

2024
SUPPORTING STATEMENT
OMB Docket No. 0570-0007

Annual Survey of Farmer Cooperatives

A. Justification

1. Explain the circumstances that make the collection of information necessary.

Rural Development's Rural Business-Cooperative Service (RBCS) is mandated the responsibility to acquire and disseminate information pertaining to agricultural cooperatives under the Cooperative Marketing Act of 1926: 7 U.S.C. 453 (b), the Cooperative Services Branch of RBCS is authorized:

"To acquire, analyze, and disseminate economic, statistical, and historical information regarding the progress, organization, and business methods of cooperative associations in the United States...."

"To make surveys and analyses if deemed advisable of the accounts and business practices of representative cooperative associations upon their request; to report to the association so surveyed the results thereof; and with the consent of the association so surveyed to publish summaries of the results of such surveys, together with similar facts, for the guidance of cooperative associations and for the purpose of assisting cooperative associations in developing methods of business and market analysis."

2. Indicate how, by whom, and for what purpose the information is to be used.

Maintenance of an up-to-date cooperative mailing list is required by RBCS to conduct the annual survey and to perform other RBCS functions pertaining to information, research, and technical assistance. This list is used by divisions and offices within RBCS in mailing informative letters and certain RBCS publications to interested parties. To keep this list updated and complete, information must be received from currently listed cooperatives on at least an annual basis. It is also necessary that prospective cooperative organizations be contacted to establish whether-or-not they are bona fide farmer cooperatives.

Farmer cooperatives play a critical role in the U.S. agricultural economy and data from the annual survey are the only source of nationwide information regarding important characteristics of farmer cooperatives, such as number of cooperatives in existence, number of locations operated, number of employees, membership size, business volume and assets employed, financial characteristics, products marketed and sold, among other variables.

This collection of information serves the RBCS mission, program objectives and managers' needs in providing information on the progress and trends in farmer cooperatives' status, growth, and economic contribution to the U.S. economy. Along with the other RBCS forms, phone calls, email and internet searches are used to ascertain whether cooperatives not responding to one of

the standard questionnaire forms have ceased to operate due to merger, consolidation, acquisition, or dissolution.

The RBCS cooperative statistics program collects and analyzes statistics which cooperatives, educational institutions, investor-owned firms, researchers, Government agencies, Congress, and other organizations use in working with or learning about farmer cooperatives. These various users utilize these statistics in different ways. For example, State cooperative organizations analyze the number of cooperatives and memberships to determine whether there have been major declines in their State. Dollar volume of sales by commodity for a given State indicates the viability and strength of cooperatives regarding particular commodities. A USDA service report, Agricultural Cooperative Statistics, is published annually. It provides extensive data on the number of cooperatives by type, number of memberships, gross and net business volume, assets, liabilities, net worth, net income, full and part-time employees, past 10-year trends, benchmarks (common size income statements and balance sheets, ratio analysis), and other related information.

Cooperatives use the benchmarks provided in the report to assess how their individual cooperative compares to other cooperatives of similar type and size. Common-size financial data are provided for 36 different cooperative types and various business volume sizes within those types. This is highly useful data for cooperatives. Other types of agribusinesses across the United States use the benchmark statistics also.

Furthermore, the data is used to respond to special aggregate data requests (i.e., technical assistance) from cooperatives, university researchers and extension, other researchers, cooperative development practitioners, trade associations, consultants, other Federal and State agencies, and other customers of USDA.

A web-based directory of all cooperatives is also maintained and updated monthly from the data collection effort and additionally through emails and phone calls with cooperative leaders. This is the only national listing of farmer cooperatives, contacts, phone numbers, email addresses, web pages, and the products sold or marketed by cooperatives. Cooperatives volunteer for enlistment in this directory and it currently includes about 73 percent of the population of farmer cooperatives.

The RBCS web page also promotes the directory and aggregate cooperative statistical information. Data from our annual reports as well as charts and other information is available for use by cooperatives, other government agencies, cooperative development practitioners, banks, researchers, students, and many other interested parties.

