

Supporting Statement
2019 Market Facilitation Program (MFP)
OMB control number-0560-0293

FSA is requesting for 3-year approval for the information collection of 2019 Market Facilitation Program (2019 MFP). The information collection request is needed to provide assistance through 2019 MFP with respect to commodities that have been significantly impacted by actions of foreign governments resulting in the loss of traditional exports. The collection will be merged with the collection of 0560-0292.

FSA is administering 2019 MFP on behalf of the Commodity Credit Corporation (CCC). CCC is funding the program payments. This information collection request will correspond with a final rule for MFP to be published in the Federal Register at the same time with subsequent notices of funding availability (NOFA) to be issued to announce the eligible commodities and payment rates.

The additional commodities may be announced may increase the number of responses and respondents depending on what commodities are added. The following commodities were announced by the Secretary on May 23, 2019, for 2019 MFP:

Non-specialty crops - alfalfa hay, barley, canola, corn, crambe, dry peas, extra-long staple cotton, flaxseed, lentils, long grain and medium grain rice, mustard seed, dried beans, oats, peanuts, rapeseed, safflower, sesame seed, small and large chickpeas, sorghum, soybeans, sunflower seed, temperate japonica rice, upland cotton, and wheat.

Specialty crops – tree nuts, fresh sweet cherries, cranberries, fresh grapes and ginseng.

Livestock – dairy and hogs.

1. Circumstances that make the collection of information necessary.

This information collection is required for FSA to make MFP payments to domestic crop and commodity producers. Specifically, the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) authorizes CCC to assist in the disposition of surplus commodities and to increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.

The purpose of 2019 MFP is to aid producers in the disposition of surplus commodities and aid in the expansion of domestic markets or aid in the development of new and additional markets and uses for the specific crops or commodities that are negatively impacted by actions of foreign governments.

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

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 2019 MFP payment amount for an approved applicant, FSA must identify the producer and determine the total number of acres by county of the planted to non-specialty and/or specialty commodities, or actual production of the commodity (such as, number of livestock or amount of historical production), the producer's share of the crop or commodity, 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.

In order to determine whether a producer is eligible for 2019 MFP and to calculate a payment, a producer is required to submit CCC-913, Market Facilitation Program (MFP) 2019 Application, and CCC-913 continuation form for adding more information for Part D; CCC-941, Average Adjusted Gross Income (AGI) Certification, CCC-942 Request for an Exception to Average AGI limitation, and Consent to Disclosure of Tax Information; CCC-902, Farm Operating Plan for Payment Eligibility; FSA-578, Report of Acreage; and AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation Certification. Most applicants will already have FSA-578, CCC-902, CCC-941, and AD-1026 on file at the time of application; however, a percentage of applicants who have not previously participated in FSA programs may need to file these forms to become eligible. The new producers will complete the forms if have not yet filed with FSA.

CCC-942 Request for an Exception to Average AGI limitation is a new form and is required if at least 75 percent of the person or legal entity's average AGI is derived from farming, ranching or forestry related activities and the participant provided required certification and documentation, the person or legal entity, other than a joint venture or general partnership, is eligible to receive 2019 MFP payments, directly or indirectly up to the payment limit. The estimated burden hours for the production evidence is 917 (11,000 x 5 minutes).

FSA-578- Report of Acreage is used for the producers to provide FSA the acreage data to determine program eligibility. The estimated burden hours for this form is 7,500 (15,000 x 0.50).

CCC-902- Farm Operating Plans for an Individual is used to collect information about individuals that is used by FSA to determine eligibility for payments. Also, this form is designed for individuals using a social security number and requesting program payments as an individual on their own farming operation.

CCC-941- Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information is to be used for producers to do the certification of compliance with the \$900,000 AGI limitation applicable to 2011 through 2023 crop, program, and fiscal year benefits.

AD-1026- Highly Erodible Land Conservation (HELIC) and Wetland Conservation Certification for producers to use this form to certify compliance with the highly erodible land and wetland conservation provisions as a condition of eligibility for certain USDA programs. It is not necessary to complete this form if a previously filed AD-1026 is on file in the FSA serving office and there have not been any changes in your farming operation or changes to the previously listed affiliates. This form is exempted from PRA for any FSA programs but included the burden hours for information.

Production evidence will not be required at the time of signup. It is possible that a producer did not file an FSA-578 crop acreage report for the 2019 crop year, and they will need to late-file their 2019 crop acreage, which would require a producer to submit production evidence to substantiate a share in the 2019 crop. This will be limited to producers who will need to late-file their 2019 crop acreage to FSA. FSA estimates no more than 5,000 applicants will be required to late-file an application. The estimated burden hours for the production evidence is 1,250 (5,000 x 15 minutes). The only other possible reason for submitting production evidence is if the certified acreage or number of head of hogs is determined to be questionable.

