

**U.S. Department of Agriculture
Farm Service Agency
Supporting Statement
OMB Number 0560-0004**

Report of Acreage, 7 CFR PARTS 718 and 1437

Purpose:

The purpose of this document is to request an extension with revision of information collection 0560-0004 - Report of Acreage.

Justification:

1. Explain the circumstances that make the information collection necessary. Include identification of any legal or administrative requirements that necessitate the collection.

7 U.S.C. 7333 (b)(3) specifically requires, for crops and commodities covered by the Noninsured Crop Disaster Assistance Program (NAP), annual reports of acreage planted and prevented from being planted must be reported, as required by the Secretary, by the designated acreage reporting date for the crop and location as established by the Secretary. 7 CFR 1437.7 states for those eligible crops and commodities for which it is impractical, as determined by CCC, to report crop acreage, etc., such as ornamental nursery, aquaculture, etc., producers must, in addition to the applicable records required under 7 CFR 1437, maintain records uniquely practical to the specific crop or commodity.

In order to establish annual eligibility for NAP, a minimal amount of information about a producer's farming operation is required. This information is subsequently used to ensure compliance with program provisions, to determine actual production histories, and when a disaster occurs, to verify crop loss. Respondents must provide the information each year because variables such as previous year experiences, weather occurrences and projections, market demand, new farming techniques, and personal preference affect the amount of land being farmed, the mix of crops planted, and the projected harvest. Prior year information while useful is not sufficient on its own. Therefore, respondents must supply current data on a program year basis by the final reporting date established for their county to qualify for NAP assistance.

Once the information has been collected and eligibility established, the information is used throughout the program year to ensure the producer remains compliant with program provisions. The information collected serves as the primary means of maintaining program integrity. In monitoring compliance, FSA can compare acreage data provided by respondents with annual aerial imagery and ground compliance activities to determine the accuracy of the data. It is important that acreage be as accurate as possible to ensure excess assistance is not disbursed.

2. How, by whom, and for what purpose is the information used, and the consequence to the Federal program or policy activities if the collection of information was not conducted.

Purpose and from whom will the information be collected: Crop, commodity, and acreage information is the foundation for implementation of NAP. This collection, commonly referred

to as the report of acreage, is conducted on a program year basis. It is used to identify eligible crops and commodities for which a NAP Application for Coverage (CCC-471, OMB 0560-0175), has been filed. It is available to producers for hundreds of crops grown for food and fiber for which Federal crop insurance is not available. Also included are floriculture, ornamental nursery, Christmas trees, turfgrass sod, seed crops, aquaculture (including ornamental fish), sea oats and sea grass, and industrial crops. NAP payments are made to eligible producers when 1) individual crop losses are in excess of 50 percent of the individual's approved yield; or 2) the producer is prevented from planting more than 35 percent of the acreage intended for the eligible crop.

To ensure statutory criteria are met, information on the crop acreage is necessary, regardless of whether the crop acreage or commodity suffered a loss. The statute specifies that the Secretary shall determine NAP benefits using the actual production history (APH). The statute provides that if the market value or yield for different types and varieties of a crop are significantly different, then each type and variety may have a separate APH established and each type and variety may be considered a separate crop. Each payment is calculated based on this information.

An approved yield is annually calculated using a minimum of 4, up to a maximum of 10, program years APH. Previous crop year data is retrieved from the database for calculation purposes.

How frequently will the information be collected: If there is only one planting and harvesting on the same acreage during the program year, the information is collected once by the Nationally-established reporting date. Where there are multiple plantings and harvesting on the same acreage, information must be reported 15 days before harvest of the crop. Late-filed reports may be considered if crop residue exists.

How will the information be collected: The information is generally collected from the respondent during a personal visit to the administrative county offices. Some respondents occasionally ask to compile their specific acreage reporting by mail. In these cases the county office sends the applicable forms, maps, etc. to the respondent and the respondent returns the signed and dated FSA-578 to the county office. This method of collection is not a statutory, regulatory, or procedural requirement, thus it could be collected via other means.