RBCS annually provides summary aggregate cooperative statistics to USDA's National Agricultural Statistics Service (NASS) for publication in their annual Agricultural Statistics publication. NASS also periodically requests other types of data. Cooperative data are provided to the Bureau of Economic Analysis (BEA), USDA's Economic Research Service (ERS) and other agencies upon special request. BEA uses cooperative state volume data for the economic metrics they develop annually. ERS uses cooperatives' balance sheet data in their balance sheet of the farming sector, and other data upon request. RBCS uses the information collected and

summarized for speeches, presentations, training, and outreach to customers and program partners. Use of the data is important in RBCS technical assistance, cooperative development, and training activities.

Each of the following forms are for a different entity. No entity would submit multiple forms in a given year.

REPORTING REQUIREMENTS – FORMS

Form RBCS-20A “Farmer Cooperative Statistics, 20**”**
(Larger cooperatives with multi-state operations)

Form RBCS-20D “Farmer Cooperative Statistics, 20**”**
(Cooperatives with mostly intra-state sales and not included in those receiving A Form)

Form RBCS-20F “Farmer Cooperative Statistics, 20**”**
(Fishery cooperatives)

Form RBCS-20G “Farmer Cooperative Statistics, 20**”**
(Cotton ginning cooperatives)

Form RBCS-20W “Farmer Cooperative Statistics, 20**”**
(Wool and mohair marketing cooperatives)

** Denotes last two digits of survey year, i.e. 23 for data collected for cooperatives’ fiscal year 2023 and 24 for data collected for fiscal year 2024 such as RBCS-2023A, RBCS-2023D, etc.

REPORTING REQUIREMENTS – NON-FORMS

There are none.

RECORDKEEPING REQUIREMENTS

There are none.

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.

An e-mail address is included on the questionnaires to allow respondents to submit questions or provide information in that manner if so desired. Every year, more and more cooperatives use email (e.g., 22 percent of the 2022 surveys were emailed) to respond to the survey with a .pdf of the survey form and electronic versions of their financial reports. Seventy-three percent of the

respondents send in their annual reports for RBCS staff to input the survey data into the database reducing respondent burden (this is up from 50 percent that most of the previous years experienced).

Due to technical advancements, RBCS now has the ability to begin phasing out the current collection of paper-based surveys used to produce this report. The increasing collection of data electronically via email means that fewer paper surveys are being mailed. RBCS continues to explore electronic means of collecting data internally (e.g., meetings held with RD innovation center staff). In the past, RBCS has explored other electronic data collection processes for its farmer cooperative survey with outside vendors, other USDA agencies, and the Census Bureau. Thus far, those have all proven to be much less cost effective than the current method, and in fact beyond reach given agency budget restrictions. Furthermore, given the wide-variety of farmer cooperatives and the multitude of ways they report their data, a one-size fits all electronic survey would not provide accurate data. Finally, many of the small cooperative businesses do not yet have sophisticated computer systems (many are still without email addresses and Web sites) and would not utilize an online survey platform thus creating an extra burden on both the cooperatives and RBCS staff.

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.

There is no known duplication with any other surveys of farmer cooperative organizations in RBCS or any other agency of the Federal Government. In order to prevent duplication, questions from other RBCS researchers for special high-interest cooperative studies are periodically incorporated into the annual survey forms.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe any methods used to minimize burden.

The information requested is readily available from business and membership records of the cooperative organizations contacted. Cooperative staff fills out the easy-to-follow form only once. The burden on small businesses is reduced by the use of the appropriate survey form. These forms are tailored to the operations and record keeping of a large number of small, single commodity cooperatives. Thus, smaller cooperatives provide significantly less information than larger, more complex, cooperatives, and the time required to do so is minimal. The time required by the smallest cooperatives to complete the survey is estimated to be about 15 minutes.

As previously indicated, the surveyed cooperatives are also encouraged to send in their annual financial reports and if they do so, they only need to complete a few items on the survey—the items not contained in their annual reports. This practice minimizes the burden to small and other size cooperatives even further.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to

reducing burden.

