

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
(Commodity Credit Corporation)
OMB Number 0560-0175
7 CFR 1437, Noninsured Crop Disaster Assistance Program

Purpose:

The purpose of this request for OMB review is to obtain approval of an extension, of a currently approved collection. *The submission and request is necessary due to the impending expiration of the currently approved collection as regulated by statute for the Noninsured Crop Disaster Assistance Program (NAP).*

Background:

NAP is authorized by 7 U.S.C Section 7333 and promulgated in regulations at 7 CFR, Part 1437. It is administered under the general supervision of the Executive Vice-President, Commodity Credit Corporation (CCC) (Administrator, Farm Service Agency (FSA)), and made available through the State and county FSA committees.

NAP is intended to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to the catastrophic risk protection level of Federal Crop Insurance.

Crops eligible for coverage include certain commercial crops or other agricultural commodities (except livestock):

- _ for which catastrophic risk protection under 7 U.S.C. 1508(b) is not available; and
- _ that is produced for food or fiber.

Crops specifically included by statute include floricultural, ornamental nursery, and Christmas tree crop, turfgrass sod, seed crops, aquaculture (including ornamental fish), industrial crops, and sea grass and sea oats.

To qualify for assistance, the losses of eligible crops must be due to drought, flood, or other natural disaster, as determined by the Secretary.

A. Justification

1. Circumstances and legal or administrative requirements that necessitate the collection of information.

7 U.S.C. Section 7333 specifies that the Secretary (of Agriculture) shall:

- _ operate a noninsured crop disaster assistance program to provide coverage equivalent to the catastrophic risk protection otherwise available under 7 U.S.C. 1508(b)
- _ waive the required service fee in the case of a limited resource farmer.

Furthermore, the statute specifies producers shall:

- _ submit an application for NAP at a local office of the Department
- _ pay a service fee to the Secretary at the time they submit an application for coverage
- _ provide annually to the Secretary records of crop acreage (planted and prevented from being planted), acreage yields, and production for each crop by the designated acreage reporting date for the crop and location
- _ to be eligible for assistance under section 7333, have suffered a loss of a noninsured commodity as the result of an eligible cause of loss
- _ elect whether to receive NAP assistance or assistance under another program when the producer is eligible to receive NAP assistance and assistance for the same loss under any other program administered by the Secretary
- _ have their production adjusted upward by the amount of the production equal to the amount of a guaranteed payment for planted acreage, as opposed to delivery of the crop production,
- _ provide detailed documentation of production costs, acres planted, and yield for the crop year in which assistance is requested or if the Secretary determined these records inadequate, proof that the eligible crop, had it been harvested, could have been marketed at a reasonable price when the crop acreage in the administrative county in which the unit is located increases by more than 100 percent over any year in the preceding seven crop years or significantly from the previous crop year and the producer is denied an assigned yield.

Additionally, the statute specifies that a person who has qualifying gross revenues in excess of the amount specified (\$2 million) during the taxable year (as determined by the Secretary) shall not be eligible to receive any noninsured assistance payment.

2. How, by whom, and for what purpose the information is to be used and any consequences to the NAP if the collection of information is not conducted.

The following table illustrates how, by whom, and for what purpose information collection is accomplished relative to NAP.

If, Y	the producer Y	FSA Y
Prior to the application closing date for the specific crop and crop year,	Prior to the application closing date for the specific crop and crop year, files an application for coverage on CCC-471 files an application for coverage on CCC-471 certifies gross revenue of less than \$2 million on CCC-441 (Income)	computes a current crop year approved yield using APH certified by the producer, T-yields, and/or assigned yield.
on or before the earlier of the reporting date, or 15 days before the beginning of harvest,	on or before the earlier of the reporting date, or 15 days before the beginning of harvest, certifies a record of acreage on certifies a record of acreage on FSA-578 for the crop year or planting period	FSA-578 for the crop year or planting period accepts the certification as timely filed, spot checks reported crop acreage, and records determined acreage.
following damaging weather or adverse natural occurrence and within 15 days from the occurrence or the date damage to the crop or commodity became apparent,	following damaging weather or adverse natural occurrence and within 15 days from the occurrence or the date damage to the crop or commodity became apparent, files a notice of loss on CCC-576, files a notice of loss on CCC-576, part B and indicates an intention to:	part B and indicates an intention to:
	1) harvest potential production	1) harvest potential production accepts notice of loss as timely filed and approves or disapproves the notice of loss on the basis of: review of the notice of loss possible inspection of the crop