The information collected can be collected through electronic transmission for a few producer as a optional. The electronic form of FSA-578 is available to the public on the Internet at <http://forms.sc.egov.usda.gov/eforms/mainservlet>. Respondents review the farm's aerial photographs as a point of reference and provide the applicable information to the county office employee for entry on the FSA-578. The FSA county employee enters the information in the computer system, and an FSA-578 report is printed. The respondent reviews the FSA-578 for accuracy and signs it to certify its accuracy. Once the information is entered into the automated system, it is maintained in a central database where the necessary information can be retrieved and used to determine eligibility and monitor compliance.

What specific information is collected from the respondents:

Specific information includes:

- Identification of the crop (including type and variety), practices, intended uses, planting patterns such as ‘skip rows’, and for forage crops, the predominant species or type or variety of the vegetation.
- Date the crop was planted or planting was completed (including the age of the perennial crops).
- Number of acres of the eligible crop in the administrative county (for each planting in the event of multiple plantings) in which the respondent has a share.
- Number of acres intended but prevented from being planted.
- Number of acres planted but failed.
- Zero acres planted when the respondent’s crop for which a NAP application for coverage was filed is not planted.
- Respondents share of the eligible crop at the time a NAP application for coverage was filed.
- Identity of all producers sharing in the crop.
- FSA farm serial number and location of commodities not necessarily associated with a farm, such as beehives for honey production, ponds and waterbeds for production of aquaculture, ornamental nursery and floriculture facilities, and trees for maple sap production.

Consequences if the information is not collected: A producer’s failure to submit the statutorily required information by the established date may result in the denial of benefits. If information is not reported, FSA has no basis to calculate APH, losses could not be determined, and information for crop insurance expansion could not be provided to RMA.

3. Describe any consideration of the use of improved information technology to reduce burden and any technical or legal obstacles to reducing the burden.

The FSA is making every effort to reduce burden by using information technology.

The Land Use has been piloted since 2003 and has been expanded from an initial 30 counties to 251 counties. The Land Use Project is a joint agency effort to reengineer the acreage reporting process to improve efficiency and reduce reporting burdens. The agencies include the Farm Service Agency, Natural Resources Conservation Service, and the Rural Development.

FSA is currently working to develop a web-based crop acreage reporting system to conduct acreage and compliance determinations. National deployment is scheduled for 2009 acreage reporting. GIS functionality will not be included in the 2009 deployment of the web-based software, however, GIS is schedule to be implemented into the web-based software for 2010 acreage reporting.

The web-based acreage reporting system will define the common information pertaining to agricultural land using tabular data to reengineer the processes involved in the acquisition and management of the data collected. The collected data will be available for county office employees to use for program-specific information and will serve as a main source when making determinations for eligibility, compliance and payments. The data collected will be stored and maintained in the database developed on the web.

The web-based acreage reporting system will provide a secure and reliable source for collecting and verifying reported information of land use data while maintaining the user-friendliness of previous applications by retaining the utilization of drop-down menus and point to click

selections as part of the crop reporting process.

Comprehensive Information Management (CIMS)

FSA, RMA and the private insurance industry are in the process of developing a CIMS which would provide insured producers the option to report crop acreage information to either their crop insurance agent or FSA. This project would focus on producer information, land units, production histories and loss information. CIMS would reduce the reporting burden for producers and customers. In addition, it would reduce workload for FSA County Offices.

The major objectives of the CIMS Project are to:

- Improve electronic access by agricultural producers and customers to programs
- Reduce the reporting burden for producers and customers
- Improve and protect the integrity of the information collected to administer USDA programs
- Meet the needs of the USDA agencies that require the data in the administration of their programs
- Improve the timeliness of the collection of the information
- Eliminate duplication of information collection and storage
- Lower the overall cost of information collection
- Combine, reconcile, define, translate and format common data in such a manner so that the agencies can use the comprehensive information management system developed.
- Develop the CIMS in such a manner as to facilitate access to applicable data as authorized by the Freedom of Information Act (FOIA).

4. Describe efforts to identify duplication.

Information collected under the NAP, DCP and CDP is not duplicated. County offices do not require or maintain separate reports of acreage for each program. A single report of acreage will include all acreage for all applicable programs. For example, for the DCP respondents are required to report total farm cropland acreage. If the report includes crops for which a NAP application for coverage has been filed, the respondent is not required to duplicate reporting of the NAP acreage. Likewise, CDP participants would not be required to duplicate reporting of acreage for which a CDP is requested.

