

Supporting Statement – Part A

AGRICULTURAL RESOURCE MANAGEMENT PHASE 3 ECONOMIC SURVEYS

OMB No. 0535-NEW

This supporting statement requests a three-year approval of a long running data collection series that collects economic data. This is the first request that separates the environmental and economic data collections. The requests are being separated to better accommodate changes requested by data users and policy makers.

Historically, the Agricultural Resource Management Survey (ARMS), phases 1, 2, and 3 along with the Fruit and Vegetable Chemical Use Surveys, the Contractor Expense Surveys and several surveys conducted under cooperative agreements were all conducted under OMB approval number 0535-0218. This request will begin the process of breaking these surveys into three separate approvals.

The ARMS phases 1 and 2 will remain under the OMB control number 0535-0218. The ARMS phase 3 and the Contractor Expense surveys will be moved into this new docket submission. The chemical and production practices surveys that are conducted under cooperative agreements will be moved into a separate new docket submission.

Once the two new submissions have been approved the original OMB approval (0535-0218) will be revised to remove the ARMS phase 3, Contractor Expense surveys and the cooperative agreement surveys to remove any duplication of approvals.

TERMS OF CLEARANCE

The agency agrees to continue to implement and report upon improvements to the ARMS study, as indicated by the NAS report, and as resources permit.

NASS RESPONSE:

Since the last OMB approval, NASS has altered its data collection for operations with historic value of sales in excess of \$1 million. These records will be sent exclusively to NASDA Field Enumerators for data collection depending on the status of the COVID-19 pandemic. This was done prior to the pandemic, but not during the pandemic. Due to the size and uniqueness of many of these operations, NASS was able to obtain more complete data by using this technique.

In addition, NASS has been able to incorporate some of the findings from conducting the Census of Agriculture (0535-0226) cognitive testing to address the handling of the principal operator.

In addition, NASS has altered its training of Field Staff and subsequently Field Enumerators to address any data collection issues that have occurred over the last couple of years.

In 2016 NASS implemented methodology to identify the 100 most impactful respondents in terms of their contribution to the final estimates. These operations are marked and NASS Survey Administrators have recommended that our Regional Field Offices instruct NASDA enumerators to contact these operations in person to collect the data when applicable. Survey Administrators monitor the data collection efforts of these records especially throughout the survey cycle to ensure that these most impactful records are completed. Out of those 100 most impactful records, NASS also identifies the top 20 “must-case” records. These records need to have data reported by either the operator or estimated by the Regional Field Office Statistician based on previously reported data and/or administrative data.

A. JUSTIFICATION

This docket is being submitted to renew the authority to conduct the Agricultural Resource Management Survey (ARMS) Phase 3 Survey program for a three-year period. The types of surveys associated with this request include:

- The Agricultural Resource Management Survey (ARMS) cost & returns report (CRR),
- The Agricultural Resource Management Survey (ARMS) production practices and costs report (PPCR) for livestock operations, and
- A supplemental contractor expense survey,

Background on the Agricultural Resource Management Surveys:

The ARMS survey is conducted in three phases. ARMS Phase 1 (included in OMB Control Number 0535-0218) is used as a screening phase for the follow-on surveys. This has proved to be very cost-effective way to draw accurate samples for the other surveys included in this docket. It also helps to reduce respondent burden.

The ARMS Phase 2 (included in OMB Control Number 0535-0218) is normally conducted every year for selected crops. It consists of two versions; the Production Practices and Costs Report (PPCR), and the Production Practices Report (PPR). The PPR component is conducted with NASS-only funding to gather field crop chemical use data. The PPCR is co-funded by a cooperative agreement with the USDA Economic Research Service (ERS). The PPCR component efficiently collects costs associated with the various production practices to complete the cost of production estimates for ARMS targeted crop commodities. The ARMS Phase 2-PPCR efficiently collects detailed cropping

practice and cost data by focusing on field-level and expanding to whole farm, thus greatly reducing respondent burden while maintaining accuracy of reported data. NASS will continue to reuse these data, enabling NASS to produce some chemical use estimates at appropriate geographic level(s) based on extent of coverage.

