

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 on a revision of a currently approved collection. CCC-441 (Income), Certification of Income Eligibility has been removed since NAP now follows Adjustment Gross Income (AGI) rules. This was determined recently to remove the forms from this information collection.

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):

- operates a noninsured crop disaster assistance program to provide coverage equivalent to the catastrophic risk protection otherwise available under 7 U.S.C. 1508(b)
- waives the required service fee in the case of a limited resource producer, beginning farmer/rancher, or small disadvantaged producer.

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 are produced for food or fiber.

Crops specifically included by statute include floriculture, ornamental nursery, Christmas trees, 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.

Furthermore, the statute specifies producers:

- submit an application for coverage on NAP at a local FSA office of the Department of Agriculture
- 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
- have suffered a loss of a noninsured commodity as the result of an eligible cause of loss to be eligible for assistance under section 7333
- 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, for 2009 and subsequent years, NAP payments will follow the rules of direct attribution for payment that require the total amount of payments attributed to a person are taken into account, including direct and indirect ownership of interest of the period in a legal entity that is eligible to receive payments.

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	THE PRODUCER	FSA SHALL
Prior to the application closing date for the specific crop and crop year,	Files an application for coverage on CCC-471	Compute a current crop year approved yield using Actual Production History (APH) as certified by the producer, temporary yields (T-yields), and/or assigned yields.
On or before the earlier of the reporting date, or 15 days before the beginning of harvest,	Certifies a record of acreage on Form FSA-578 for the crop year or planting period,	Accept the certification as timely filed, spot check reported crop acreage, and record 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,	Files a notice of loss on CCC-576, Part B and indicates an intention to: harvest potential production	Accept the notice of loss as timely filed and approve or disapprove the notice of loss on the basis of: <ul style="list-style-type: none"> • review of the notice of loss, and; • possible inspection of the crop acreage

	abandon or destroy crop acreage or dispose of the commodity without benefit of harvest	notice of loss as timely filed and approve or disapprove the notice of loss on the basis of: <ul style="list-style-type: none"> • review of the notice of loss, and; • 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,	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	<ul style="list-style-type: none"> • Accept the certifications as timely filed; • complete a spot check of production records, and; • update APH data base.
	Files an application for payment on CCC-576, Part G Accept the application for payment and certification of gross revenue as timely filed and approve-or disapprove 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.

A. CCC-471, Application for Coverage

Form CCC-471, NAP 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:

- The applicant's name, address, and other identifying information
- An indication of whether the applicant requests a waiver of the service fee for limited resource producer by responding to a single question of whether the applicant meets the definition of 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.

C. CCC-452, Actual Production History and Approved Yield Record

Form CCC-452, Actual Production History and Approved Yield Record is used to record actual production history and calculate the subsequent crop year's approved yield for a crop. The crop name, type or variety, planting period, practice, intended use, and unit of measure are 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 a 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.

D. CCC-576, Notice of loss / Application for Payment

Form CCC-576, 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:

- The location of the damaged crop
- Identification of the damaging weather or adverse natural occurrence causing the loss or prevented planting of the crop
- The date or period the:
 1. damaging weather or adverse natural occurrence, or
 2. damage or loss became apparent to the producer
- The type of loss (prevented planting or damaged crop/low yield)
- For the acreage intended but prevented from being planted, evidence of the intent to plant the acreage, (i.e. land preparation measures (tillage; applications of fertilizers, etc.), seed purchases, and arrangements for custom tillage, planting, weeding, harvesting, marketing, etc).
- The total affected acreage of the damaged crop and/or low yield
- 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 the producer has done with prevented planted or damaged crop/low yield acreage
- What the producer intends to do 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 if available
- A computation of a value loss crop, including a salvage value received
- A certification of information provided and retrieved from existing sources, and an application for payment.