Not collecting this information would create extreme difficulties for the U.S. Department of Agriculture in carrying out its authoritative responsibilities for assisting farmer cooperatives. This policy (as stated in the Cooperative Marketing Act of 1926 and in the Secretary's Memorandum Number 1020-1 dated August 1981) directed that research and technical assistance be conducted that best serves cooperatives and the public interest. It is difficult to see how cooperatives and the public interest could be sufficiently served if a current and accurate listing of farmer cooperatives, and their business volume and financial and operational data were not collected on a timely basis and made readily available. The data serves multiple Federal agencies and provides important cooperative benchmark and trend statistics for improving cooperatives, agribusinesses, rural communities, and food system performance.

The data published in the annual cooperative statistics report (compiled from data collected on the series of RBCS forms) may be used, in part, to determine the need for and feasibility of creating new cooperatives to take advantage of developing markets or other economic opportunities. Survey data also provides information to strengthen existing cooperatives by means of merger, consolidation, or elimination of duplicate services. If the only nationwide information on farmer cooperatives were 2 or 3 years old (or older) its value would be severely diminished. Cooperatives, policymakers, researchers, and planners at all levels need timely and accurate statistics to perform analyses of cooperative trends and changes. The National Agricultural Statistics Service, the Bureau of Economic Analysis, and the Economic Research Service requests cooperative data from this effort annually for their reporting.

The survey is the only source of comparative farmer cooperative data. The USDA annual report and other research published from the data allow cooperatives to see how their operations compare with similar size and type cooperatives. Without the survey, cooperatives would only be able to try and better last year's financial results and have limited knowledge about how their operations were performing in relation to similar cooperatives. The data allows for more effective strategic planning by cooperatives on behalf of their member producers.

The information collected and published in the annual report on farmer cooperatives furthermore supports and enhances most of the major functions of RBCS. Part of the mission of RBCS is to promote the understanding and use of the cooperative form of business as a viable option for agricultural producers and other rural residents. The role of promoting the cooperative form of business has been publicly mandated to the Department of Agriculture and is implemented through RBCS.

The master list of farmer cooperatives, updated by the annual RBCS survey, is used by the divisions within RBCS, including Office of External Affairs in mailing informative letters and various other RBCS publications to interested parties. It would be impossible to keep this list current if information were not received from cooperatives on at least an annual basis. A byproduct of the failure to request some information annually would be the loss of direct contact with cooperative organizations. Without this contact, RBCS would not be able to complete its mission or to furnish accurate farmer cooperative information and provide efficient assistance to cooperatives.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

a. Requiring respondents to report information more than quarterly.

There are no information collection requirements for respondents to report more than quarterly. They report only once a year.

b. Requiring: written responses in less than 30 days.

There are no specific information collection requirements that require written responses in less than 30 days. Cooperatives are given sufficient time to take part in the survey should they wish to do so.

c. Requiring: more than an original and two copies.

There are no specific information collection requirements that require more than an original and two copies.

d. Requiring respondents to retain records for more than 3 years.

There are no such requirements.

e. Not utilizing statistical sampling.

Statistical sampling is not used because of the significant differences in types and sizes of farmer cooperatives. Statistical sampling was tried in the 1980s and it was not successful. The population of farmer cooperatives in the United States decreases every year and the total population is not too large to survey.

f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

No such requirements exist.

g. Requiring a pledge of confidentiality.

There are no such requirements. However, the Agency pledges to the cooperatives that the information they provide will remain confidential to the extent provided by law under Title 7, U.S. Code, Section 2276, and that only aggregate statistics are released.

h. Requiring submission of proprietary trade secrets.

No such requirements exist.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. 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, reporting format (if any) and on data elements to be recorded, disclosed, or reported.

The document was published on August 7, 2024 89 FR 64403 The Agency received one substantive comment in relation to this information collection. The comment was from the Bureau of Economic Analysis in strong support of the continued collection of this data by RBCS. Two other comments not on topic were also received.

a. Over the years, cooperatives and cooperative researchers have been asked to assess our surveys and their suggestions have been incorporated. Beyond the elimination of several forms of the survey, there has not been a significant change in the survey instrument over the last decade.

b. RBCS researchers elicit comments on the availability of data and published results in their continuous direct contact with cooperative leaders and management staffs of cooperatives. Cooperatives do not feel that the survey is a burden given the options RBCS provides them, especially with email and the option to send their annual report and just a few other survey items (e.g., number of voting members and employees). This option diminishes their time burden to only a few minutes.