ARMS Phase 3 (the subject of this request) is the economic phase, in which NASS collects data related to the costs and returns for both the whole farm and for targeted commodities raised on each farm. The Phase 3 is also co-funded by ERS and NASS. The target commodities are on a rotational basis. This rotation allows NASS and ERS to provide detailed data on all the major commodities while minimizing respondent burden. The data from these three phases are combined to give a complete representation of whole farm data. If full funding is provided each year, NASS plans to follow the rotation schedule found in items 12 and 16 below.

The contractor expense survey (included with this request) is a supplemental ARMS Phase 3 survey used to impute costs that a farmer may incur but not be able to report with any detail.

- 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 primary functions of the National Agricultural Statistics Service (NASS) are to prepare and issue State and national estimates of crop and livestock production, disposition, and prices and to collect information on related environmental and economic factors. Detailed economic and environmental data for various crops and livestock help to maintain a stable economic atmosphere and reduce the risks for production, marketing, and distribution operations. Modern agriculture increasingly calls upon NASS to supply reliable, timely, and detailed information in its commodity estimation programs.

The Agricultural Resource Management Surveys (ARMS) are the primary source of information for the U.S. Department of Agriculture on a broad range of issues related to agricultural resource use, costs of production, and farm sector financial conditions. ARMS is the only annual source of whole farm information available for objective evaluation of many critical issues related to agriculture and the rural economy, such as: whole farm finance data, marketing information, input usage, production practices, and crop substitution or rotation possibilities. This detailed information can be used to set operation level estimates of types of operations, loan commodities, operator's household income, credit/debt levels, and other economic farm/ranch data.

Without these data, decision makers cannot analyze and report on the financial status of farms, the economic circumstances of farm households, the credit position of farmers, the structure and organization of farms, or the input and production alternatives available to farmers when pesticide regulatory actions are being considered. Since producers typically face numerous daily decisions in their farm management practices, information from these surveys will be used to construct producer behavioral models that more realistically reflect the production choices facing producers.

Data from ARMS are used to produce estimates of net farm income by type of commercial producer as required in 7 U.S.C. 7998 and estimates of enterprise production costs as required in 7 U.S.C. 1441(a). Data from ARMS are also used as weights in the development of the Prices Paid Index, a component of the Parity Index referred to in the Agricultural Adjustment Act of 1938 and as amended by the Agricultural Acts of 1948, 1949, 1954, and 1956. These indexes are used to calculate the annual federal grazing fee rates as described in the Public Rangelands Improvement Act of 1996 and Executive Order 12,548 and as promulgated in regulations found in Title 36 CFR 222.51.

NASS has been producing these estimates since 2003, when funding was first provided for the development of State-level income estimates for the 15 largest agricultural producing States.

In addition, ARMS is used to produce estimates of sector-wide production expenditures and other components of income that are used in constructing the estimates of income and value-added that is transmitted to the U.S. Department of Commerce, Bureau of Economic Analysis, by the USDA Economic Research Service (ERS) for use in constructing economy-wide estimates of Gross Domestic Product. This transmittal of data, prepared using the ARMS, is undertaken to satisfy a 1956 agreement between the Office of Management and Budget and the Departments of Agriculture and Commerce that a single set of estimates be published on farm income.

General authority for these data collection activities is granted under U.S. Code Title 7, Section 2204 which specifies that "The Secretary of Agriculture shall procure and preserve all information concerning agriculture which he can obtain ... by the collection of statistics ... and shall distribute them among agriculturists."

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

Farm organizations, banks, commodity groups, agribusinesses, Congress, and the USDA use information from ARMS to evaluate the financial performance of farm and ranch businesses and households and to make policy decisions

affecting agriculture. The ARMS provides a robust database of information to address varied needs of policy makers.

NASS continually seeks input from data users at various trade association meetings, often setting up forums at those meetings to discuss surveys relevant to the stakeholder group. Stakeholders can provide feedback or request special tabulations of NASS data through the following website:

https://www.nass.usda.gov/Data_and_Statistics/Special_Tabulations/Request_a_Tabulation/index.php.

