

Supporting Statement – Part A

LOCAL FOOD MARKETING PRACTICES SURVEY

OMB No. 0535-NEW

The National Agricultural Statistics Service (NASS) is seeking approval to conduct a new voluntary information collection to gather data related to the production and marketing of foods directly from farm producers to consumers or to retailers who then sell directly to consumers. A sample of operations will be drawn from two sources: (1) NASS's list of known farm operators, and (2) farm operators obtained from publically available sources, including those obtained from web harvesting. This survey will be conducted in Fiscal Year 2016.

A. JUSTIFICATION

- 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 information to be gathered in the Local Food Marketing Practices Survey is vital to the USDA's and the public's understanding of the local foods sector, which in turn informs policymaking and program implementation. Section 10016(a) (1) (A) of the 2014 Farm Bill (P.L. 113-79) directs USDA to collect data on "the production and marketing of locally or regionally produced agricultural food products," while Section 10016 (b) (2) requires the Department to "conduct surveys and analysis and publish reports relating to the production, handling, distribution, retail sales, and trend studies... of or on locally or regionally produced agricultural food products." This survey fulfills those requirements.

Federal funding to the local foods sector substantially increased under the 2002 Farm Bill (P. L. 107-171), the 2008 Farm Bill (P.L. 110-246), and the 2014 Farm Bill (P.L. 113-79). The 2002 bill created the Farmers Market Promotion Program (FMPP) and expanded the Value-Added Producer Grant program (VAPG) to include many activities that take place on farms producing local foods. The 2008 Farm Bill provided mandatory funding for FMPP and the Specialty Crop Block Grants Program (SCBGP), while creating a niche in the Business and Industry Loan Guarantee program for local foods enterprises. The 2014 Farm Bill expanded FMPP to include the Local Food Promotion Program (which focuses on local foods marketing channels that

are not direct-to-consumer); expanded mandatory funding for VAPG, SCBGP, and Community Food Projects; and created the Food Insecurity Nutrition Incentives program, which expands local market opportunities for producers by providing incentives for low-income consumers to purchase local foods. In addition, significant policy support for local food systems also occurred with the institution of the USDA Know Your Farmer, Know Your Food Initiative (KYF2) in September 2009. KYF2 was designed to eliminate organizational barriers to improve coordination and availability of resources for the promotion of local food systems.

While funding and focus on the local foods sector has expanded in recent Farm Bills, public understanding of the scope of this sector has lagged. Beginning in 1978, each Census of Agriculture (excluding 1987) has collected data on the number of farms selling food commodities directly to consumers (e.g., at farmers markets) and the total value of those direct-to-consumer sales. The data on value of direct-to-consumer sales, which according to a recent USDA publication represented only 21 percent of total local foods sales in 2012, is the only benchmark data on local foods sales currently available from the USDA. The 2012 Census of Agriculture for the first time collected additional data on the number of farms engaged in intermediated local foods sales (e.g., farm to institution sales), but did not ask for the value of sales through these higher-volume intermediated marketing channels. USDA therefore lacks benchmark farm-level data on this more significant segment of local foods sales, as well as specific information about production practices, risk management, marketing channels and other factors that would inform policymaking and program implementation.

Because USDA does not currently collect farm-level data that would provide benchmark national or state-level estimates of the total of value of local foods sales from all marketing channels, stakeholders are reliant on private data of varying quality. The demand for national and regional statistics on local foods sales continues to grow. This survey will be the first to collect benchmark data capable of providing estimates to serve those public interests.

General authority for these data collection activities is granted under U.S. Code Title 7, Section 2204. This statute 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.**

This survey is a new collection. The primary purpose of the Local Food Marketing Practices Survey is to produce benchmark statistics on the number of operations that produce local foods, the value of local foods sales (in total and by specific marketing channel), and marketing practices and expenses. Farms in all 50 states will be asked to provide these data. NASS plans to release estimates at the national and regional or state levels, where publishable (due to disclosure limitations).

