

Supporting Statement
Coronavirus Food Assistance Program (CFAP)
OMB control number-0560-NEW

The Farm Service Agency (FSA) is requesting **EMERGENCY CLEARANCE** by May 13, 2029 because of the May 26, 2020, sign-up date to begin accepting applications and distributing payments.

FSA is requesting **EMERGENCY CLEARANCE** because the USDA has directed FSA and AMS to implement the Coronavirus Food Assistance Program (CFAP) and to provide assistance to producers of agricultural commodities who have suffered a 5-percent-or-greater price loss due to COVID-19 and face additional significant marketing costs that are eligible for compensation under Section 5 (b), (d) and (e) of the Commodity Credit Corporation (CCC) Charter Act for currently held inventories. These additional significant marketing costs are associated with lower prices given significant declines in demand, surplus production, or disruptions to shipping patterns and the orderly marketing of commodities. Non-specialty crops eligible for CFAP payments are barley (malting), canola, corn, upland cotton, millet, oats, sorghum, soybeans, sunflowers, and durum and hard red spring wheat. Payments also will be available to producers of specialty crops (including, but not limited to, almonds, beans, broccoli, sweet corn, lemons, iceberg lettuce, spinach, squash, strawberries, and tomatoes) and livestock commodities (including dairy, cattle, hogs and pigs, lambs and yearlings, and wool). CFAP eligibility for certain other commodities (including agricultural commodities for which sufficient information is not currently available to USDA) is being evaluated through a Notice of Funds Availability process. The CFAP application period will end August 28, 2020.

1. Circumstances that make the collection of information necessary.

Producers will receive payments under the Coronavirus Aid, Relief, and Economic Stability (CARES) Act, in the amount of \$9.5 billion, to compensate for losses due to price declines that occurred between mid-January 2020 and mid-April, 2020. CCC Charter Act (Section 5 (b), (d) and (e)) funding will compensate producers for \$6.5 billion due to on-going market disruptions and will assist with the transition to a more orderly marketing system as the pandemic wanes. CCC funds will assist producers with the purchase of materials and facilities required in connection with the production and marketing of agricultural commodities, aid in the removal or disposition of surplus agricultural commodities, and aid in the development of new and additional markets, marketing facilities, and uses for such commodities.

In order to determine whether a producer is eligible for CFAP and to calculate a payment, a producer is required to submit AD-3114, CFAP application; AD-3114A, CFAP application-continuation; CCC-902, Farm Operating Plan for Payment Eligibility, Parts A & B; CCC-901, Member Information for Legal Entities, if applicable; CCC-941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information; and CCC-942, Certification of Income from Farming, Ranching, and

Forestry Operations, Optional, and AD-1026- Highly Erodible Land Conservation (HELIC) and Wetland Conservation Certification.

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

This is a new information collection request.

The information submitted by respondents will be used by FSA and AMS to determine eligibility and distribute payments to eligible producers under CFAP.

The following forms are for the producers to complete, where applicable, to get CFAP payments:

AD-3114 – CFAP application - Producers are required to submit this form in order to be eligible for CFAP payment. Producers will be providing CFAP information to the FSA County employee by either in person, or by mail, or by email or fax. The FSA county office staff will manually enter the information into an automated system in order to print out the completed CFAP application. Additional enhancements will allow a producer to complete the application on-line using eAuthentication.

AD-3114A – CFAP application-Continuation is a continuation form for the producer to complete the application with additional information.

CCC-901 Member Information for Legal Entities, if applicable - Producers are required to complete this form to report information about their farming operation, if they have not previously provided it.

CCC-902- Farm Operating Plans for an Individual (Part A and B) is used to collect information about individuals to report their farm operations to determine eligibility for payments, if they have not previously provided it. 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, if they have not previously provided it.

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 CFAP payments, directly or indirectly up to the payment limit.

AD-1026- Highly Erodible Land Conservation (HELIC) and Wetland Conservation Certification for producers 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 the PRA for any FSA programs but included the burden hours for information.

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 applicants will submit CFAP information by reporting to FSA County Office employees, mail, emailing, or faxing. The FSA county office staff will enter the data from the application into an automated system. The system will allow all data fields to be entered. The system will print out the completed CFAP application that the applicant will be required to sign and return to the FSA County Office. Applicants can also complete, sign and electronically submit their applications by email or fax. Additional enhancements will allow a producer to complete the application on-line using eAuthentication.

Also, CFAP applicants (AD-3114 and AD-3114A-continuation) must submit the following forms to FSA to be eligible for payment, if applicable: CCC-902, Farm Operating Plan for Payment Eligibility; CCC-901, Member Information for Legal Entities, if applicable; CCC-941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information; and CCC-942, Certification of Income from Farming, Ranching, and Forestry Operations, Optional and AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation.