If NASS is able to generate the requested data tables and there aren't any confidentiality issues, the tables will be made available to the public.

The ARMS briefing room on the ERS Website: <https://www.ers.usda.gov/data-products/arms-farm-financial-and-crop-production-practices/> provides an opportunity for stakeholder feedback regarding data characteristics, use of the information for statistical purposes, and questionnaire content. In 2021, ERS received 54 inquiries from this utility; results from these inquiries can be found at <https://www.ers.usda.gov/data-products/arms-farm-financial-and-crop-production-practices/contact-us/>.

ERS staff continue to contact animal scientists, economists, extension staff, other government agencies, and commodity groups during the development of the livestock questionnaire versions, and solicits their advice on pressing issues and specific question formulations.

Contractor Expense Surveys: The Contractor Expense Surveys are supplemental surveys to the ARMS Phase 3 survey. The purpose is to obtain the contractor's portion of the operating expenses for the whole farm. In previous surveys we have found that most contractees cannot report total expenses incurred by the contractor, since the contractor supplies many of the inputs to the farm operator.

The uses of the information collected from ARMS are many:

- Dramatic changes in crude oil prices can have a huge impact on farmers. In addition to the prices for diesel and gasoline, farmers must make decisions on which crops to produce, based heavily on the availability and affordability of fertilizers and pesticides that are petroleum based. Farming practices can also be altered due to the prices of fuels. Farmers may have to investigate practices such as no till or minimum till crops, crop rotations, selecting more disease and pest tolerant crops, etc. in years when oil prices are trending upward, while using more conventional farming techniques in years when prices are trending downward. The ARMS surveys are crucial in measuring annual changes in doing business (financially, farming practices, and types of inputs used by farmers).

- Severe weather conditions in any given year can cause measurable changes in both farm expenditures/receipts as well as numerous farming practices. For example: drought and flooding conditions felt in different regions of the US in recent years have made a huge impact on farmers and the way they conduct business. In some areas of the country there were restrictions placed on water used for irrigation and farmers had to investigate what kinds of conservation practices they could adopt. In other areas of the country where flooding occurred, farmers had to contend with chemical run off that impacted the types of crops they could re-plant in flooded fields once they dried. The ARMS surveys help to measure the impact and changes that occurred both financially and in farming practices.
- The ARMS surveys are critical for measuring the annual changes to the American farmer. With the increase in bioenergy dependency, farmers are changing their farming practices to accommodate the increased demand for crops that can be converted into ethanol or biodiesel. ARMS provides a measure of the changes in biofuel production.
- To guide policy makers in the decision-making process, it is necessary to have reliable information about production practices used and the relationship of the practices to changes in water quality and changes in the rate of erosion. Decisions affecting agricultural policy and producers will be made with or without data; it is much better to have factual information to guide the decision process. Farm production covers a major share of the natural resources of the country and, as policy about how to manage production is formed; a better understanding of the production process can prevent uninformed choices. The agricultural community is currently faced with many complex issues concerning the environment, such as transportation of nutrients and pesticides to ground or surface water sources, soil erosion, and the impact of environmental policies on agricultural production. ARMS data are useful in measuring these concerns. For example, fertilizer and pesticide data are used to study water quality and production practices, crop rotation data to help identify tillage systems and crop residue levels affecting soil erosion.
- The ARMS gathers information about relationships among agricultural production, resources, and the environment. ARMS data provides the necessary background information to support evaluations of these relationships. The data are used to understand the relevant factors in producing high quality food, feed and fiber products while maintaining the long-term viability of the natural resource base.
- The ARMS determines what it costs to produce various crop and livestock commodities and the relative importance of various production expense items. The ARMS Phase 2 Production Practices and Costs Report efficiently

collects detailed cropping practice and cost data by focusing on field-level and expanding to whole farm, thus greatly reducing respondent burden while maintaining accuracy of reported data.