E. CCC-576-1, Appraisal / Production Report

Form CCC-576-1, Appraisal / Production Report is used to record the quantity of production appraised and measured by an authorized loss adjustor. 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 condition of the crops, etc., as required to complete the appraisal. Generally, if possible, producers accompany the loss adjustor while the appraisal is being completed.

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

F. CCC-577, Transfer of Right to Payment

Form CCC-577, Transfer of Right to Payment is used to document a request for transfer of a NAP payment from one 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.

CCC-576, CCC-576-1 (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.

FSA realizes that data sharing is essential to collect program information and to leverage resources; therefore, FSA has implemented a Common Information Management System (CIMS) with RMA, which is a web-based system accessible by county and State offices to reduce the incidence of both agencies requesting duplicative information from producers.

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 continuing the pursuit of 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 2007 Census of Agriculture and using the logic that less than 50 acres would be small farm/business, 38.6 % of farms nationwide would be attributed to small farm/business, based 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.

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; **Respondents are not required to submit a written response to a collection of information less than 30 days after they have received it.**
- c. Requiring respondents to submit more than an original and two copies of any document; **Respondents are not required to submit more than one 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; **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; **FSA do not use any statistical survey.**
- f. Requiring the use of a statistical data classification that has not been reviewed and approved by OMB. **All forms used by producers related to participation in NAP have been approved by OMB.**

- 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 are 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. **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 no changes of an approved information collection was published in the Federal Register (71 FR 76961) on April 30, 2010. CCC has requested OMB approval on an extension of a currently approved ICR at that time, and CCC realized recently that CCC-441 was not longer needed and the burden hours were reduced in this information collection.

The 60-day comment period ended on June 29, 2010. The agency received one electronic response requesting (1) notice of loss to be allowed by telephone for native grass, (2) continuous crop certification for producers for no changes in native grass and, (3) the elimination of the requirement for producer to visit the county office to request (or sign for) payment for native grass.

The issues were previously reviewed at length, and are required to ensure the integrity of the program. A response will be sent to the respondent of New Mexico to relay feedback and to thank him for his participation during the comment period.

The following persons were contacted August 2010, after the 60-day comment period ended, concerning NAP and the required paperwork. The following comments were made:

Arthur T. McManus (orchard producer and owner)
313 Garfield Rd., Traverse City, MI 49686
231-218-3299 Cell
231-946-5867 Home

Comments: It is a lot of work to begin with but once we got the tree numbers and acres down it seems pretty good. The information that has been accumulated by FSA is helpful for the producers. Lets them know the number of acres and yield. Every time you make changes there is a lot more paperwork. I don't like the 80% and 20% share with my landlords.

Kolarik Brothers Farms (average fruit and general crop)
Julius Kolarik Jr.,
8288 E. Kolarik Rd., Northport, MI 49670
231-271-6016

Comments: The NAP paperwork is too much. I don't have time to understand all the paperwork and whatever needs to be signed. I trust the county office. I think the program is changing all the time. I didn't like the service fee changing from \$100 to \$250. The good record keeping tool is simple enough. Low yield years should be thrown out.

Glenn Chvatal
2615 County RD U, Prague, NE 68050
Home: 402-663-4386
Cell: 402-443-2101

Comments: NAP experience with the County Office has mostly been a positive experience. It's a great opportunity to build up yields on a farm, so you aren't subject to county averages or State average yields. The paperwork on the policy is somewhat difficult the first year, but after that first year, the continuous policy paperwork is relatively simple. Establishing that first four years of production history might make it more difficult for some producers to stick with it with annual crops like fruits and vegetables, but for perennial crops it's not a difficult process. With just a few other policies, it's harder for the staff to know the program because it is so complex, but they are helpful with the paperwork and try to follow up with reminders when due dates and deadlines approach.

Henry S. Allen (row crop producer)
358 Hilltop LN, Skippers, VA 23879
434-634-9625

Comments: I believe there are too many forms to fill out and some of the forms could be simplified or merged into one form.