CCC-913 – 2019 Market Facilitation Program (2019 MFP) Application. The form is the 2019 MFP Application for use by producers requesting a 2019 MFP payment. The estimated burden hours for the production evidence is 195,000 (780,000 x 15 minutes). The only other possible reason for submitting production evidence is if the certified acreage or number of head of hogs is determined to be questionable.

Applicants for this payment will submit the CCC-913 - 2019 MFP Application in person at a local FSA Service Center, by mail, fax, as an e-mail attachment, or online through www.farmers.gov web portal. This form identifies the applicant identified in Part B of form CCC-913 2019 MFP Application, the production and/or planted acreage of the commodities for the 2019 market year as certified by the producer in Parts C, D, and/or E of form CCC-913 2019 MFP Application. The CCC-913 Continuation form provides additional space for Part D (125,000 x 15 min.= 31,250 burden hours). The information collected is used by FSA to calculate the 2019 MFP payment amount based upon the certified acreage or production amount(s), and to determine if the crop acreage or production amount(s) are for the 2019 market year.

SF-3881-ACH Vendor/Miscellaneous Payment (OMB control number 1530-0069). 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 22,500 and burden hours 5,625 (22,500 X 15 minutes), and those burden hours are not included in this ICR.

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 CCC-913, CCC-902, CCC-941, CCC-942, and FSA-578Manual (online mostly) are available electronically at <http://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>. FSA also plans to allow producers with Level 2 eAuthentication accounts to apply online through www.farmers.gov/MFP.

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 83-1), describe any methods to minimize burden.

To minimize the burden to small businesses and small entities, producers' shares and acreage of the crop commodities can be obtained from previously filed FSA-578 Crop Acreage Reports or Federal Crop Insurance Acreage reports for the 2019 crop year. If one was not filed, producers will be able to late-file a crop acreage report. Dairy production can be obtained from established milk production history for producers who have participated in the Dairy Margin Coverage Program (DMC). The information collected does not adversely impact small businesses or other small entities. The small businesses or entities number is 663,000.

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 final rule requires the minimum information needed to determine the dollar amount the producer is eligible to receive under 2019 MFP. This minimum reporting of information is necessary for FSA to administer 2019 MFP 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. None.
- b) Requiring written responses in less than 30 days. None.
- c) Requiring more than an original and two copies. None.
- d) Requiring respondents to retain records for more than 3 years. None.
- e) No utilizing statistical sampling. None.
- f) Requiring the use of statistical sampling which has not been reviewed and approved by OMB. None.
- g) Requiring the pledge of confidentiality. None.
- h) Requiring submission of propriety trade secrets. None.

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.

The 60-day notice was included in the NOFA requesting for comments on the information collection request (84 FR 36565, dated 7/29/2019). There were 8 received comments but those comments were not affecting the collection.

The following individual was consulted regarding this information collection and thought the process was clear, and, had no suggestions for modification of the forms or information required.

Merl Troyer, OK
918-527-0368

Neitsch Farms, TX
830-857-3619

E-Brothers LLC, TX
830-263-1235

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.

FSA policy prohibits revealing individual privacy information. 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.

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.

FSA estimates that up to **780,000** producers may apply for 2019 MFP payments. The burden and the costs reflect the average of the one-time information collection activities. These estimates were prepared based on the variety of forms used by the field offices.

The annual burden for this information collection package is 550,317. This was calculated by adding the annual burden hours determined for the MFP application, other required forms (CCC-902, CCC-941, CCC-942 and FSA-578 including late-filed acreage reports) and production evidence (recordkeeping).

Respondent cost per hour was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2017, 11-9013 Farmers, Ranchers, and Other Agricultural Managers. The U.S. mean household income, as measured by the Bureau of Labor, is \$38.62 hourly. Also, a total employer compensation costs (fringe benefits) for all workers averaged \$11.25 per hour worked from Bureau of Labor Statistics website, specifically in the document of the employer costs for employee compensation, September 2018. Resulting in \$49.87. The estimated cost is **\$27,444,292** (\$49.87 x 550,317).

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

There are no capital and start-up, or ongoing operation or maintenance costs associated with this information collection.

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

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 \$19.74 (estimated county employee average hourly wage; based 2019 General Schedule, Grade 7, Step 5). A total employer compensation costs (fringe benefits) for all government workers averaged \$7.20, 37%, per hour worked from Bureau of Labor Statistics website, specifically in the document of the employer costs for employee compensation, September 2018. The total annualized cost to the Federal Government is **\$19,523,418** ($\$19.74 + \$7.20 \times 0.5 \text{ hours} \times 1,449,400 \text{ responses}$).

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

There are no changes to the burden hours since the approval of emergency request.

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

There are no plans to publish the results of MFP.

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.

FSA will display OMB expiration date on the forms.

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.