The proposed assessment rate of 1/10th of one penny per square foot was decided upon by the industry in part because it was determined that rate would not create any undue burdens to sod farms of any size, including small businesses. Data from the National Quarterly Sod Report; 2023-24 Winter Quarter indicate a range of natural grass sod prices across the United States from \$0.14 to \$0.81 per square foot.

This level of assessment should have minimal impact on sod farms of any size, large or small, and was part of the consideration for the drafting committee in supporting the proposed rate. For instance, a sod farm that is considered a small business may harvest as little as 10 acres annually. At the proposed assessment rate and pricing data from the National Sod Report, the annual contribution of that farm to the research and promotion program would be \$436 per year, while generating sales revenue between \$60,984 and \$352,836.

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.

If the information collection were not collected, we would not know if Sod producers favored the Natural Grass Sod Promotion, Research, and Information Order.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES THAT WOULD CAUSE ANY 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;**

It is not anticipated that there or any special circumstances that would require respondents to submit more than an original and two copies of any document.

- **REQUIRING RESPONDENTS TO RETAIN RECORDS,**

OTHER THAN HEALTH, MEDICAL, GOVERNMENT CONTRACT, GRANT-IN-AID, OR TAX RECORDS FOR MORE THAN 3 YEARS;

- 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;

There are no special circumstances. AMS will not be using any statistical surveys that are not designed to produce valid and reliable results that 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;

There are no such special circumstances. AMS will not be using 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

There are no such special circumstances. The ballot is option.

- 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 such special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR part 1320.6.

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 COMMENTS RECEIVED IN RESPONSE TO THAT NOTICE AND DESCRIBE ACTIONS TAKEN BY THE AGENCY IN RESPONSE TO THESE COMMENTS. SPECIFICALLY ADDRESS COMMENTS RECEIVED ON COST AND HOUR BURDEN.

The proposed rules were published in the *Federal Register* on October 16, 2023, Vol. 88, No. 198. The Natural Grass Sod Promotion, Research, and Information Order; Referendum Procedures is published on pages 71302 – 71306 (88 FR 71302) describing the information gathering requirements and provided a 60-day comment period ending December 15, 2023. During this time, interested members of the public had the opportunity to provide AMS with their input concerning the usefulness, legitimacy, and merit of the information collection activities AMS is proposing. No comments were received on the information collection section of the proposed Referendum procedures rule.

- **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.**

Use of these forms has been discussed with Casey Reynolds, Executive Director, for Turfgrass Producers International (TPI) a group of natural grass sod producers. Casey can be reached by phone at (847) 649-5555 or email CReynolds@TurfgrassSod.org.

- **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.**

The proposed Order was submitted to USDA by TPI. TPI conducted several outreach sessions with natural grass producers prior to submitting the proposed Order. AMS consulted with TPI on this new collection.

9. EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEES.

AMS does not provide 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.

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 of a sensitive nature are included on these forms.

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.**

- **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.

Estimates of the burden collect of information is summarized on AMS Form 71, which is attached. There are no recordkeeping requirements to this information collection.

- **PROVIDE ESTIMATES OF ANNUALIZED COST TO RESPONDENTS FOR THE HOUR BURDENS FOR COLLECTIONS OF INFORMATION, IDENTIFYING AND USING APPROPRIATE WAGE RATE CATEGORIES.**

The estimated burden of collection of information has been summarized on AMS Form 71, Supplementary Document. The cost for voting in the Natural Grass Sod Promotion, Research, and Information; Referendum providing information to FSA is \$20,323. This total has been estimated by multiplying 361.75 total burden hours (1,447 respondents) by \$56.18. AMS took the hourly earnings of farmers, ranchers, and other agricultural managers (\$43.35) from the U.S. Department of Labor, Bureau of Labor Statistics, May 2023 National Occupational Employment and Wages Estimates and can be found at https://www.bls.gov/oes/current/oes_nat.htm

Based on the average median hourly wage rate of \$43.35 with an additional 29.6 percent to account for benefits and compensation, for an hourly wage total of \$56.18 was used to calculate annual cost. Costs of benefits and compensation guidance provided by Bureau of Labor Statistics News Release issued March 13, 2024.

13. PROVIDE AN ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS OR RECORDKEEPERS RESULTING FROM THE COLLECTION OF INFORMATION. (DO NOT INCLUDE THE COST OF ANY HOUR BURDEN SHOWN IN ITEMS 12 AND 14).

- **THE COST ESTIMATE SHOULD BE SPLIT INTO TWO COMPONENTS: (a) A TOTAL CAPITAL AND START-UP COST COMPONENT (ANNUALIZED OVER ITS EXPECTED USEFUL LIFE); AND (b) A TOTAL OPERATION AND MAINTENANCE AND PURCHASE OF SERVICES COMPONENT. THE ESTIMATES SHOULD TAKE INTO ACCOUNT COSTS ASSOCIATED WITH GENERATING, MAINTAINING, AND DISCLOSING OR PROVIDING THE INFORMATION. INCLUDE DESCRIPTIONS OF METHODS USED TO ESTIMATE MAJOR**

COST FACTORS INCLUDING SYSTEM AND TECHNOLOGY ACQUISITION, EXPECTED USEFUL LIFE OF CAPITAL EQUIPMENT, THE DISCOUNT RATE(S), AND THE TIME PERIOD OVER WHICH COSTS WILL BE INCURRED. CAPITAL AND START-UP COSTS INCLUDE, AMONG OTHER ITEMS, PREPARATIONS FOR COLLECTING INFORMATION SUCH AS PURCHASING COMPUTERS AND SOFTWARE; MONITORING, SAMPLING, DRILLING AND TESTING EQUIPMENT; AND RECORD STORAGE FACILITIES.

