

2014 SUPPORTING STATEMENT-Part A
Local Food Marketing Directories and Survey
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 primary legislative basis for conducting direct marketing research is the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627). This act broadened the scope of USDA activities to include the entire spectrum of agricultural marketing, including direct marketing. Sec. 203a of the Act states that the Secretary of Agriculture is directed and authorized, “to determine the needs and develop or assist in the development of plans for efficient facilities and methods of operating such facilities for the proper assembly, processing, storage, transportation, distribution, and handling of agricultural products...” In addition, the Farmer-to-Consumer Direct Marketing Act of 1976 supports USDA’s work to enhance the effectiveness of direct marketing, such as the development of farmers markets, on-farm markets, community supported agriculture (CSA’s), and food hubs.

In line with this legislative mandate, the Marketing Services Division (MSD) of USDA’s Agricultural Marketing Service identifies marketing opportunities, provides analysis to help take advantage of those opportunities and develops and evaluates solutions including improving direct-to-customer marketing activities.

On-farm markets, community supported agriculture (CSAs) as well as food hubs comprise an integral part of the urban/farm linkage and have continued to rise in popularity, mostly due to the growing customer interest in obtaining fresh products directly from the farm. The use of these marketing channels has enabled farmers to receive a larger share of customer’s food dollar. On-farm markets, community supported agriculture (CSAs) and food hubs allow consumers to have access to locally grown, farm fresh produce, and enables farmers the opportunity to develop a personal relationship with their customers, and cultivate consumer loyalty. They are also providing greater access to fresh locally grown fruits and vegetables, as well as playing increasing role in encouraging healthier eating.

An *on-farm market* is an area of a facility affiliated with a farm where transactions between a farm market operator and customers take place. An on-farm market may operate seasonally or year-round. On-farm markets are an important component of direct marketing, adding value by offering customers a visit to the farm and the opportunity to purchase products from the people who grew them.

CSA is another type of food-production and direct marketing relationship between a farmer or farmers and a group of consumers who purchase “shares” of the season’s harvest in advance of the growing season. The up-front working capital generated by selling shares reduces the financial risk to the farmer(s). Generally farmers receive better prices for their crops and, reduced marketing costs. Consumers benefit by receiving weekly delivery of fresh locally-grown fruits, vegetables, meats, eggs and other produce. They also benefit from the ability to collectively support the sustainability of local farmers.

Food hub is a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand. This marketing channel also allows farm operators to capture a larger share of consumers’ food dollar.

The data from this information collection will be used to build three web-based directories and describe the characteristics of on-farm markets, CSAs, and food hubs and to identify trends in their communities.

Topic areas in the survey:

- characteristics and history of on-farm markets, CSAs and food hubs
- types of products sold, including fresh, locally-grown farm products
- location of the markets
- special events
- marketing methods
- participation in federal programs designed to increase consumption of fresh fruits and vegetables.

On-farm markets, community supported agriculture (CSAs) and food hubs serve different parts of the food marketing chain, but all focus on the small-to medium-sized agricultural producers that have difficulty obtaining access to large-scale commercial distribution channels.

Upon approval we request that this collection be merged into OMB 0581-0169, National Farmers Market Directory and Survey with Modules, which was approved April 19, 2013. Combining these three direct marketing channel directories with the highly successful National Farmers Market Directory website will provide synergies, give customers a one stop shopping website for a wide variety of locally produced directly marketed farm products, and provide a free advertising venue for farm operators seeking to diversify their farming operation by marketing directly to customers.

- 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 directories, data and reports developed from the on-farm markets, community supported agriculture (CSAs) and food hub information collection we anticipate will be utilized by individual customers, restaurants, small grocery chains as well as to provide insight of the size, geographical locations, types and structure of these direct marketing sectors nationally. Enhanced knowledge of these direct marketing channels we anticipate will be utilized by various USDA agencies, State Departments of Agriculture, extension educators, industry stakeholders and trade associations, community planners, public health officials, farmer groups, and non-profit organizations.

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.