Because the survey gathers data on production, risk management, and marketing practices, it will be used by a number of USDA agencies and federal policymakers to inform their policies and programs. For example:

- Farm Service Agency (FSA): Data from this survey will illustrate the use of the FSA Microloan Program (mandated in the 2014 Farm Bill), the Noninsured Crop Disaster Assistance Program, and other FSA programs.
- Risk Management Agency (RMA): Data will inform implementation of the Whole Farm Revenue Protection program, which was mandated in the 2014 Farm Bill and targeted to smaller-scale, diversified producers such as those in local markets.
- Rural Development (RD): Data will increase understanding of the value-added business activities of this sector, informing execution of some of RD's business programs.
- Food and Nutrition Service (FNS): Data will measure acceptance of electronic benefit transactions (EBTs) from the Supplemental Nutrition Assistance Program (SNAP) by local food farmers and farmer engagement in farm-to-school activities.
- Agricultural Marketing Service (AMS): Data will increase understanding of the marketing outlets utilized by local foods farms, and will shed light on the size and scope of marketing activities that take place within the local foods sector.

In addition, statistics from this survey will be used by state agencies to better understand, support, and promote their local food markets, as well as by researchers studying local foods. The statistics will also be informative for farmers and others in the agricultural industry in planning business strategies.

- 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.**

For this new survey, NASS plans to develop an internet version of the questionnaire along with a computer assisted telephone interview (CATI) tool.

First, paper questionnaires (along with instructions on how to access the internet version) will be mailed to the sample, followed by telephone and face-to-face interviews with non-respondents. This will give respondents the flexibility to reply by several different modes.

- 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 works closely with state agriculture departments and universities to conduct agricultural surveys. These surveys meet both state and federal needs, thus eliminating duplication and minimizing reporting burden on the agriculture industry. Comprehensive data on local food producers and markets at the state and national levels is not available from any other source.

- 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.**

This survey will be conducted in early 2016. Respondents will have multiple options for reporting, including by mail, internet, phone, or personal interview. In addition, the questions to be asked have been designed to make it as easy as possible for respondents to report, generally with minimal consultation of their record books. Response to this survey is voluntary.

- 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.**

The Local Food Marketing Practices Survey fulfills the requirements outlined in Section 10016(b) (2) of the 2014 Farm Bill, as mentioned in Part 1 above. Until now, USDA has not designed a survey specifically to gather data on the local foods and direct marketing industry. Baseline data is needed to better support future policy decisions.

For example, the final Produce Safety Rule of the Food Safety Modernization Act (P.L. 111-353) imposes new costs and regulatory burdens on produce growers, including those selling into local and regional markets. Section 10016(a)(1)(B) of the 2014 Farm Bill directs USDA to collect data on “direct and indirect regulatory compliance costs affecting the production and

marketing of locally or regionally produced agricultural food products.” The Local Food Marketing Practices Survey asks respondents about food safety related expenses, food safety certification or audits, and food safety plans. Results from this survey will be USDA’s only nationwide source of data on how the Produce Safety Rule specifically affects local foods producers.

Also, the 2014 Farm Bill expanded the Farmers Markets and Local Food Promotion Program and introduced a new Food Insecurity Nutrition Incentive (FINI) program that provides monetary incentives for Supplemental Nutrition Assistance Program (SNAP) consumers to use SNAP benefits at direct-to-consumer markets and retail stores that promote locally and regionally produced foods. However, there is no benchmark data on how frequently farmers markets and other direct marketers will accept SNAP benefits as payment. Without data collected in this survey it is difficult to evaluate the success of the FINI program in an objective manner.

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 Federal Register Notice soliciting comments was published on October 26, 2015 on pages 65195 – 65196. NASS received two public comments, both in support of this data collection. One comment was written to “encourage USDA to conduct its proposed ‘Local Foods Survey’ as part of efforts to expand its data collection related to the use of local and regional marketing channels.” In the other comment, a representative from the National Sustainable Agriculture Coalition wrote to “strongly support NASS’s plan to conduct a survey related to the production and marketing of foods directly from farm producers to consumers or retailers” and to “urge the agency to make every effort to finalize this proposed survey tool as quickly as possible to take advantage of the upcoming winter months when farmers are more likely to respond.” The comments and NASS’s replies are both attached to this submission.

