

**Supporting Statement**  
**Cotton Ginning Cost-Share (CGCS) Program**  
**OMB control number-0560-New**

The Farm Service Agency (FSA) is requesting an emergency approval for a new information collection request needed for the Cotton Ginning Cost-Share (CGCS) Program to cotton producers.

FSA is administering CGCS on behalf of the Commodity Credit Corporation (CCC). CCC is funding the program payments. A Notice of Funds Availability (NOFA) for this program will be expected to be published in the Federal Register on June 7, 2016.

FSA is requesting for an approval on the information collection by June 7, 2016. CGCS payments is expected to be completed by September 30, 2016, since program funding will be set up as a pay-go. If additional funds are needed, then an apportionment will be requested. If there is a surplus remaining, it will be returned. Also, FSA will issue a separate 60-day notice requesting for public comment on the collection if continuing beyond the 6-month OMB approval. The information collection is explained briefly in the Paperwork Reduction Act part in NOFA.

**1. Circumstances that make the collection of information necessary.**

This information collection is required for FSA to make cotton ginning cost-share payments to domestic cotton producers under CGCS. Specifically, the Commodity Credit Corporation Charter Act [15 U.S.C. 714c(e)] authorizes CCC to make payments to cotton producers to strengthen their ability to market baled cotton. The purpose of the program is to provide financial assistance to cotton producers who had a share in the 2015 cotton crop. The cost-share assistance is a one-time payment to eligible cotton producers. CGCS is a FSA program administered with CCC funds.

Funds for CGCS are limited to \$304 million.

The funding will be provided under the authority in 15 U.S.C. 714c(e).

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

The information collection requirements are described below and on the attached FSA-85-1, Reporting and Recordkeeping Requirements.

To calculate the CGCS payment amount for an approved applicant, FSA must identify the producer, determine the number acres planted to cotton, the producer's share of the cotton crop, and know how to disburse the payment based upon having 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.

Lack of adequate information to make the determination could result in the improper administration and appropriation of CCC funds. The applicant's certification to the number of acres planted to cotton and percentage of share in the crop is based upon the number of acres reported on FSA-578 Crop Acreage Report or Federal Crop Insurance crop acreage report to substantiate claimed share of 2015 cotton designated as planted or failed acreage.

The application will be based upon the 2015 crop acreage data already provided to FSA during the previous crop reporting season. The 2015 crop data has been pulled from the Crop Acreage Reporting System (CARS), and the data will be used to pre-fill on the CCC-882 CGCS application form in an Excel worksheet available to the FSA county offices. In this respect the information is already on hand, and the producer will only need to review the application, agree the information is correct, and sign off on the agreement to request a payment.

Production evidence will not required at the time of signup. It is possible that a producer did not file a FSA-578 crop acreage report last year, and they will need to late-file their 2015 cotton acreage, which would require a producer to submit production evidence to substantiate a share in the 2015 cotton crop. This will be limited to producers who will need to late-file their 2015 cotton acreage to FSA. FSA estimates fewer than 1,500 applicants will be required to late-file an application. The estimated burden hours for the production evidence is 125 (1500 x 5 minutes). The only other possible reason for submitting production evidence is if there is a dispute in the shares reported for the 2015 cotton crop.

It is also possible producers could have reported their 2015 acres to their crop insurance agent. The FCIC report would be accepted and entered on the worksheet, and the data would be pre-filled to the CCC-882. The application automation team will be providing specific instructions to the field in a program notice and in training slides in dealing with producers who have not already submitted a crop acreage report to FSA.

CCC-882 Cotton Ginning Cost-Share (CGCS) Program Application. The form is the CGCS Application for use by cotton producers. Applicants for this payment will submit the CCC-882 CGCS Application in person at a local FSA Service Center, by mail, fax, or as an e-mail attachment. This form identifies the applicant, provides the number of 2015 cotton crop acres in Part B Item 8 of form CCC-882, and the producer's claimed share of interest in Part B item 9 of form CCC-882 CGCS Application. The information collected is from the applicant's certification of cotton acres planted, including failed acres, for crop year 2015, the farm serial number and tract number's physical location to determine the cotton production region, and the applicant's share of the cotton acres for consideration of a CGCS payment. The information collected is used by FSA to

calculate the estimated CGCS payment amount based upon the cotton production region where the certified cotton acres are located, and to determine if the number of certified acres and share of the crop are the same as reported on the FSA-578 Crop Acreage Report, or Federal Crop Insurance crop acreage report, for the 2015 cotton crop year.

The estimated round-trip time from the applicant's home to the FSA office if the application is submitted in person is 1 hour which is included in this request.