The following entities gave specific feedback: Staple Cotton Cooperative Association, Greenwood, Mississippi; Morrow County Grain Growers, Inc, Lexington, Oregon; and Uniontown Co-operative Association, Uniontown, Washington. All reported the survey results useful and helpful and did not find the reporting burdensome or difficult.

c. Comments written by respondents on the questionnaires are reviewed for use in revising the questionnaires the following year.

d. A cover letter is always included with each survey questionnaire, which includes the name and telephone number of the survey coordinator in case any general or specific questions arise concerning the information requested.

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

No gifts are given, or payments made to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the

assurance in statute, regulation, or agency policy.

Confidentiality provided to respondents: All questionnaires sent include a cover letter, which has the statement "All information provided will be kept confidential as provided for by law...." RBCS strictly controls access to and use of any material collected during the course of the survey, strictly adhering to Title 7, U.S. Code, Section 2276 which prohibits disclosure of individual information. To this end, employees do not release or divulge any proprietary data or information on individual cooperatives.

[The Agency published a Privacy Act of 1974; System of Records in the Federal Register on September 6, 2024 \(89 FR 72820\). A copy of that document can be found at https://www.govinfo.gov/content/pkg/FR-2024-09-06/pdf/2024-20068.pdf.](https://www.govinfo.gov/content/pkg/FR-2024-09-06/pdf/2024-20068.pdf)

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

There are no questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information.

Based on the current funding levels of the program, the burden for collecting information is estimated to average approximately 1,035 respondents annually filing 1 response. A total of 806 hours per year were estimated to be required to complete these responses; thus, averaging about 0.78 hours per response. The cost per hour used was \$55.35, which was calculated by using the Wage rate from the May 2023 National Occupational Employment and Wage Estimates, https://www.bls.gov/oes/current/oes_nat.htm wage group 13-2072, loan officer. \$40.62/hour plus 36.25% for benefits for a total of \$55.35/hr.

Based on this data, the estimated cost of burden is \$44,626. The following summarizes these estimates:

Number of respondents:	1,035
Total annual responses:	1,035
Number of hours per response:	0.78
Total hours:	806
Cost per hour:	\$55.35
Total annual cost:	\$44,626

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 operation/maintenance costs involved.

14. Provide estimates of annualized cost to the Federal Government.

The estimated annual cost for the Agency to administer this regulation is \$25,808. RBCS estimates that a total of 690 hours is required annually for document review, application review, etc. Wage rates for each position are based on General Schedule, DC. The estimated rate of cost of total benefits for civilian Federal Government employees is 36.25%¹ for percentage of benefits as a portion of total hourly wage and was provided by the OMB Memoranda referenced in the footnote below. A breakdown of the costs to the Federal Government to administer this program is as follows:

Job title	Wage Category	Wages	Hours*	Cost of Burden
Business & Cooperative Technician	GS 7, Step 3	\$28.68	242	\$6,926.06
Loan Technician	GS 7, Step 4	\$29.58	242	\$7,142.48
Loan & Grant Analyst	GS 13, Step 1	\$56.71	207	\$11,739.49
Totals			690	\$25,808.0

¹ Cost of total benefits as a percentage of total hourly compensation for civilian Federal Government employees exceeds that of private sector employees. OMB Memoranda indicate that the total Federal civilian position full fringe benefit cost factor is 36.25% See OMB Memoranda M-08-13 (March 11, 2008).

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-I.