Reconciliation reports are no longer being generated. However, the implementation of CIMS will allow for better sharing of program data between FSA and RMA and will eliminate duplicate reporting by producers. FSA and RMA share common customers. Currently, those customers are required to report specific information to both FSA and RMA through their agents. Much of the information reported to the county offices and the agent can be duplicative.

CIMS will allow interface by FSA and RMA and will provide the capability to share, transmit, and report on approved data of certain programs. The common components of CIMS will focus on the reporting of:

- Producer information,
- Crop and acreage; and

- Production

Through CIMS, National, State, county FSA office employees, RMA and approved RMA insurance providers should use discrepancy reports, when available to identify discrepancies and potential fraud, waste and abuse. Discrepancy reports are expected to be available later this year.

Prior to nationwide implementation, CIMS will be piloted in select States. Phase I of the CIMS Pilot involves producers, County Offices, and AIPs doing business in selected pilot States and Counties using selected common crops.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize the burden.

There are no additional reporting requirements created specifically for small businesses to meet the requirements.

6. Describe the consequence to the Federal program or policy activities if the collection were conducted less frequently.

NAP requires crop, commodity, and acreage information collection on a program year basis. Failure to collect the data on that basis would result in program overpayments through producer ineligibility, incorrect acres, or incorrect shares of the crop.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR Part 1320.6.

The acreage information collection is consistent with the guidelines in 5 CFR 1320.6.

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

A Federal Register notice of intent to request a revision of a previously approved information collection and request for comments at 70 FR 16479 was published on March 3, 2008. One comment was received.

In addition the following offices were directly contacted with no response or comment received:

- The National Farmers Union
- The American Farm Bureau
- The National Cotton Council

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

There are no incentive payments or gifts provided to respondents who file a report of acreage.

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

Information collected is handled according to established FSA procedures implementing the Privacy Act, Freedom of Information Act, and OMB Circular 130, "Responsibilities for the Maintenance of Records about Individuals by Federal Agencies".

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, etc. that are commonly considered private.

Information of a sensitive nature is not requested.

12. Provide estimates of the burden.

The estimated annual number of respondents is 291,500.

The estimated number of responses per respondent is 1.5. The product of multiplying 291,500 times 1.5 equals 437,250 responses.

The estimated average travel time to and from the USDA Service Center is one hour. 291,500 times 1 hour equals 291,500 burden hours for travel.

The estimated average time to respond is .75 hours.
.75 times 437,250 = 327,938 burden hours.
327,938 plus 291,500 equals 619,438 burden hours.

Respondent cost is 619,438 hours for completion of the form and travel to and from the county office times \$16.00 (average farm worker hourly wage). **Total annualized cost to respondents: \$9,911,008.**

13. Provide estimates of cost burden to respondents or record keepers.

There is no capital/startup cost associated with this information collection.

14. Provide estimates of annualized costs to the Federal Government

The cost of form development, printing and distribution is minimal because the form is computer generated. County employee cost is 327,938 hours for completion of the form times \$18.85 (average county employee hourly wage). **Total annualized cost to the Federal Government: \$6,181,631.**

15. Explain reasons for changes in burden, including the need for any increase.

The agency reevaluated their response time on form FSA-578 and increased the time from 30 to 45 minutes. As a result of this change there is a program increase of 109,313 burden hours.

16. Are there any plans to publish the data collected for statistical use, outline plans for tabulation, statistical analysis and publication?

No publication of these individual collections is currently intended by FSA. A summarization of total planted acres of a crop is occasionally compiled by FSA for the agency's purposes of making program projections and analysis. NASS makes available acreage data obtained from FSA and producer surveys in annual reports.

17. Reason display of expiration date of OMB approval is inappropriate.

FSA is not requesting that the OMB expiration date not be displayed.

18. Exceptions to 83-1 certification statement.

The FSA is able to certify compliance with all provision under item 19 of OMB form 83-

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19. How is this information collection related to the Customer Service Center?

Services under its program are delivered by FSA through USDA Service Centers. The electronic form is available on the Internet to the respondents. County employees at Service Centers interact with the respondents as described in question 2.