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 consulted with Stephen Vogel (Agricultural Economist, USDA Economic Research Service), James Barham (Agricultural Economist, USDA Rural Development), and Elanor Starmer (USDA National Coordinator and Advisor for Local and Regional Food Systems) on questionnaire content and for general subject matter expertise.

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 kept confidential. U.S. Code Title 18, Section 1905 and U.S. Code Title 7, Section 2276 provide for the 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

Additionally, NASS and NASS contractors comply with OMB Implementation Guidance, "Implementation Guidance for Title V of the E-Government Act, Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA), (Public Law 107-347). CIPSEA supports NASS's pledge of confidentiality to all respondents and facilitates the agency's efforts to reduce burden by supporting statistical activities of collaborative agencies through designation of NASS agents; subject to the limitations and penalties described in CIPSEA.

The following CIPSEA Pledge statement will appear on all future NASS questionnaires.

The information you provide will be used for statistical purposes only. In accordance with the Confidential Information Protection provisions of Title V, Subtitle A, Public Law 107-347 and other applicable Federal laws, your responses will be kept confidential and will not be disclosed in identifiable form to anyone other than employees or agents. By law, every employee and agent has taken an oath and is subject to a jail term, a fine, or both if he or she willfully discloses ANY identifiable information

about you or your operation.

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

The questions on race and ethnicity on the report form comply with the OMB Standards for the Classification of Federal Data on Race and Ethnicity.

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.

To estimate wage rates for calculating hour burden, NASS uses the Bureau of Labor Statistics' [Occupational Employment Statistics](#). Mean wage rates for bookkeepers, farm managers, and farm supervisors are averaged to obtain the wage rate for estimating burden cost. The May 2014 mean wage rates for bookkeepers, farm managers, and farm supervisors are \$18.30, \$34.89, and \$22.86, respectively. The mean wage of the three is \$25.35.

The table below contains the estimated burden hours for the Local Food Marketing Practices Survey. The total burden cost to the public is estimated to be \$722,625 (28,905 burden hours multiplied by the mean wage rate of \$25 per hour).

Estimated Total Burden for Local Food Marketing Practices Survey (2016)											
Survey	Sample Size	Waves of Data Collection	Responses				Non-response				Total Burden Hours
			Resp. Count	Waves x Count	Min./ Resp.	Burden Hours	Nonresp Count	Waves x Count	Min./ Nonr.	Burden Hours	
Initial Mailing of Questionnaire	56,000	1	14,000	14,000	30	7,000	42,000	42,000	2	1,400	8,400
Second Mailing of Questionnaire	42,000	1	8,400	8,400	30	4,200	33,600	33,600	2	1,120	5,320
Phone and Field Enumeration Follow-up of non-respondents	33,600	1	16,800	16,800	30	8,400	16,800	16,800	5	1,400	9,800
Misclassification Study	3,800	1	2,500	2,500	5	208	1,300	1,300	2	43	252
Respondent Letter and Publicity Materials	56,000	1	39,200	39,200	7	4,573	16,800	16,800	2	560	5,133
Total	56,000		39,200	39,200		24,382	16,800	92,400		4,523	28,905

* The publicity materials will include the pre-survey post card announcement, the cover letter that will be sent with each mailing of the questionnaire and the internet access instructions.

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 total cost to the Federal Government for the Local Food Marketing Practices Survey is estimated to be \$2.5 million. About \$1.35 million is for federal salaries, \$950,000 is for telephone and field enumeration by NASDA enumerators, and \$200,000 will be used for printing, postage, data processing, etc.

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).

This is a new data collection package. There are no program changes.

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.

A publication will be generated that will contain both United States and state-level summarized results. Tables will be included that cover all questionnaire items from which sufficient data were received that meet NASS's data quality and disclosure standards. An example publication table is included with this docket.

The table below contains the projected schedule for this survey:

Task	Target Date
Initial Questionnaire Mailing	April 4, 2016
Follow-up Mailing	May 11, 2016
Phone Enumeration Follow-up	May 24 - July 1, 2016
Field Enumeration Follow-up	June 1 - July 29, 2016
Data Analysis	July - October, 2016
Publication/Disclosure Review	October - December 2016
Publication Release (Proposed)	December 2016

- 17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

There is no request for approval of 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.

January 2016

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