		acreage
	2) abandon or destroy crop acreage or dispose of the commodity without benefit of harvest	2) abandon or destroy crop acreage or dispose of the commodity without benefit of harvest accepts notice of loss as timely filed and approves or disapproves the notice of loss on the basis of: review of the notice of loss appraisal of potential production from the specific crop acreage
following appraisal and harvest of the specific crop acreage and on or before the subsequent crop year acreage reporting date,	following appraisal and harvest of the specific crop acreage and on or before the subsequent crop year acreage reporting date, certifies appraisal and/or production on CCC-576-1; CCC-576, part D, E, or F; or CCC-452 and assigned production on CCC-576 part D certifies appraisal and/or production on CCC-576-1; CCC-576, part D, E, or F; or CCC-452 and assigned production on CCC-576 part D	accepts certifications as timely filed, completes spot check of production records and updates APH data base.
	files an application for payment on CCC-576, part G	accepts the application for payment and certification of gross revenue as timely filed and approves or disapproves the application for payment on the basis of: actual, appraised or assigned production versus approved yield

The following forms will be used to collect the producer and person certifications necessary for the proper administration of the NAP. General information, i.e. name, identification, address, and telephone number of the applicant is retrieved from an existing database and pre-filled in the electronically generated forms using information previously provided to the agency for this and other programs. Applicants, who have not previously provided this information, including a permanent identification number, will be asked to provide it in conjunction with an

application for coverage. FSA customers are routinely asked to verify the accuracy of database information.

CCC-471

Application for Coverage

The Application for Coverage is used to identify the producer and eligible crops for which the producer selects NAP coverage. The application for coverage provides a venue for the applicant to request a waiver of the service fee requirement. FSA county offices use the crop identification to compute the approved yield for the crops, as applicable. Information collected consists of:

- _ an indication of whether the applicant requests a waiver of the service fee for limited resource producer. The applicant is asked to respond to a single question of whether the applicant is a limited resource producer according to 7 CFR Part 1437. Applicants indicating they are limited resource producers are required to maintain records that substantiate annual gross income for the 2 tax years preceding the crop year for which coverage is requested.
- _ Identification of the selected crops by name, type, and intended use. The producer selects the crop from an existing database of crops sorted by name, type and intended uses.

The producer certifies, by their signature, that all information provided is true and correct.

CCC-441 (Income)

Certification of Income Eligibility

The Certification of Income Eligibility is a certification of the person=s gross annual revenue according to 7 U.S.C. Section 7333(i)(4). The term Aperson@ has the meaning provided in 7 CFR 1400.3.

Information collected consists of the producer=s certification of whether the Aperson@ of which the producer is one or part of one:

- _ receives more than 50 percent of the person=s gross income from farming and ranching, and
 - _ had more than \$2 million qualifying gross income for the tax year immediately preceding the crop year for which benefits are requested.

The certification is rendered under the signature and date of the producer or authorized representative.

CCC-452

Actual Production History and Approved Yield Record

The Actual Production History and Approved Yield Record is used to record actual production history and calculate the subsequent crop year approved yield. Crop name, type or variety, planting number, practice, intended use, unit of measure is retrieved from the report of acreage provided by the producer earlier in the crop year. Other information including an indication of whether yield limitations apply, determinations of county expected yield, and adjusted T-yield, if applicable are provided by the county office.

Information collected consists of a certification of current crop year production and that the record includes a complete and accurate record of actual production history.

CCC-576

Notice of loss / Application for Payment

The Notice of Loss / Application for Payment is used to record the crop damage/loss or prevented planting of a specific crop and the producer's subsequent request for payment. Acreage and crop information provided on the report of acreage is retrieved from the farm and crop database and pre-filled on the form.