- The ARMS helps determine net farm income and provides data on the financial situation of farm and ranch businesses, including the amount of debt. ARMS data provides the only national perspective on the annual changes in the financial conditions of production agriculture. Net farm income information is now available for the 15 largest agricultural States and 5 production regions.
- In order to minimize respondent burden while maintaining a comprehensive data set for all major commodities, the crops being surveyed rotate on a regular basis. Some commodities that have little change in production costs or techniques may only be surveyed once every 5 or 10 years; while other crops that change on a more frequent basis may be surveyed every 2 to 3 years.
- The ARMS provides the farm sector portion of the gross domestic product for the nation. If ARMS data were not available, the Bureau of Economic Analysis (BEA) would have to conduct their own survey of farm operators to collect these data.
- The ARMS helps determine the characteristics and financial situation of agricultural producers and their households, including information on management strategies and off-farm income.
- Collecting farm/ranch production and expense data to develop an estimate of net farm income each year is necessary because both receipts and production expenses change as production and prices change and as farmers and ranchers use more or less of inputs such as fertilizers or other chemicals. Since farmers and ranchers buy most of their inputs, data must be collected every year to obtain accurate estimates of annual expenses.
- Numerous requests to ERS and NASS are made from Congress throughout the year to characterize the financial position of various groups of farmers. ARMS data are the only means of answering many of these questions.
- The USDA links receipts and expenses associated with the production and sale of agricultural commodities to measure profit or loss over a calendar year. Three measures of net farm income are developed. First, a net cash income measure shows the difference between the cash earnings and expenses of the operation. Second, the estimate of net cash income is adjusted to show how depreciation and changes in the operation's crop and livestock inventory affect earnings. Components of gross income, such as net rent received and custom or machine work also change annually as cash and

share rents adjust in response to market conditions or government programs. Custom work and machine hire are directly affected by weather and other natural events which are unpredictable. These income items are measured through the ARMS. The third income measure is net value added, which reflects production agriculture's addition to the national economic product and represents the sum of the economic returns to all the providers of factors of production: farm employees, lenders, landlords, and farm operators. ERS value-added estimates are used by the Bureau of Economic Analysis (BEA) in the development of the National Income Accounts and for Gross Domestic Products and by the Organization for Economic Cooperation and Development in their international agricultural accounts.

- Congressional mandates exist for the development of annual estimates of the cost of producing wheat, feed grains, cotton, tobacco, and dairy commodities. To ensure accurate and reliable estimates, a comprehensive survey is needed to obtain data on production practices and the amounts of inputs used. Estimates of crop and livestock costs and returns provide a basis for understanding changes in the relative efficiency of crop and livestock production and the break-even prices needed to cover all costs. The ARMS provides the data needed to develop cost of production showing costs and input use by size and type of farm in different regions of the country.
- Responses to ARMS questions about farm assets and debts are used to develop a balance sheet for the farm as well as to provide a variety of financial ratios for measuring financial performance. Changes in the level of income earned affect rates of return and net worth. Purchases and sales of assets such as buildings, machinery, and land; changes in their value; and any associated debt are very sensitive to changes in farm earnings and economic performance as well as to changes in the general economy. The balance sheet can change rapidly from one year to the next and can be adequately monitored only through data collected on an on-going basis. Balance sheet analysis helps identify areas of poor financial performance and pockets of potential financial stress. The ARMS provides the data necessary to develop annual estimates of the farm operation's assets, debts, equity, capital gains, capital flows, and the rates of return to agricultural resources and also identifies how these items (and farm household finances) change from one year to the next.
- Annual information from the ARMS on receipts, expenses, debts, and assets is needed to evaluate the financial condition of farm businesses. The Office of the Secretary of Agriculture, Congress, agricultural groups, the banking industry, and the public look to NASS and ERS for reliable, up-to-date information on the financial performance of farms and ranches by size, type and region. With ARMS data, the extent and seriousness of financial problems facing farmers are measured, including the likely consequences of recurring financial stress.

