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## **NEED FOR REVISED NAICS CODE DEFINITION FOR FARM SUPPLY RETAILERS**

The North American Industry Classification System (NAICS) was developed as the standard for use by Federal statistical agencies in classifying business establishments for the collection, analysis, and publication of statistical data related to the business economy of the U.S. NAICS was developed under the auspices of the Office of Management and Budget (OMB), and adopted in 1997 to replace the old Standard Industrial Classification (SIC) system. There is no central government agency with the role of assigning, monitoring, or approving NAICS codes for establishments. Individual establishments are assigned NAICS codes by various agencies for various purposes using a variety of methods. The U.S. Census Bureau has no formal role as an arbitrator of NAICS classification.

The NAICS categories and definitions were not developed to meet the needs of regulatory applications. However, certain federal agencies such as OSHA and EPA are using the NAICS code to try to capture certain types of agri-businesses such as agricultural retailers (i.e. farm supply retailers) under regulations designed for manufacturers even though it does not fit the original intent of these regulations established by Congress. Farm Supply Retailers do not manufacture fertilizer at their facilities. Farm Supply Retailers are primarily engaged in the retail distribution of farm supplies, such as animal feeds, fertilizers (including custom blended products), agricultural chemicals, pesticides, plant seeds, and plant bulbs to agricultural producers (i.e. farmers and ranchers). However, because there was not a good definition under the NAICS code for farm supply retailers, most facilities / businesses have been using the code 424910: Farm Supplies Merchant Wholesalers as it was the closest to describe the products they sold to farmers. There is not a code classification under 44-45 Retail Trade that adequately covers the sale of farm supplies. The NAICS code needs to be immediately fixed to prevent OSHA, EPA and other federal agencies from attempting to treat farm supply retailers as manufacturers or it will have far reaching, adverse financial ramifications for the agricultural industry.

### **Proposed New NAICS Code Definition Under 44-45 Retail Trade**

#### **Farm Supply Retailers**

This industry comprises establishments primarily engaged in the retail distribution of farm supplies, such as animal feeds, fertilizers (includes custom blended products), agricultural chemicals, pesticides, plant seeds, and plant bulbs to agricultural producers (e.g. farmers, ranchers) and other end users.