

**U.S. Department of Agriculture
Farm Service Agency (FSA)
OMB Number 0560-NEW
Crop Assistance Program (CAP)**

The Farm Service Agency (FSA) is requesting **EMERGENCY CLEARANCE** because of the October 18, 2010, initial sign-up date for CAP payments to eligible producers of soybeans, long grain rice, medium/short grain rice, sweet potatoes, and upland cotton in Secretarially designated primary disaster counties designated due to excessive moisture or related condition in 2009.

This initial sign-up date for applications is necessary because of the need to complete CAP payment processing before initiating the processing of applications for 2009 assistance under the Supplemental Revenue Assistance Payments (SURE) Program. Because CAP payments are included as revenue for SURE payment calculation, it is advantageous to producers and FSA to complete CAP payment processing in advance of 2009 crop year SURE payment processing. Otherwise, SURE payment processing will have to be re-run to capture revenue. This could involve forcing participants to make multiple trips to county offices, and it could require additional administrative time to process SURE applications. This is a one-time collection of data that only runs through December 1, 2010.

The interim rule will be published in the Federal Register to provide for the establishment of the CAP and to notify applicants.

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.**

CAP is authorized under Section 32 of the Agricultural Adjustment Act of 1935 (Pub. L. 74-320), as amended (section 32). Section 32 provides, in part, authority for the Secretary of Agriculture to exercise discretion to use section 32 funds to reestablish farmers' purchasing power by making payments to them in connection with the normal production of agricultural commodities produced for domestic consumption. Under CAP, the Secretary is using section 32 funds to restore purchasing power to upland cotton, long grain rice, medium/short grain rice, soybean, and sweet potato farmers who suffered an eligible 2009 loss (quality or quantity) on farms administratively located in counties that were included in primary Secretarial disaster designations due to excessive moisture or related condition.

- 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.**

FSA requires applications (FSA-860) from producers in eligible counties in order to determine eligibility and distribute payments under CAP. In order to receive a payment under CAP, a producer will be required to submit an application and retain verifiable or reliable documentation of production for three years. A small number of applicants will also have to file CCC-902, CCC-926, and AD-1026 to be eligible for CAP. FSA will publish an interim rule to provide guidance and solicit applications. The forms CCC-902 and CCC-926 are exempt from the PRA; however; they are not exempt for the CAP producers so we are accounting for burden for these forms in this request.

- 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.**

Applications (FSA-860) must be taken manually at county offices because of the short period to receive applications and distribute payments; however, data fields for the producer's administrative state and county, name, address, farm number, crop type and share acres will be pre-filled on the application by the county office from information previously provided on FSA-578, Report of Acreage. The producer will provide the producer's phone number (optional), indicate which crops suffered a 5 percent or greater loss due to disaster for each farm number, indicate whether each claimed loss was in quantity or quality, and sign and date the form certifying the loss.

Also, applicants must have submitted the following forms to FSA to be eligible for payment: CCC-902, Farm Operating Plan for Individual or Legal Entity; CCC-926, Average Adjusted Gross Income Statement; AD-1026, Highly Erodible Land Conservation (HELIC) and Wetland Conservation Certification; and FSA-578, Report of Acreage. Applicants will already have FSA-578 on file, and most applicants will already have CCC-902, CCC-926, and AD-1026 on file at the time of application; however, a small percentage of applicants may need to file these forms to become eligible. The CCC-902 and CCC-926 already contained the Paperwork Reduction Act exemption statement for other exempted programs but these forms are needed for this one-time program only.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose described in Item 2 above.**

The CAP application (FSA-860) is a new information collection; therefore, no similar form exists. This data is a one-time request and will be used for a short period.

The county office will pre-fill the following fields on the CAP application (FSA-860) with information previously provided on FSA-578: a producer's administrative state and county, name, address, farm number, crop type, and share acres. The producer will provide his phone number (optional), indicate which crops suffered a 5 percent or greater loss for each farm number, indicate whether each claimed loss was due to quantity or quality, and sign and date the form certifying his loss.

Also, applicants must have submitted the following forms to FSA to be eligible for payment: CCC-902, Farm Operating Plan for Individual or Legal Entity; CCC-926, Average Adjusted Gross Income Statement; AD-1026, Highly Erodible Land Conservation (HELIC) and Wetland Conservation Certification; and FSA-578, Report of Acreage. Applicants will already have FSA-578 on file, and most applicants will already have CCC-902, CCC-926, and AD-1026 on file at the time of application; however, a small percentage of applicants may need to file these forms to become eligible.