The decrease in burden is due to revised lower estimates in the number of respondents and the elimination of Form RBCS-20**H. Every year a significant number of cooperatives cease to exist due to mergers or dissolutions. Thus, each year fewer survey forms are sent out and fewer returned. Form H is being eliminated for 2020 and beyond to reduce the burden of printing, paperwork, and data entry. Many cooperatives that had been receiving the H form are no longer in business, having merged or dissolved. Others receiving it have increased their participation and are now considered RBCS-20**D form cooperatives. Together, the decrease in respondents and elimination of Form RBCS-20**H will result in 138 fewer responses and will save 368 hours.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

Questionnaires are mailed to cooperatives after the completion of their fiscal (business) period to be covered by the report. Sufficient time is allowed for cooperatives to prepare their financial reports for their most recent business year. For example, surveys for the initial 2020 collection period will be sent in October 2020. The end of data collection will occur during July 2021, with

summary statistics prepared in September 2021. The annual report, Cooperative Statistics, will be published and available in December 2021. The entire project timeframe is approximately 16 months (beginning of data collection through publication of the report and other aggregated data products). A complete listing of key dates for the 2023 survey is shown in **EXHIBIT A**.

Aggregated data are presented in the annual cooperative statistics report every year. The publication includes information on memberships, number of cooperatives, dollar sales volume, balance sheet items, net income, common size income statements and balance sheets (i.e., benchmarking data), financial ratios, and full- and part-time employees. Data for the commodities marketed and supplies sold by State are also collected. These data are presented by type of cooperative (marketing, supply, and related service) and by commodity. Historical trends are highlighted in the report and comparisons are made with previous years. All current and historical information are available on the RBCS website as publications and Excel data files (that include aggregate data tables and charts).

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.

It is not cost effective for the Agency to display the expiration date on the forms due to the large number of different forms mailed out at different times over the survey period.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-I.

There are no exceptions to item 19 ("Certification for Paperwork Reduction Act Submissions") of OMB Form 83-I.

19. "Certification for Paperwork Reduction Act."

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

EXHIBIT A

Listing of Key Dates for the 2023 Survey of Farmer Cooperatives*

2023

- July/August Survey forms for 2023 survey developed and printed.
- September Prepare USDA cooperative summary aggregated statistics for Rural Development leadership talking points and briefing and for USDA Cooperative Month Proclamation by the Secretary of Agriculture (2022 data). Prepare data entry and analysis spreadsheets for cooperative fiscal year 2023 survey. Provide special aggregated analyses for cooperatives and researchers (e.g., NASS, ERS, BEA, universities, etc.) requesting them.
- October Begin data collection (1st group, 1st mailing of 2023 survey – for cooperatives with fiscal years ending January-June 2023.) Conduct further analysis of cooperative statistics database with 2022 data, developing tables, charts and information for annual agricultural cooperative statistics report and other statistical bulletins.
- November Publish annual report Cooperative Statistics, 2022. Develop and publish overall summary bulletins.
- December Continue data entry; error checking begins.

2024

- January Continue data collection (1st group, 2nd mailing - reminder).
- January Begin data collection (2nd group, 1st mailing of 2023 survey – for cooperatives with fiscal years ending July-September 2023).
- March Continue data collection (2nd group, 2nd mailing - reminder).
- May Begin data collection (3rd group, 1st mailing of 2023 survey – for cooperatives with fiscal years ending October-December 2023).
- May Email reminder to 1st group non respondents who have email addresses.
- June Email reminder to 2nd group non-respondents who have email addresses.
- July Continue data collection (3rd group, 2nd mailing – reminder).
- July Entry error checking picks up, solidifying

- August Emails to non-respondents in 1st group who have email addresses. And a push for data from non-respondent significant cooperatives of early groups for missing data.
- September Finalize data sets, begin analysis.
- September Prepare USDA cooperative summary aggregated statistics for Rural Development leadership talking points and briefing and for USDA Cooperative Month Proclamation by the Secretary of Agriculture (2023 data). Prepare data entry and analysis spreadsheets for 2024 survey. Provide special aggregated analyses for cooperatives and researchers (e.g., NASS, ERS, BEA, universities, etc.) requesting them.
- October Conduct further analysis of cooperative statistics database with 2020 data, developing tables, charts and information for annual agricultural cooperative statistics report.

****Directory of Farmer, Rancher, and Fishery Cooperatives is updated monthly, or more frequently as needed. Co-ops must “opt in” to be included.***