On-farm markets, community supported agriculture (CSAs) and food hubs operators will be informed of the availability of this on-line directory via e-mail invitation sent directly to the farm operator, blogs, and e-mail invitations sent to stake holder associations and State Departments of Agriculture. The electronic questionnaire is currently being developed by our cooperators at Michigan State University. We expect that programming will be completed by June 15, 2014. Upon completion of the programming for the electronic questionnaire we will submit a justification for change to OMB, at that time we will provide the web address for the survey, and provide screen shots of the questionnaire.

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.

No other known information collection on the U.S. direct marketing sector in the public domain has the breadth of our information collection, which will attempt to reach each farm operator engaged in each of these three marketing channels in the country. Consequently we expect that data from this information collection will be comprehensive enough to carry out national analysis, as well as reliable regional and scale comparisons.

5. IF THE COLLECTION OF INFORMATION IMPACTS SMALL BUSINESSES OR OTHER SMALL ENTITIES (ITEM 5 OF THE OMB FORM 83-1), DESCRIBE THE METHODS USED TO MINIMIZE BURDEN.

The Small Business Administration defines, in 13 CFR Part 121, small agricultural producers as those having annual receipts of no more than \$750,000 and small agricultural service firms (handlers and importers) as those having annual receipts of no more than \$6.5 million. We anticipate that 100 percent of farm operators in these sectors will be classified as small businesses. The operators of on-farm markets, community supported agriculture (CSAs) and food hubs will be asked to voluntarily list their operation in their respective directory utilizing this free advertisement vehicle designed to enhance their marketing opportunities. Questions asked in the information collection are primarily focused on data necessary to attract customers to their business.

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.

Previous direct marketing sector research studies undertaken by MSD have been utilized by various USDA agencies, State Departments of Agriculture, extension educators, industry stakeholders and trade associations, community planners, public health officials, farmer groups, and non-profit organizations, without this study both governmental and non-governmental organizations who contact our agency frequently for objective national and regional information on on-farm markets, community supported agriculture (CSAs) and food hubs would be deprived of a strategic marketing resource that facilitates effective planning, business development, resource allocation and policy formulation in these rapidly growing and evolving direct farm marketing sectors. The annual compilation of robust national directories on on-farm markets, community supported agriculture (CSAs) and food hubs allows for a baseline analysis of operations by region and size of operation, and provides essential guidance to market stakeholders at all stages of business development, as well as to policymakers who seek to support the expansion of direct farm marketing activities.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES THAT WOULD CAUSE AN INFORMATION COLLECTION TO BE CONDUCTED IN A MANNER:

- **REQUIRING RESPONDENTS TO REPORT INFORMATION TO THE AGENCY MORE OFTEN THAN QUARTERLY;**
- **REQUIRING RESPONDENTS TO PREPARE A WRITTEN RESPONSE TO A COLLECTION OF INFORMATION IN FEWER THAN 30 DAYS AFTER RECEIPT OF IT;**

- **REQUIRING RESPONDENTS TO SUBMIT MORE THAN AN ORIGINAL AND TWO COPIES OF ANY DOCUMENT;**
- **REQUIRING RESPONDENTS TO RETAIN RECORDS, OTHER THAN HEALTH, MEDICAL, GOVERNMENT 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;**
- **REQUIRING THE USE OF A STATISTICAL DATA CLASSIFICATION THAT HAS NOT BEEN REVIEWED AND APPROVED BY OMB;**
- **THAT INCLUDES A PLEDGE OF CONFIDENTIALITY THAT IS NOT SUPPORTED BY AUTHORITY ESTABLISHED IN 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**
- **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 special circumstances. Data collection plans are consistent with 5 CFR 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 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.

The agency published a notice in the Federal Register on 16th, January 2014, Vol. 79, No.11, pages 2813 and 2814, requesting a new collection of three additional marketing channels for local food and a request for comments. The Agency received no comments from the public.

AMS seeks to merge the data collected for the on-farm markets, community supported agriculture (CSAs) and food hubs Directories into OMB 0581-0169, National Farmers Market Directory and Survey with Modules, which was approved April 19, 2013. This will centralize contact information of four significant direct markets channels allowing direct markets a unified platform to directly market to customers seeking agricultural products directly from the farm.