SF-3881-ACH Vendor/Miscellaneous Payment (OMB control number 1510-0056). FSA is using one collection approved under Other OMB Control Numbers for the producers to sign up to get direct payment electronically from FSA. The estimated number of producers to complete this form is 1,500 and 375 burden hours (1,500 X 15 min.), and those burden hours are not included in this ICR, but the calculation is provided for reference.

**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 decisions for adopting this means of collection. Also describe any consideration of information technology to reduce burden.**

The application form of CCC-882 and SF-3881 Ach Vendor/Miscellaneous Payment Enrollment form will be available electronically at <http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>.

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

There is no duplication of information.

**5. Methods to minimize burden on small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods to minimize burden.**

To minimize the burden to small businesses and small entities, cotton crop acreage and producer shares can be obtained from previously filed FSA-578 Crop Acreage Reports or Federal Crop Insurance crop acreage report for the 2015 crop year. If one was not filed, producers is allowed late-file a crop acreage report.

**6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The Notice of Funds Availability (NOFA) requires the minimum information needed to determine the dollar amount the producer is eligible to receive under CGCS. This minimum reporting of information is necessary for FSA to administer CGCS in an equitable and cost-effective manner, and to ensure the applicant is not overpaid or underpaid.

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

- a) Requiring respondents to report information more frequently than quarterly. There are no information collection requirements that require information more frequently than quarterly.
- b) Requiring written responses in less than 30 days. There are no information collection requirements that require written responses in less than 30 days.
- c) Requiring more than an original and two copies. There are no information collection requirements that require more than an original or single copy of a document.
- d) Requiring respondents to retain records for more than 3 years. The respondents are not required to retain records for more than 3 years since the acreage report remains on file in the County Office.
- e) No utilizing statistical sampling. There are no such requirements.
- f) Requiring the use of statistical sampling which has not been reviewed and approved by OMB. There are no such requirements.
- g) Requiring the pledge of confidentiality. If documents were requested through FOIA, participants will be contacted to determine whether should be treated as confidential.
- h) Requiring submission of propriety trade secrets. There are no such requirements.

**8. Describe efforts to consult with persons outside the Agency to obtain their view on the availability of data, frequency of collection, the clarity of instructions and record keeping, disclosure, or reporting format (if any), and on data elements to be recorded, disclosed, or reported.**

CCC will publish a Notification of Funds Availability (NOFA) on June 7, 2016 on the program. FSA will issue a separate 60-day notice requesting public comment on the collection if it will continue beyond the 6-month approval.

**9. Explain any decision to provide any payment or gift to respondents.**

There is no payment or gift given to respondents.

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

All information collected is treated as confidential. FSA policy prohibits revealing individual privacy information. Only summary information about the national number of applicants and resulting payments will be announced. The vast majority of the information has already been collected under previous submissions. Information collected is handled according to established FSA procedures implementing the Privacy Act, Freedom of Information Act, and OMB Circular 130, "Responsibilities for the Maintenance of Records about Individuals by Federal Agencies".

**11. Provide additional justification for any question of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.**

The information collected under NOFA is financial in nature. As a condition for the receipt of CGCS payments, CCC will handle financial information as part of the business operations. However, the information is required to properly administer federal funds.

**12. Provide estimates of the hour burden of the collection of information.**

The attached FSA-85-1 summarizes the total reporting estimates (burden) associated with the information-collection required to administer these payments. This collection of information is a one-time application. The estimated number of respondents is 36,000. The burden and costs reflects the average of the one-time information collection activities and also includes the travel times of average 1 hours. These estimates were prepared based on the variety of forms and other information collection methods that will be used by the field offices.

The respondents are mainly cotton producers. The cost burden to a CGCS 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 participant will drive to their County Office to submit the application.) Although the federal minimum wage is \$7.25 per 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 per hour which is thought to better reflect the value of time to agricultural producers. This rate time the total burden of 1.3 hours per applicant (includes travel time of one hour) results in an estimated value of time-expended by the application of \$26 and a total cost burden for 36,000 applicants of \$936,000.

The applicant's out-of-pocket cost of driving to a service center is (\$0.54 cents per mile time 40 miles per trip = \$21.60) plus the value of time for completing both forms (1.3 x \$20 = \$26) equals \$47.60 per individual and \$1,713,600 for all estimated applicants.

**13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.**

The recordkeeping requirement to support the application for the producers is contained in the total burdens.

**14. Provide estimates of annualized cost to the Federal Government.**

CCC is currently using an average combined wage and benefit rate of \$35.80 per hour for County Office employees to accept, review and enter applications into payment 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 \$966,600 for accepting and processing CGCS applications.

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

This is a new and one-time information collection.

**16. For collection of information whose results will be published, outline plans for the tabulation and publication.**

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

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

Display of an expiration date is appropriate.

**18. Explain each exception statement to the certification statement identified in Item 19 on OMB Form 83-I.**

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