- Farm operators and their households are of special interest for policy purposes because they incur nearly all of the risks of farming and are directly impacted by the government's agricultural policies. Most farms in the U.S. are organized along the traditional lines of one family, or one extended family, operating the farm. However, the largest producing farms are often operated by several partners or shareholders, each of whom receives a share of the profit (or loss) of the business. In addition, 88 percent of farms are small according to the NASS Typology Report, and, on average, lose money. Households operating small farms rely heavily on off-farm income. Thus, it is necessary to understand the complex relationships between the farm business and the farm household and between farm work and off-farm work to accurately describe U.S. agriculture today. The most recent NASS Typology Report can be found at: <https://www.nass.usda.gov/Publications/Highlights/2021/census-typology.pdf>
- ARMS information on farm expenses describes the relative importance of production inputs used by farmers. These data are used to update the prices paid index for commodities, services, interest, taxes, and wage rates, known as the parity index. This index helps determine the parity price for over 100 agricultural commodities. Parity prices have been a part of farm legislation since 1938, when the Agricultural Adjustment Act established that parity prices be computed for agricultural commodities.
- The 'parity index' as of any date, shall be the ratio of (i) the general level of prices of articles and services that farmers buy, wages paid hired farm labor, interest on farm indebtedness secured by farm real estate and taxes on farm real estate, for the calendar month ending last before such date to (ii) the general level of such prices, wages, rates, and taxes during the period January 1910 to December 1914, inclusive.

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 ARMS Phase 3 survey is conducted initially as a mail and internet survey. Most respondents will initially have the option of returning a paper form via the mail or responding via the Internet. The below table shows the percentage of respondents reporting via the Internet:

Year	Percentage Reporting via Internet
2019	16.8

2020	20.8
2021	18.1

NOTE: The 2019 survey was enumerated during February-April 2020. Respondents for 2019 and 2020 were urged to complete the survey via the Internet due to the COVID-19 pandemic preventing personal enumeration.

Due to the complexity and length of the questionnaire, operators who do not respond by a certain time will be attempted by a field enumerator. The field enumerators are being equipped with Apple iPads and will conduct a Computer Assisted Personal Interview (CAPI).

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

NASS is very careful not to duplicate work planned by other Government agencies. NASS field offices are asked to document any State programs that overlap with the surveys contained in this docket. NASS is making every attempt to use existing data and only ask additional questions that are needed.

Also, internal committees within USDA that include NASS, Economic Research Service (ERS), Agricultural Marketing Service (AMS), Agricultural Research Service (ARS), Cooperative State Research Education and Extension Service, and Natural Resource and Conservation Service (NRCS) have been formed to help coordinate all the different aspects of data collection efforts related to the ARMS Phase 3. Other government agencies such as the Food and Drug Administration (FDA) and the U.S. Geological Survey (USGS) are also consulted to avoid duplicating survey projects. The Advisory Committee on Agricultural Statistics, appointed by the Secretary of Agriculture, also provided advice on these program areas; this committee is composed of a diverse representation of agricultural sector expertise.

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

NASS tries to identify only those data items absolutely necessary to answer the needs of data users. Information requested on these surveys may require respondents to refer to their record books for the answers. To minimize the interview time, branching is used throughout the questionnaires to skip those sections not applicable to particular respondents. Enumerators also attend State training schools for instruction and practice on using the questionnaires. Data collection for these surveys are coordinated with other surveys to minimize contacts with respondents.

Sampling techniques are applied to minimize burden to individual operations that could potentially be selected in multiple surveys. List frame units selected for other current year NASS probability surveys or the previous ARMS are replaced, where possible, by similar sample units whose respondent burden is less. This design reduces the number of consecutive ARMS contacts and multiple contacts for different surveys in the same year. The goal is to avoid selecting individual operations for two consecutive ARMS cycles.

Periodically, NASS reviews record keeping systems used by respondents to record and report chemical use data to State agencies, or financial records they keep, to be used when filling out their State and Federal Income Tax forms. When possible, NASS will make changes to our questionnaires to emulate these other documents, to help reduce respondent burden and reduce potential reporting errors.

NASS continues to conduct research on potentially new sampling and data modeling strategies to reduce data requirements and respondent burden. NASS has also started looking at the feasibility of using previously reported survey data where appropriate to reduce burden.

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.