- 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.**

The information collected does not adversely impact small businesses or other small entities.

- 6. Describe the consequences 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.**

Failure to solicit applications will result in failure to provide payments to eligible producers as intended by CAP. This is a one-time collection of information. Because of the short period to receive applications and distribute payments and the need for county offices to complete portions of the application form, applications must be taken manually at county offices. Other methods for the filing of applications cannot be accomplished without sacrificing timeliness in providing assistance to producers.

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

- **Requiring respondents to report information to the agency more often than quarterly;**

None.

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

None.

- **Requiring respondents to submit more than an original and two copies of any document;**

None.

- **Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**

None.

- **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;**

None.

- **Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

None.

- **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**

None.

- **Requiring respondents to submit proprietary trade secret, 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.**

None.

- 8. If applicable, 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. Specifically address comments received on cost and hour burden.**

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

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

This is a new information collection request. The interim rule will be published in the Federal Register and will include the 30 to 60-day comment period required by the PRA.

We are also requesting **EMERGENCY CLEARANCE** because of the October 18, 2010, initial sign-up date to begin accepting applications and distributing payments.

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

No payments or gift are provided to respondents.

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

All information collected is treated as confidential. Agency policy prohibits the giving out of individual information. This information is handled according to the Privacy Act and Freedom of Information Act.

- 11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

No questions of a sensitive or personal nature are included in the application.

- 12. Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.**

FSA estimates that up to 279,091 producers may apply for CAP payments. This estimate is based on the number of enrolled DCP producers of upland cotton, long grain rice, medium and short grain rice, and soybeans and the NASS 2007 Census estimate of the number of sweet potato producers located in eligible 2009 primary Secretarial disaster counties.

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Completing the CAP application (FSA-860) is estimated to take an average of 1.25 hours per response. This includes an estimated average travel time to and from the USDA county office of one hour and an average time to complete the CAP application form at the office of 0.25 hours. We are comparing the time burden of completing this form similar to the time burden for completing a CCC-471 NAP Application for Coverage. The CCC-471 found under OMB Approval No. 0561-0175 is similar in that a producer is only selecting crops for which they are requesting NAP coverage. The CAP application is similar in that producers are only required to select the farm and crops for which a 5 percent or greater loss occurred. The annual burden for completing the application is 348,863.75 hours (279,091 responses x 1.25 hours).

Applicants are required to have previously filed FSA-578. The majority of applicants enrolled in DCP will have forms CCC-902, CCC-926, AD-1026 on file at the time of application; however, approximately 673 producers may not have previously filed those forms. The estimated time that those applicants are estimated to spend completing those forms is 2 hours per response (1 hour to complete CCC-902, 0.5 hours to complete CCC-926, and 0.5 hours to complete AD-1026). The annual burden for completing the additional required forms is 1,346 hours (673 responses x 2 hours).

The annual burden for this information collection package is 350,209.75 hours. This was calculated by adding the annual burden hours determined for the CAP application, other required forms and recordkeeping (348,863.75 hours + 1,346 hours).

Respondent cost per hour was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2009, Table 11-9012-Farmers and Ranchers. The U.S. mean household income, as measured by the Bureau of Labor, is \$20.53 hourly. The estimated cost is \$7,189,806.10 ($\$20.53 \times 350,209.75$ hours).

- 13. Provide estimates of the total annual cost burden to respondents or recordkeepers resulting from the collection of information (do not include the cost of any hour burden shown in items 12 and 14). The cost estimates should be split into two components: (a) a total capital and start up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component.**

There are no capital, startup, or ongoing operation/maintenance costs associated with this information collection to respondents or recordkeepers.

- 14. Provide estimates of annualized cost to the Federal government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.**

The cost of form development, printing and distribution is minimal because the form is computer generated. County employee cost per response is equal to 0.5 hours for completion of the application form multiplied by \$18.45 (estimated county employee average hourly wage; based 2010 General Schedule, Grade 7, Step 5).

The total annualized cost to the Federal Government is \$2,574,614.40 ($\18.45×0.5 hours x 279,091 responses).

- 15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-1.**

This is a new information request.

16. For collection of information whose results are planned to be published, outline plans tabulation and publication.

There are no plans to publish the results of CAP.

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

FSA is not requesting that the OMB expiration date not be displayed since this is a one time program.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act," of OMB Form 83-I.

USDA is able to certify compliance with all provisions under Item 19 of OMB Form 83-1.

19. How is this information collection related to the Customer County Office? Will this information be part of their one-stop shopping?

Applicants will continue a relationship with FSA County Offices administratively responsible for the farms where the applicants suffered eligible losses.