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.

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.

AMS has consulted with David Hancock of USDA's National Agricultural Statistical Service to review the survey questionnaire for statistical soundness of the study

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

No payments or gifts are provided to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS AND THE BASIS FOR THE ASSURANCE IN STATUTE, REGULATION, OR AGENCY POLICY.

There are no unique confidentiality policies.

11. **PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE. THIS JUSTIFICATION SHOULD INCLUDE THE REASONS WHY THE AGENCY CONSIDERS THE QUESTIONS NECESSARY, THE SPECIFIC USES TO BE MADE OF THE INFORMATION, THE EXPLANATION TO BE GIVEN TO PERSONS FROM WHOM THE INFORMATION IS REQUESTED, AND ANY STEPS TO BE TAKEN TO OBTAIN THEIR CONSENT.**

There are no questions of a sensitive nature asked.

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.

AMS estimates that the number of on-farm markets in the U.S. is approximately 50,000 and that 1,000, (two percent), of the operators of these markets will voluntarily choose to list their operations in USDA's On-Farm Market Directory.

AMS estimates that the number of CSA's in the U.S. is approximately 6,500 and that 1,000, (15.38 percent), of CSA operators will voluntarily choose to list their operation in USDA's CSA Directory.

AMS estimates that the number of food hub operations in the U.S. is approximately 250 and that 125, (50 percent), of food hub operators will voluntarily choose to list their operation in USDA's Food Hub Directory. I

Time estimates to complete the on-farm market directory, CSA directory and the food hub directory questionnaires are based the time required by first time farmers market managers listing their farmers market in USDA's National Farmers Directory. Total burden for this study is estimated to be 355 hours. The estimated cost incurred is:

1,000 X .167 hour X \$22.31 = \$3,725.77 respondents to the on-farm market directory listing questionnaire, plus

1,000 X .167 hour X \$22.31 = \$3,725.77 respondents to the CSA directory listing questionnaire, plus

250 X .167 hour X \$22.31 = \$931.44 respondents to the food hub directory listing questionnaire

Total = \$8,382.98

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

- **THE COST 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/start up or ongoing operation/maintenance costs associated with this information collection.

- 14. PROVIDE ESTIMATES OF ANNUALIZED COST TO THE FEDERAL GOVERNMENT. ALSO, PROVIDE A DESCRIPTION OF THE METHOD USED TO ESTIMATE COST, 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.**

Cooperative Research Agreement with Land Grant University and Personnel

III. Budget

Cost of Cooperative Agreement	Cost Estimate
Program (code) forms for on-farm markets, mobile markets and CSAs Updates	\$8,000
Develop a database of email addresses for CSA's on-farm markets and mobile markets.	\$3,000
Send 2014 email alerts, announcements and reminders to, on-farm markets, mobile markets, and CSAs, answer questions, solve technical issues, and send weekly reports to USDA	\$7,000
Oversight of Cooperative agreement by MSD staff	
20 percent of the salary of GS 13, Step 5 for 3 months (\$101,914 x .25 x 0.20)	5,096
Total	\$23,096

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

There are no changes to this program, this is a new collection.

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.

Data collected for each direct farming operation will be displayed in an on-line directory dedicated for each type of marketing channel, on-farm market, CSA, and food hubs. When the number of listings in a directory is believed to be of sufficient size and regionally representative of the sector, summary data of the directory will be developed for that marketing channel and results will be published in USDA research reports. Information will be distributed externally. Summary statistical reports and cross tabulation reports will be prepared to examine the differences in data responses across regions, size, years of operation and comparisons will be made to identical data collected in future years.

The projected timeline for this project is as follows.

Dissemination of directory questionnaire	June 2014
Completion of data collection	July 2014
Data analysis complete	August 2014
Draft report completed	September 2014
Report released	September 2014

Data reported will preserve the confidentiality of respondents. The report will be distributed as a published report and published on the MSD website.

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 agency plans to print the expiration date of OMB approval of the information collection on all instruments.

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.