Information collected consists of:

- _ location of the damaged crop
- _ Identification of the damaging weather or adverse natural occurrence affecting the crop
- _ Date of damaging weather or adverse natural occurrence or period during which damaging weather, etc. occurred
- _ Date the damage/loss became apparent
- _ Type of loss (prevented planting or damaged crop/low yield)
- _ For the acreage intended but prevented planted, evidence of the intent to plant the acreage, (i.e. land preparation measures, e.g. tillage; applications of herbicides, pesticides, fertilizers, soil conditioners, etc.; and arrangements for custom tillage, planting, weeding, harvesting, marketing, etc).
- _ For damaged crop/low yield, the total affected acreage
- _ Cultivation practices employed on the damaged crop/low yield acreage before and after the date or period of damaging weather or adverse natural occurrence
- _ What has been done with prevented planted or damaged crop/low yield acreage
- _ What will be done with prevented planted or damaged crop/low yield acreage
- _ A summary of harvested and appraised production for yield based crops including commodities harvested for secondary use and a salvage value received or available
- _ A computation of the value loss crop, including the salvage value received
- _ A certification of information provided and retrieved from existing sources, and an application for payment.

CCC-576-1

Appraisal / Production Report

The Appraisal / Production Report is used to record the quantity of production appraised and measured by the authorized CCC representative. The loss adjustor

provides all the information on the form, other than general information discussed before. The loss adjustor may, in some circumstances, ask the producer questions relative to the crops condition etc., as required to complete the appraisal. Generally, if possible, producers accompany the loss adjustor while the appraisal is completed.

Information collected consists of an acknowledgment of the findings of the loss adjustor.

CCC-577

Transfer of Right to Payment

The Transfer of Right to Payment is used to document a request for transfer of a NAP payment from

1 producer to another. Producers must initiate the request and provide satisfactory evidence that the transfer occurred during the coverage period, i.e., the earlier of (a) the date harvest was completed, (b) the calendar date for the end of the coverage period, or (c) the date the entire crop was destroyed. Information collected consists of the name, address, identification number of the transferee/transferor, the effective date of the transfer, nature of transfer, and payment instructions.

3. 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 and any consideration of using information technology to reduce burden.

The use of improved information technology to reduce burden includes FSA=s utilization of the IBM Advanced System 36 to store and maintain producer, and farm and tract information relative to participation in FSA and CCC programs. Efforts to reduce burden specific to NAP includes the recording and retrieval of up to 10 years of producer=s actual production history and the previous crop year unit structure. The agency continues its efforts to provide, where practicable, electronic alternatives to traditional paper-based processes through eforms and full GPEA compliance.

CCC-441 (Income), CCC-576, CCC-576-1 (this is for County use only) and CCC-577 are available electronically at <http://forms.sc.egov.usda.gov>. In addition to electronic access, accommodations, such as the use of the mail or package delivery service are available for producers without Internet access or with circumstances that inhibit their visiting the applicable FSA county office.

4. Identifying duplication and using similar information already available.

The agency has identified minimal duplication of information collection within USDA. However, the agency has identified duplication of information collection outside USDA. Producer may be required to report information to multiple entities as a prerequisite to participating in local, State, regional and other Federal programs. The agency is pursuing partnerships with USDA entities and State governments to standardize the information collection and management processes. Although the agency has identified a number of areas where duplication of information collection occurs and is actively pursuing agreements to avoid it, there are limitations to sharing this information. Barriers to sharing this information with others include the need to standardize information collection

requirements; a common producer, land and crop identifier; and an electronic medium that allows each entity immediate access to the information upon producer certification.

5. Impact on small businesses or other small entities and methods used to minimize burden.

The information collection does not negatively impact small businesses or other small entities.

Based on the 2002 Census of Agriculture and using the logic that less than 50 acres would be small farm/business, then 34.5 % of the NAP numbers would be attributed to small farm/business. We are going on the assumption that NAP would be a sound statistical sample of all farms nationwide.

6. Consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently and any technical or legal obstacles to reducing burden.

The information collection is required for proper administration of the NAP on an as needed basis when damaging weather, etc. occurs resulting in loss of crop production. Annual collection of specific acreage and production data allows the agency to ensure compliance with program provisions while evidence of production and damaging weather remains available. Less frequent information collection would most likely compromise compliance efforts and result in a loss of program integrity and agency resources. Less frequent collection of acreage and production data could materially affect the agency's ability to respond timely to natural disaster situations which was a fundamental purpose for NAP and CAT.

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

a. Requiring respondents to report information to the agency more often than quarterly;

The respondents are not required to report information to the Agency more often than quarterly.

b. Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

The respondents are not required to do less than 30 days response to the information collection.

c. Requiring respondents to submit more than an original and two copies of any document; **The respondents are not required to submit more than an original and two copies of any documents.**

d. Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; **The respondents are not required to retain records for more than 3 years.**

e. 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; **This information collection does not use any statistical survey.**

f. Requiring the use of a statistical data classification that has not been reviewed and approved by OMB; **This information collection does not use any statistical survey.**

g. That includes a pledge of confidentiality that is not supported by authority established in statute 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. **There is no such requirements.**

- h. 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.
The respondents are not required to submit trade secret or other confidential information in this information collection.

8. Consultations with persons outside the agency to obtain their view 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 notice and request for comments regarding the agency's intent to request an extension, with changes of an approved information collection was published in the Federal Register (71 FR76961) on December 22, 2006.

There were no comments received from the public, except for one disgruntled complaint from a non-producer commenting on bureaucratic corruption and requesting an audit of the program and a full report on the 2005 program. The agency did not respond as there is no such report.

The following persons were contacted March 2007:

Mr. Charles Strickland
748 Odom Road, Clinton, NC 28328
Telephone: 910-564-2126

Comments: I support continuing the use of the forms to support producers' eligibility for the program. The record keeping is not in excess of what is needed for regular farm business purposes. Actually, the paperwork allows me an opportunity to keep abreast of yield and productions status. Going to the office to fill out the paper work allows me to ask questions about the programs. The staff ensures that I have reviewed my paperwork which ensures that I have applied for intended coverages. My suggestion would be to make the language more farmer-friendly and to provide more staff to assist farmers.

Mr. N. E. Deweber
1018 West Custer, Seymour, Texas 76380
Phone: 940-889-5741

Comments: Forms are time consuming to complete but all forms are needed to gather information to make proper determinations and to maintain integrity in the NAP.

Mr. Phil Friedrich
12592 East Deppert Road, Green Valley, Illinois 61534
Telephone:309-348-3177

Comments: The NAP is a reasonable program that provides coverage for non-insurable crops. I think there is a lot of paperwork; however, dealing with the paperwork is not that big of an ordeal. There may be some way to reduce the paper, but I don't know what could be done differently or changed.

FSA realized that data sharing was essential to collect program information and to leverage resources; therefore, FSA is working toward implementing a common information management system with RMA to reduce the incidence of both agencies requesting duplicative information from producers.

9. Payment or gifts to respondents.

No payments or gifts are provided to respondents.

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

The assurance of confidentiality of information collected is provided according to established FSA procedures implementing the Privacy Act, Freedom of Information Act, and OMB Circular A-130, Responsibilities for the Maintenance of Records about Individuals by Federal Agencies.

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

Information of sensitive nature is not collected.

12. Estimated hour burden of the collection of information.

Attached is FSA 85-1, Reporting and Record Keeping Requirements with the burden hour estimates for the NAP. The agency's estimates are based on the following:

The collection of service fees for the 2006 crop year of \$8,763,900. The basis for collection of service fees is:

- _ \$100 per crop per administrative county, or
- _ \$300 per producer per administrative county, but

_ not to exceed a total of \$900 per producer.