- **IF COST ESTIMATES ARE EXPECTED TO VARY WIDELY, AGENCIES SHOULD PRESENT RANGES OF COST BURDENS AND EXPLAIN THE REASONS FOR THE VARIANCE. THE COST OF PURCHASING OR CONTRACTING OUT INFORMATION COLLECTION SERVICES SHOULD BE A PART OF THIS COST BURDEN ESTIMATE. IN DEVELOPING COST BURDEN ESTIMATES, AGENCIES MAY CONSULT WITH A SAMPLE OF RESPONDENTS (FEWER THAN 10), UTILIZE THE 60-DAY PRE-OMB SUBMISSION PUBLIC COMMENT PROCESS AND USE EXISTING ECONOMIC OR REGULATORY IMPACT ANALYSIS ASSOCIATED WITH THE RULEMAKING CONTAINING THE INFORMATION COLLECTION, AS APPROPRIATE.**

- **GENERALLY, ESTIMATES SHOULD NOT INCLUDE PURCHASES OF EQUIPMENT OR SERVICES, OR PORTIONS THEREOF, MADE: (1) PRIOR TO OCTOBER 1, 1995, (2) TO ACHIEVE REGULATORY COMPLIANCE WITH REQUIREMENTS NOT ASSOCIATED WITH THE INFORMATION COLLECTION, (3) FOR REASONS OTHER THAN TO PROVIDE INFORMATION OR KEEPING RECORDS FOR THE GOVERNMENT, OR (4) AS PART OF CUSTOMARY AND USUAL BUSINESS OR PRIVATE PRACTICES.**

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

14. **PROVIDE ESTIMATES OF ANNUALIZED COST TO THE FEDERAL GOVERNMENT. ALSO, PROVIDE A DESCRIPTION OF THE METHOD USED TO ESTIMATE COST, WHICH SHOULD INCLUDE QUANTIFICATION OF HOURS, OPERATION EXPENSES (SUCH AS EQUIPMENT, OVERHEAD, PRINTING, AND SUPPORT STAFF), AND ANY OTHER EXPENSE THAT WOULD NOT HAVE BEEN INCURRED WITHOUT THIS COLLECTION OF INFORMATION. AGENCIES ALSO**

MAY AGGREGATE COST ESTIMATES FROM ITEMS 12, 13, AND 14 IN A SINGLE TABLE.

The estimate cost for AMS to perform the upfront referendum for this information collection is estimated at \$5,143.06. A breakdown of the referendum cost is the following:

SOD Referendum Estimates			
Item	Quantity	Cost	Total
Ballot Mailing – Producers (Stamps)	1,447	\$.68	\$983.96
Ballot Mailing –Post Office Box (Monthly)	3	\$13.50	\$40.50
Return Ballots – (30% of mailings)	1,013	\$.68	\$688.84
Printing Envelopes with Return Postage	1,447	\$0.88	\$1,299.76
Federal Register Notice to Announce Referendum dates (columns)	3	\$355.00	\$1,065.00
Federal Register Notice to Announce Referendum Results (columns)	3	\$355.00	\$1,065.00
Total Estimate			\$5,143.06

By law, the Federal Government does not bear any cost for overseeing or conducting the upfront Sod referendum. All costs to the Government are reimbursed by the boards and councils.

15. EXPLAIN THE REASON FOR ANY PROGRAM CHANGES OR ADJUSTMENTS REPORTED IN ITEMS 13 OR 14 OF THE OMB FORM 83-I.

This is a new collection will give natural grass sod producers the opportunity to vote on a R&P program. The burden results from the creation the form will provide natural grass sod producers with the ability to vote in the natural grass sod referendum (see AMS-71, Supporting Document).

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.

There are no plans to publish any information or data collected.

- 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.**

The expiration dates have been added to the forms, the date is located at the bottom left corner after the form number.

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

The agency is able to certify compliance with all provisions under Item 19 of OMB Form 83-I.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

- **THE AGENCY SHOULD BE PREPARED TO JUSTIFY ITS DECISION NOT TO USE STATISTICAL METHODS IN ANY CASE WHERE SUCH METHODS MIGHT REDUCE BURDEN OR IMPROVE ACCURACY OF RESULTS. WHEN ITEM 17 ON THE FORM 83-I IS CHECKED "YES", THE FOLLOWING DOCUMENTATION SHOULD BE INCLUDED IN THE SUPPORTING STATEMENT TO THE EXTENT THAT IT APPLIES TO THE METHODS PROPOSED.**

This information collection does not employ statistical methods.