Most applicants will already have CCC-902, CCC-901, CCC-941, and CCC-942 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 electronic form versions are available in the USDA eForms website:

<https://forms.sc.gov.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.

The CFAP application is a new information collection; therefore, no similar form exists.

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.

The information collected does not adversely impact small businesses or other small entities. There are 1,467,000 small businesses or entities.

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.

Failure to solicit applications will result in failure to provide payments to eligible producers as intended by the CARES Act. Because of the short time period to receive applications and distribute payments and the need for county offices to complete portions of the application form, applications must be taken at county offices and entered in automated system.

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

- **Requiring respondents to report information to the agency more often than quarterly;**

None.

- **Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**

None.

- **Requiring respondents to submit more than an original and two copies of any document;**

None.

- **Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**

None.

- **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;**

None.

- **Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**

None.

- **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**

None.

- **Requiring respondents to submit proprietary trade secret, 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.**

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.

This is a new information collection request. The final rule for CFAP will be published in the Federal Register. Also, the Notice of Fund Availability (NOFA) that will be published at the same time as CFAP rule will include the 60-day comment period required by the PRA. The 3 names for consultation on CFAP information collection request will be included in the regular submission.

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. Agency policy prohibits the giving out of individual information. This information is handled according to the Privacy Act and Freedom of Information Act.

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.

USDA estimates that up to 1,630,000 producers may apply for CFAP payments. See the Reporting and Recordkeeping Requirements spreadsheet that contained all the numbers for each form.

The annual burden for this information collection package is 3,647,400 hours.

AD-3114 – CFAP application - Producers are required to submit this form to be eligible for CFAP payment. The estimated burden hours for the application is 1,630,000 (1,630,000 x 1 hour). The estimated average burden hours for the AD-3114 include the time a producer may incur, if subject to spot check, to collect and provide the appropriate documentation in support of the spot check.

AD-3114A – CFAP application-Continuation is a continuation form for the producer to complete the application with additional information. The estimated burden hours for this form is 1,600,000 (1,600,000 x 1 hour).

CCC-901 Member Information for Legal Entities, if applicable - Producers are required to complete this form to report information about their farming operation, if they have not previously provided it. The estimated burden hours for the form is 50,000 (100,000 x 30 minutes).

CCC-902- Farm Operating Plans for an Individual (Part A and B) is used to collect information about individuals to report their farm operations 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. The estimated burden hours for the form is 34,400 (430,000 x 5 minutes).

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. The estimated burden hours for the form is 150,000 (600,000 x 15 minutes).

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 CFAP, directly or indirectly up to the payment limit. The estimated burden hours for the form is 3,000 (12,000 x 15 minutes).

AD-1026- Highly Erodible Land Conservation (HELC) and Wetland Conservation Certification for producers 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 the PRA for any FSA programs but included the burden hours for information. The estimated burden hours for the form is 196 (2,445 x 5 minutes).

Respondent cost per hour was derived by using U.S. Bureau of Labor Statistics Occupational Employment and Wages, May 2020, 11-9013 Farmers, Ranchers, and Other Agricultural Managers. The U.S. mean household income, as measured by the Bureau of Labor, is \$41.35. Fringe benefits for all private industry workers are an additional 29.9 percent,¹ or \$12.36, resulting in a total of \$53.71 per hour. The estimated cost is \$186,234,054 (\$53.71 x 3,467,400 hours).

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

There are no capital, startup, or ongoing operation/maintenance costs associated with this information collection to respondents or record-keepers.

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

The cost of form development, printing and distribution is minimal because the forms are computer generated. CFAP application information are entered in an automated system manually and will print out the completed CFAP application that the applicant will sign it. County employee cost per response is equal 1 hours for completion of the application form multiplied by \$ 27.21 (estimated county employee average hourly wage; based 2020 General Schedule, Grade 7, Step 6). Fringe benefits for all government workers are an additional 31 percent, or \$8.43, resulting in a total of \$35.64 per hour. The total annualized cost to the Federal Government is \$1,55,818,080 (\$35.64 x 4,772,000 responses).

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 information 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 CFAP.

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 is requesting that the OMB expiration date will be displayed.

¹ U.S. Bureau of Labor Statistics. "Employer Costs for Employee Compensation." News release. March 19, 2020. <https://www.bls.gov/news.release/ecec.htm>.

18. Explain each exception statement to the certification statement identified in Item 19 on OMB Form 83-1.

FSA is able to certify compliance with all provisions under Item 19 of OMB Form 83-1.