-The CCC-471, (Application for Coverage

The agency estimates 437,250 CCC-471 (Application for Coverage) will be filed annually. . (291,500 respondents x 1.5 applications = 437,250). The estimate is based on an average 1.5 applications filed per producer annually, for *new legislation and ad hoc and permanent disaster programs for which insurance is not available. The amount of information and forms for completion per producer will not change*

The average time to complete an application is 5 minutes. Completion of the CCC-471 is an automated process and therefore, the producer only answers a few questions regarding their identity and crops, etc. and signs the application. The estimated burden is 36,423 hours (437,250 times .0833).

All producers completing a CCC-471 must also annually certify:

CCC-441 (Income), Certification of Income Eligibility. Because the applicant must pay a service fee with each application, a determination of gross revenue eligibility is completed in conjunction with the application for coverage. An applicant completes only one CCC-441 (Income) annually. The average time to complete the certification is 5 minutes. The estimated burden is 24,282 hours (291,500 times .0833).

CCC-452, Actual Production History and Approved Yield Record for each enrolled crop. Assuming 3 crops per participant, approximately 874,500 CCC-452 will be filed annually. The average time to complete the CCC-452 is 5 minutes. The estimated burden is 72,846 hours (874,500 times .0833).

CCC-576, Part B, Notice of Loss. Producers whose enrolled crops suffer damage or apparent losses, or are prevented from planting and wish to receive a NAP payment, must file a CCC-576, part B, Notice of Loss. The agency estimates 30 percent or 262,350 of the total crops enrolled (874,500 x .30= 262,350) will suffer apparent damage or loss, or be prevented planted. With an average 3 crop per producer reported as damaged, etc., there would be approximately 87,450 respondents (262,350/ 3 crops =87,450 respondents). The average time to file a notice of loss is 15 minutes. The estimated burden is 65,588 hours (262,350 times .25)

CCC-576, Part G, Application for Payment. Producers whose enrolled crops suffer damage, etc. who wish to receive a NAP payment, must also file a CCC-576 Application for Payment. Assuming all producers who file a notice of loss will also file an application for payment, an estimated 87,450 producers will file 262,350 CCC-576 part G. The average time to complete the form is 15 minutes. The average time is based on the requirement that a producer requesting a NAP payment is also required to submit acceptable production evidence supporting their certification of production. The estimated burden is 65,588 hours (262,350 times .25)

CCC-576-1, Notice of Loss. Producers who file a notice of loss and indicate their intention to destroy or abandon the acreage without benefit of harvest must request an appraisal of the specific crop acreage on CCC-576-1. An estimated 39,352 responses will be filed (.15 times 262,350). The average time to complete the form is 60 minutes. It is customary for producers to accompany loss adjustor while conducting an appraisal. Upon completion of the appraisal, the loss adjustor and producers acknowledge the results by signing the CCC-576-1. When disagreements with the appraisal results occur, an additional CCC-576-1 is completed with the producer=s estimate of production. CCC makes a final determination. The estimated burden is 39,352 hours (39,352 x 1.0000).

CCC-577, Transfer of Right to NAP. When land enrolled in NAP is sold or transferred to another eligible producer, the parties may request transfer of the right to the NAP payment. The CCC-577, Transfer of Right to NAP Payment, must be completed and signed by all parties. The agency estimates 200 transfer of right to NAP payment will be filed annually. Because the transfer requires the concurrence of all parties, the estimated number of respondents is 400. The average time to complete the form is 5 minutes. The estimated burden is 33 hours (400 x .0833).

Travel Time. The average producer=s estimated average travel time to and from the local USDA Service Center is 60 minutes. Producers will visit the service center an estimated 961,950 times (see below). The estimated burden for travel time is 961,950 hours (1.0000 x 961,950).

- _ 437,250 times to file CCC-471 and CCC-441 (Income)
- _ 262,350 times to file CCC-576 part B and CCC-576-1
- _ 262,350 times to file CCC-576 part G and CCC-452
- 961,950 Total Travel Time.

