



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

TO: Drew Perraut
Office of Management and Budget Desk Officer

THROUGH: Ruth Brown
Department Clearance Office

FROM: Kathleen A. Merrigan
Deputy Secretary

A handwritten signature in black ink, appearing to read "Kathleen Merrigan", written over the printed name of the sender.

OCT 15 2010

SUBJECT: Request for Emergency Approval for a New Information Collection Package—
Crop Assistance Program (CAP)

This request is for the Office of Management and Budget review and emergency approval of a collection of information necessary to implement the Crop Assistance Program (CAP). The reason for this emergency approval request is that the producers in 953 counties would be seriously harmed if the Department's Farm Service Agency (FSA) delays making the payments to the producers for their crop losses due to the natural disaster.

The FSA will provide CAP payments to eligible agricultural producers who have crop acreage located in a primary disaster county as designated by the Secretary as a result of excessive moisture or related condition. To be eligible under CAP, a producer must have suffered a 5 percent or greater loss in quantity or quality due to disaster in the 2009 crop year. Crops include upland cotton, long grain rice, medium or short grain rice, soybean, and sweet potato. CAP funding is authorized by Section 32 of the Agricultural Adjustment Act of August 24, 1935, that allows the Secretary of Agriculture to use funds to help reestablish the purchasing power of farmers.

The signup period for CAP payments is expected to be October 18, 2010, through December 1, 2010 (the 45-day period after the rule is published). The interim rule will be published in the Federal Register to provide guidance and notify applicants of the signup period. Approximately 291,091 producers are expected to apply for CAP payments.

Memorandum to Drew Perraut
Page 2

FSA needs to collect the following information from applicants:

- The crops for which an applicant certifies suffered a 5 percent or greater loss due to disaster for each farm; and
- Whether each claimed loss was in quantity or quality.

Producers are also required to have forms CCC-902, Farm Operating Plan for Individual or Legal Entity; CCC-926, Average Adjusted Gross Income Statement; AD-1026, Highly Erodible Land Conservation and Wetland Conservation Certification; and FSA-578, Report of Acreage, on file to receive CAP payments.

We are requesting emergency approval of a new information collection package by October 18, 2010, in order to quickly provide assistance to farmers and 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 revenue, 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 rerun 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.

If there are any questions or concerns, please call Deirdre Holder at (202) 205-5851 or Mary Ann Ball at (202) 720-4283.