NASS and ERS are charged with the responsibility of providing the Secretary of Agriculture, the Congress, the Executive Branch, farm groups, financial institutions and the public with reliable, up-to-date information concerning the nation's farms and ranches. The ARMS program is the only source of information capable of providing this type of vital information. Collecting economic data is critical to the mission of USDA, Congress, other governmental agencies, and the private sector. It needs to be collected annually so NASS can update the Parity Index for Prices Paid and Prices Received by Farmers so ERS can accurately estimate farm income each year.

Working closely with AMS, ERS, and several other agencies NASS has identified the priority of which commodities have the greatest urgency for data collection.

Samples of questionnaires for both current and future data collection cycles by NASS are attached to this docket. As finalized questionnaires are approved each year the new questionnaire(s) will be submitted to OMB as non-substantive changes.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with the general information guidelines in 5 CFR 1320.5.

There are no special circumstances associated with this information collection.

8. **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.**

The Notice soliciting comments on this information collection was published in the Federal Register on December 22, 2022 (Volume 87, Number 245), on pages 78635 - 78637. Two comments were received. One of the comments supporting the ICR, related to a previous Federal Register Notice published December 3, 2021 (Volume 86, Number 230) was received from Dennis J. Fixler, Chief Economist at the Bureau of Economic Analysis.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and record-keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

NASS, ERS, other USDA agencies, other Federal departments, and State Departments of Agriculture are all contributing to the content of these projects and have been consulted. An Advisory Committee on Agricultural Statistics, appointed by the Secretary of Agriculture, reviews content, methodology, and program benefits for all major survey and estimation programs. EPA's Science Advisory Committee reviews data sources and methodologies used for environmental programs.

Specific individuals NASS solicited input from, but received none are:

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In November 2007 the National Academies of Sciences, Committee on National Statistics (NAS-CNSTAT) completed a comprehensive review of the ARMS program. Copies of the report are available via the web at:

http://books.nap.edu/openbook.php?record_id=11990&page=R1.

Included in this request, NASS is asking for approval to conduct up to 50 cognitive interviews each year for testing purposes. These field tests are primarily for the commodity versions and focus mainly on the research questions that ERS is wanting to add each year to reflect changes within the farming industry for these commodities. The testing is mainly for adding new terminology or questions to the commodity specific versions. NASS and ERS continue the monthly ARMS steering committee meetings per the recommendation from the NAS 2007 report. The committee consists of the NASS and ERS ARMS leads, each of the ARMS phase experts from both agencies, and others as needed. This committee meets once a month to discuss survey management and data collection of all three phases of the ARMS program. The steering committee discusses integration with other programs, imputation and estimation and relevance of the ARMS program. The topics of discussion depend on issues raised from research papers, data review during the survey or discussion with our enumerators, field office staff, and data users.

9. Explain any decision to provide any payment or gift to respondents.

There are no payments or gifts to respondents.

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

Questionnaires include a statement that individual reports are confidential. U.S. Code Title 18, Section 1905; U.S. Code Title 7, Section 2276; and Title III of Pub. L. No. 115-435 (CIPSEA) provide for confidentiality of reported information. All employees of NASS and all enumerators hired and supervised under a cooperative agreement with the National Association of State Departments of Agriculture (NASDA) must read the regulations and sign a statement of compliance.

The following confidentiality pledge statement will appear on all NASS questionnaires.

The information you provide will be used for statistical purposes only. Your responses will be kept confidential and any person who willfully discloses ANY identifiable information about you or your operation is subject to a jail term, a fine, or both. This survey is conducted in accordance with the

Confidential Information Protection and Statistical Efficiency Act of 2018, Title III of Pub. L. No. 115-435, codified in 44 U.S.C. Ch. 35 and other applicable Federal laws. For more information on how we protect your information please visit: <https://www.nass.usda.gov/confidentiality>. Response to this survey is voluntary.

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

There are no questions of a sensitive nature.