Retention of Acceptable Records. An estimated:

- _ 291,500 producers must retain acceptable records of production of the applicable crop to substantiate the certification of production. The average producer certifies an average of 3 crops. The estimated times for retention of production records is 60 minutes per crop. The estimated burden is 874,500 hours (291,500 x 3 x 1.0000).
- _ 3,000 producers must retain documentation of salvage value of any enrolled crop and of any marketable or usable harvested production considered as secondary use. The estimated time for retention of these records is 60 minutes. The estimated burden is 3,000 hours (3,000 x 1.000).

Summary

The total estimated burden on the public for implementation and administration of the NAP is 2,143,562 hours as calculated and summarized in the table below:

Title of Form, Report, or Record	Burden Hours
Travel Time	961,950 respondents x 60 min (1.000) = 961,950 hrs.
Form CCC-441	291,500 respondents x 1 report x 5 min (.0833 hr.) = 24,282 hrs.
Form CCC-452	291,500 respondents x 3 reports x 5 min (.0833 hr.) = 72,846 hrs.
Retention of Records Time	291,500 respondents x 3 hrs = 874,500 hrs.
Form CCC-471	291,500 respondents x 1.5 reports x 5 min (.0833 hr.) =

	36,423 hrs.		
Form CCC-576, Part B	87,450 respondents x 3 reports x 15 min (.2500) 65,588 hrs.		=
Form CCC-576, Part G	87,450 respondents x 3 reports x 25 min (.2500) 65,588 hrs.		=
Form CCC-576-1	13,117 respondents x 3 reports x 60 min (1.000) 39,352 hrs.		=
Form CCC-577	400 respondents x 1 report x 5 min (.0833) 33 hrs.		=
Documentation of Salvage Value Time	1500 respondents x 60 min. (1.000) 1,500 hrs.		=
Documentation of marketable Production time	1500 respondents x 60 min (1.000) 1,500 hrs.		=
Totals		2,143,562 Hours	

13. Estimated total annual cost burden to respondents or recordkeepers resulting from the collection of information.

There are no capital (including start-up, operation, and maintenance) costs or purchase of service requirements resulting from the information collection. The information that must be provided to obtain program benefits is also necessary in the normal course of operating a commercial agricultural enterprise. The information collections do not require additional record keeping on the part of the applicant. There are no special requirements imposed on applicants and therefore the agency believes the amount of burden incurred in providing the acreage information is minimal.

14. Estimated annualized costs to the Federal Government

The estimated annual cost to the Federal Government for developing and distributing the forms used in the NAP is \$151,711 (\$0.07 times 2,167,302 responses). Mailing forms and informational materials to producers is estimated to cost \$1,381,171 (291,500 respondents times 0.5 hours times \$9.48 (average wage per hour of county office employee). Collecting and maintaining 2,167,302 annual responses from 291,500 respondents at 1.0031 hours per response is estimated to cost \$20,320,967 (2,143,562 hours times \$9.48). Total cost to the Government is estimated to be \$21,853,849.

15. Program changes or adjustments reported in Items 13 and 14 of the OMB 83-I

SUMMARY OF CHANGES FROM PREVIOUSLY APPROVED INFORMATION COLLECTION TO CURRENT SUBMISSION	
Description	Hours
Previously approved burden hours	2,143,562
A statutory amendment of 7 U.S.C. 7333 was enacted 2006 that made changes for tropical agriculture. The changes assisted the small producers in the tropical areas, minimizing required office visits, but did not affect the total burden for change.	0
No new forms have been introduced since the last information collection package and none have been eliminated.	0
Proposed burden hours	2,143,562

16. Plans for tabulation and publication.

There are no plans to publish the information collected. It is to be used solely to administer the program.

17. Inappropriate display of the OMB approval expiration date.

Display of the OMB approval expiration on the automated forms would require personnel and time to reprogram the form each time the expiration date changes, when the forms would otherwise not need to be changed.

18. Exceptions to the certification statement in Item 19 of OMB form 83-I.

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

19. How the information collection relates to the Customer Service Center.

Services under this program will be delivered by FSA through USDA Service Centers. Information collected in support of this program is not

unique to FSA and its collections and maintenance will augment the one-stop shopping principle of the USDA customer service center.