Steven Davis (Vegetable Producer)
11204 NW County RD 236, Alachua, FL 32615-3549
386-462-5281

Comments: Need to simplify the program. FSA should be able to mainstream the program to be more efficient without it being so complicated. There is too much paperwork to complete and too many deadlines for the producer to keep up with. The forms need to be more practical and farmer friendly. There needs to be more staffing in the county offices because processing the applications takes too long. FSA needs to be more visible out in the county instead of relying on just paperwork.

9. Payment or gifts to respondents.

No payments or gifts are provided to respondents other than legitimate payments for which the producer has submitted approved OMB forms and is eligible to receive related to the NAP program

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.

FSA 85-1, "Reporting and Record Keeping Requirements" with the burden hour estimates for the NAP is attached and explained below:

The basis for collection of service fees is:

- \$250 per crop per administrative county, or
- \$750 per producer per administrative county, but
- not to exceed a total of \$1875 per producer in multiple counties.

The CCC-471, (Application for Coverage)

The agency estimates 437,250 CCC-471 (Application for Coverage) will be filed annually ($291,500 \text{ respondents} \times 1.5 \text{ applications} = 437,250$). 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 to be provided and forms to be completed 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 ($437,250 \text{ times } 0.0833$), ($5 \text{ minutes} / 60 \text{ minutes} = .08333 \text{ hr}$).

All producers completing a CCC-471 must also annually certify CCC-452, Actual Production History and Approved Yield Record for each enrolled crop. Assuming 3 crops per participant, approximately 874,500 ($291,500 \text{ respondents} \times 3 \text{ crops}$) CCC-452 will be filed annually. The average time to complete the CCC-452 is 5 minutes. The estimated burden is 72,846 hours ($874,500 \text{ times } 0.0833$).

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 ($874,500 \times 0.30 = 262,350$) will suffer apparent damage or loss, or be prevented planted. With an average 3 crops per producer reported as damaged, etc., there would be approximately 87,450 respondents ($262,350 / 3 \text{ crops} = 87,450 \text{ respondents}$). The average time to file a notice of loss is 15 minutes. The estimated burden is 65,588 hours ($262,350 \text{ times } 0.25$) ($15 \text{ min} / 60 \text{ min} = .25$).

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 ($262,350 \text{ times } 0.25$)

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 ($0.15 \text{ times } 262,350$). The average time to complete the form is 60 minutes. It is customary for producers to accompany a 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 0.0833).

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
- 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 2,119,280 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-452	291,500 respondents x 3 reports x 5 min (0.0833 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 (0.0833 hr.) = 36,423 hrs.
Form CCC-576, Part B	87,450 respondents x 3 reports x 15 min (0.2500) = 65,588 hrs.
Form CCC-576, Part G	87,450 respondents x 3 reports x 15 min (0.2500) = 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 (0.0833)	=	33 hrs.
Documentation of Salvage Value Time	1,500 respondents x 60 min. (1.000)	=	1,500 hrs.
Documentation of marketable Production time	1,500 respondents x 60 min (1.000)	=	1,500 hrs.
Totals	2,119,280 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

Total cost to the Government is estimated to be \$73,093,967 (2,119,280) burden hours x \$34.49 average wage per hour of county office employee)

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 enacted in 2009: <ul style="list-style-type: none"> • established definitions for native sod and de minimis acreage. The change exempted areas of 5 acres or less from native sod ineligibility rules • increased application fees • changed payment limitation to direct attribution for 2009 and subsequent years. 	0
These changes did not increase the total burden of information collection.	
No new forms have been introduced since the last information collection package. Form CCC-441, Certification of Income Eligibility, was eliminated since NAP now follows AGI rules and does not require any additional form.	(24,282)
Proposed burden hours	2,119,280

The program changes were the result of the removal of CCC-441 (Income), Certification of Income Eligibility from this information collection. The burden hours decreased by 24,282 and the number of responses decreased by 291,100. The number of respondent

did not change from the last approval.

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.