

**U.S. Department of Agriculture
Farm Service Agency
Supporting Statement
OMB Number 0560-New
7 CFR Part 1429 - - ASPARAGUS REVENUE MARKET LOSS ASSISTANCE
PAYMENT PROGRAM**

The purpose of this document is to request approval on a new information collection needed to administer the Asparagus Revenue Market Loss Assistance Payment Program (ARMLAP). This is a one time information collection activity.

1. Circumstances making collection of information necessary.

The Farm Service Agency (FSA) is required to make payments to domestic asparagus producers under ARMLAP as specified in Section 10404, Title X, of Public Law 110-246, the Food Conservation, and Energy Act of 2008. The Secretary of Agriculture delegated this program to FSA. Specifically, the Section 10404 of the 2008 Farm Bill (Pub. L. 110-246) directs the Secretary of Agriculture to “make payments to producers of the 2007 crop of asparagus for market loss resulting from imports during the 2004 through 2007 crop years.” The 2008 Farm Bill provides that the payment rate will be based on the reduction in asparagus farm revenue for the 2004 through 2007 crop years. The payment quantity will be the quantity of the 2003 crop of asparagus produced on a farm, which is used as the “baseline” production amount before the losses in 2004 through 2007 occurred. The ALAP Program specified in this rule would provide a one-time payment for the losses.

2. How, by whom, and for what purpose is information used.

To calculate the amount of a payment for an approved applicant, FSA must identify the producer, determine producer eligibility, determine the quantity of production eligible for payment, and know how to disburse the payment based on the applicant’s option of having a paper check mailed to the applicant, or having the payment deposited directly to an account of the applicant.

CCC-895. This form is the ARMLAP Application for use by producers. Applicants for these payments will submit CCC-895 to FSA by mail, fax, or as an e-mail attachment. This form identifies the applicant and provides production information (Items 8 and 9) from the 2003 asparagus crop that will be used to calculate payments for the applicant. Items 14 and 15, that request the crop share of the applicant, are required so that FSA can accurately calculate individual payments on farms for which multiple producers apply for payments. Item 16 requires a producer to validate production from both the 2003 and 2007 crops which is a statutory eligibility requirement. Item 17, refused payment, is provided because some applicants on a farm, although eligible, may refuse receipt of a payment for religious reasons.

SF-1199A, Direct Deposit Sign-Up Form. Applicants may submit this form to FSA if they request that any ARMLAP payment be deposited to an account instead of being disbursed by a mailed check. FSA estimates that most producers have already submitted SF-1199A for payments under other USDA programs. Thus, only 1 in 4 ARMLAP applicants are estimated to submit this form for the first time.

3. Use of improved information technology.

The CCC-895 and the SF-1199A will both be available at <http://intranet.fsa.usda.gov/fsa>. The applicants will have the option to email both forms. FSA is not providing a web-based application process for producers under this program because the program is authorized for only a one-time payment disbursement. Developing an on-line application process would delay payments under this program and require resources not provided by the authorizing legislation. FSA will use established processes for recording applications and disbursing payments. The application used at County Offices to record applications will be web-based.

4. Efforts to identify duplication.

The ARMLAP is not implemented by any other Agency.

5. Methods to minimize burden on small business or entities.

FSA is requiring the same information from all applicants, regardless of whether they are a small business. Because only the minimum of information needed to compute and disburse payments is requested, there is no way to minimize the burden for small entities.

6. Consequence if information collection were less frequent.

Information will be collected once. If the information were not collected, there would be no payments made to the asparagus producers.

7. Special circumstances.

There are no special circumstances.

8. Federal Register notice, summarization of comments, and consultation with persons outside the agency.

CCC will publish a proposed rule and request for comment in the Federal Register providing a 60-day comment period.

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

There are no payments or gifts provided to respondents.

10. Confidentiality provided to respondents.

All information collected is treated as confidential. Agency policy prohibits the revealing individual privacy information. However, summary information about the national number of applicants and resulting payments will be announced. All program information will be handled according to the Privacy Act and Freedom of Information Act.

11. Questions of a sensitive nature.

All applicants will be required to provide their taxpayer identification number because these payments will be reported to the Internal Revenue Service. The tax ID is also used to distinguish applicants having the same name and address.

If respondents elect to have any payment disbursed by direct deposit, they will be required to complete SF-1199A, Direct Deposit Sign-Up Form if it is not already on file at their FSA County Office. This form includes the payee account number, type of account (savings or checking) and financial institution routing number.

12. Estimates of Burden.

The attached FSA-85-1 summarizes the total reporting estimates (burden) associated with the two information-collection forms required to administer these payments. The estimated number of respondents is 2800 producers. However, the Census also indicates that there are 11 states where 2007-crop harvested asparagus acreage was 10 acres or less. Twenty-one states each had 50 harvested acres or less and those 21 states accounted for 413 farms or about 450 producers. FSA considers it likely that a large portion of these smaller-acreage farms will not apply for payments because of the relatively small payment rates that are anticipated.

Nevertheless, the estimates of reporting burden on the FSA-85-1 reflect the maximum level of program participation. The cost burden to an ARMLAP applicant can be estimated based on the value of time expended to complete and submit the application and direct-deposit forms plus transportation costs (assuming that each will drive to their County Office to submit the application.) Although the federal minimum wage is \$7.25/hour (effective starting July 24, 2009), the following cost estimates per individual and for the total program are based on a rate of \$20.00/hour which is thought to better reflect the value of time

to agricultural producers. This rate times the total burden hours of 1.5 hours per applicant (includes travel time of one hour) results in an estimated value of time expended by the applicant of \$30.00 and a total cost burden for 2800 applicants of \$84,000.

The applicant's out-of-pocket cost of driving to a service center (\$0.50/mile times 40 miles per trip = \$20.00) plus the value of time for completing both forms sums to \$50.00 per individual and \$140,000 for all estimated applicants.

13. Total annual cost burden to respondents or record-keepers.

There are no capital and start-up costs associated with this information collection.

14. Provide estimates of annualized cost to the Federal government.

CCC is currently using an average combined wage and benefit rate of \$35.80/hour for County Office employees to accept, review and enter applications into software. FSA estimates that each application submitted will require the following: 30 minutes to accept and review each application, and 15 minutes to access and enter each application into the application/payment software. These time and payment rates result in an estimated cost to CCC of \$75,180 for accepting and processing ARMLAP applications.

15. Reasons for changes in burden.

This is a new collection of information resulting in a program change of 3850.

16. Tabulation, analysis and publication plans.

FSA's application and payment software will provide a basis for calculating payment rates and individual payments based on the number of applications and quantities submitted for payment. Payments will be disbursed through FSA's National Payment System that provides for program disbursement reports.

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

Display of an expiration date is appropriate. This is a one-time program so expiration is appropriate.

18. Exceptions to 83-1 certificate statement.

FSA 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 Service Center?

The ARMLAP application will be submitted to FSA County Service Centers for processing. FSA staff will record information from the CCC-895 into software that will, in turn, be the basis for disbursements to approved applicants. If the ARMLAP program were a multi-year program, and funds for software development had been provided by the authorizing statute, then a web-based application process for applicants would likely have been established. In the absence of such funding, the only practical is FSA staff to record the application information. Software for such purpose will be developed by FSA permanent staff paid from other CCC funding sources.