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 following table contains the estimated burden hours for the surveys by year and the average annual burden. Totals may vary due to rounding. Cost to the public for completing the questionnaire is assumed to be comparable to the hourly rate of those requesting the data. Average annual reporting time of 70,556 hours is multiplied by \$37.94 per hour for a total annual cost to the public of \$2,676,894.64.

NASS uses the Bureau of Labor Statistics' [Occupational Employment Statistics](#) (most recently published on March 31, 2022 for the previous May) to estimate an hourly wage for the burden cost. The May 2021 mean wage for bookkeepers was \$21.70. The mean wage for farm managers was \$37.71. The mean wage for farm supervisors was \$26.18. The mean wage of the three is \$28.53. To calculate the fully loaded wage rate (includes allowances for Social Security, insurance, etc.) NASS will add 33% for a total of \$37.94 per hour.

All of the ARMS surveys in this and OMB Control number 0535-0218 are annual surveys, but some respondents will be contacted for more than one of the surveys. Phase 1 is the screening phase for both Phases 2 and 3. Less than 10 percent of the Phase 1 sample will be selected for all three phases. Burden was calculated using the interview lengths and the targeted response rate of 80 percent. Sample sizes are based on estimates of future needs. Annual burden will fluctuate based on commodity mix. However, accumulated total burden is not expected to exceed the accumulated estimated annual average.

Survey Year	Data Collection Year	Survey

Survey Year	Survey

Contractor Expense Survey ^{3/}

Targeted commodities for this approval cycle:

Previous Target Commodity & Versions located at <https://>

Crop Year	Survey
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- 13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information.**

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

- 14. Provide estimates of annualized cost to the Federal government; provide a description of the method used to estimate cost which should include quantification of hours, operational expenses, and any other expense that would not have been incurred without this collection of information.**

The projected total cost to the Federal government to conduct the ARMS Phase 3 survey and prepare estimates is approximately \$8.5 million for fiscal year 2023, most of which is staff costs.

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

The average annual burden for the surveys in this request is expected to be 70,556 hours. It is an estimated increase in annual burden of about 16,789 hours from the estimated annual burden of Phase 3 surveys associated with the previous requests in OMB Control Number 0535-0218. The increase in estimated burden is from the updated data collection plan to include four mailings and E-mail reminder of all versions. Mailing of all versions started during the COVID-19 pandemic.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The below table is a summary of data collection, analysis, and publication dates.

Survey Year	Survey	
2023	ARMS Screening Survey	

If you have specific questions related to **environmental or economic information** that you would like an expert to respond to, please e-mail Tony Dorn at tony.dorn@usda.gov or call at 202-720-6146.

Current and historic publications for each of the surveys above can be obtained from the following sources:

Printed copies of our Quick Stats are available from NASS Publications Office by telephone (customer service at 1-800-727-9540 or 202-720-3878). Electronic access is available from the NASS Internet Website <http://www.nass.usda.gov>.

Specific publications can be found at the sites listed below.

Agricultural Resource Management Survey (ARMS) Index page

<https://www.ers.usda.gov/data-products/arms-farm-financial-and-crop-production-practices/uses-and-publications/#uses>

Agricultural Resource Management Survey, Phase 3 (current and historical)

Farm Production Expenditures

<https://usda.library.cornell.edu/concern/publications/qz20ss48r?locale=en>

NASS publishes Methodology and Data Quality Measure reports for Farm Production Expenditures Report for public to have and use. The reports that have been completed thus far can be found at the following link:

https://www.nass.usda.gov/Publications/Methodology_and_Data_Quality/index.php

NASS Research Reports

https://www.nass.usda.gov/Education_and_Outreach/Reports_Presentations_and_Conferences/Reports_by_Date/index.php

Copies of the November 2007 National Academies of Sciences, Committee on National Statistics (NAS-CNSTAT) report are available via the web at:

http://books.nap.edu/openbook.php?record_id=11990&page=R1

A response to the NAS-CNSTAT report can be found at:

http://www.nass.usda.gov/Surveys/ARMS_Progress_Report.pdf.

- 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.**

No approval is requested for non-display of the expiration date.

- 18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions" of OMB Form 83-I.**

There are no exceptions to the certification statement.

April 2023