

Supporting Statement
Spot Market Hog Pandemic Program (SMHPP)
OMB control number-0560-0305

The Farm Service Agency (FSA) is requesting OMB approval on a revision of currently approved information collection request. The SMHPP emergency request was submitted and approved for the 6-month approval.

1. Circumstances that make the collection of information necessary.

Applicants receive payments under the CARES Act to compensate eligible hog producers for hogs sold through a spot market sale from April 16, 2020, through September 1, 2020. \$50 million has been allocated to fund SMHPP. The SMHPP application period in the 2nd NOFA for SMHPP has been extended to April 29, 2022.

To determine whether a producer is eligible for SMHPP and to calculate a payment, an applicant is required to submit form FSA-940, SMHPP application with supporting documentation; form AD-2047, Customer Data Worksheet (if applicable); form CCC-901, Member Information for Legal Entities, if applicable; form CCC-902, Farm Operating Plan for Payment Eligibility; form CCC-941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information; form FSA-1123, Certification of 2020 AGI (if applicable); and form AD-1026 – Highly Erodible Land Conservation (HELC) and Wetland Conservation Certification.

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

The following forms must be on file to receive a SMHPP payment:

Form FSA-940 – SMHPP application; applicants will provide the total number of hogs sold through a spot market sale between April 16, 2020, and September 1, 2020, to an FSA county office either in person or by email or fax. The FSA county office staff will enter the information into an automated system.

All applicants must also provide supporting documentation to verify the accuracy of information provided for the form FSA-940 application, including to substantiate the number of hogs reported on the application that were sold through a spot market sale and how the price was determined for the sale.

Form AD-2047 – Customer Data Worksheet is used to collect customer data for Business Partner.

Form CCC-901 – Member Information, if applicable; applicants are required to complete this form to report information about their farming operation, if they have not previously provided it.

Form CCC-902 – Farm Operating Plan is used to collect information about an individual or entity’s farm operations to determine eligibility for payments.

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

Form FSA-1123 – Certification of 2020 AGI (if applicable); applicants will use this form to certify eligibility for the exception to the \$900,000 average AGI limitation if their AGI for 2020 is below \$900,000.

Form 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 the 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.

Applicants submit the form FSA-940 to FSA County Office employees via email or fax, or submit online using level 2 authentication. Subsequently, FSA county office staff will enter the information into an automated system, except item 7 which will be completed by the County Office Committee (COC). The system will print a completed SMHPP application for signature. If applicants receive the form electronically, they will email their confirmation instead of signing the completed application.

All applicants must provide supporting documentation to verify the accuracy of information provided on the form FSA-940 application, including to substantiate the number of hogs reported on the application that were sold through a spot market sale and how the price was determined for the sale.

Also, applicants must submit the following forms or have them on file to be eligible for payment:

- Form AD-2047, Customer Data Worksheet (if applicable);
- Form CCC-901, Member Information for Legal Entities, if applicable;
- Form CCC-902, Farm Operating Plan for Payment Eligibility;

- Form CCC-941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information;
- Form FSA-1123, Certification of 2020 AGI (if applicable);
- Form AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation Certification.

Most applicants will have form AD-2047, form CCC-901, form CCC-902, and form CCC-941 on file at the time of application; however, a percentage of applicants who have not 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.egov.usda.gov/eForms/welcomeAction.do?Home>, or through farmers.gov/smhpp.

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.

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 1,619 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. Because of the short time to receive applications, distribute payments, and the need for county offices to complete portions of the application form, applications must be taken at county offices or submitted electronically through farmers.gov/smhpp.

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.

The 60-day information collection request notice for SMHPP was embedded in the Notification of Funds Availability (NOFA) (published on December 14, 2021; 86 FR 71003). There were 7 received comments that were related to the NOFA and not related to the information collection.

The 3 names for consultation on SMHPP information collection request are in the following: (will be provided soon).

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.

Using data for similar producers of hogs who applied for the Coronavirus Food Assistance Program 2 (CFAP 2), FSA estimates that up to 23,113 producers may apply for SMHPP payments. See the Reporting and Recordkeeping Requirements spreadsheet which contains data for each form.

The annual burden for this information collection package is 18,105 hours.

FSA-940 SMHPP Application with documentation – applicants are required to submit this form and supporting documentation to verify the accuracy of information provided on the application, including to substantiate the number of hogs reported on the application that were sold through a spot market sale and how the price was determined for the sale to be eligible for a SMHPP payment. The estimated burden hours are 15,409 (23,113 annual responses x 40 minutes). All applicants must also provide supporting documentation to verify the accuracy of information provided on the form FSA-940 application, including to substantiate the number of hogs reported on the application that were sold through a spot market sale and how the price was determined for the sale.

CCC-901 Member Information for Legal Entity – applicants are required to complete this form to report information regarding their farming operation, if they have not previously provided it. The estimated burden hours are 578 (1,156 annual responses x 30 minutes).

CCC-902- Farm Operating Plans for an Individual is used to collect information about an individual's farm operations to determine eligibility for payments. It is also used for individuals using a social security number and requesting program payments as an individual on their own farming operation. The estimated burden hours are 770 (9,245 annual responses x 5 minutes).

CCC-902 – Farm Operating Plans for an Entity is used to collect information about an entity’s farm operations to determine eligibility for payments using its tax identification number. The estimated burden hours are 770 (9,245 annual responses x 5 minutes).

CCC-941 - Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information is an applicant’s certification of compliance with the \$900,000 AGI limitation applicable to 2011 through 2023 crop, program, and fiscal year benefits. The estimated burden hours are 578 (2,311 x 15 minutes).

AD-1026 - Highly Erodible Land Conservation (HELIC) and Wetland Conservation Certification is used for applicants to certify compliance with 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 to the farming operation or to 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 are 10 (116 annual responses x 5 minutes).

FSA- 1123, Certification of 2020 AGI (if applicable) is a certification affirming the person’s or legal entity’s 2020 AGI is not more than \$900,000. The estimated burden hours are 19 (231 annual responses 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 \$ 972,419.55 (\$53.71 per hour x 18,105 total 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 recordkeepers.

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. SMHPP application information is entered in an automated system manually and will print the completed SMHPP application that the applicant will sign. County employee cost per response is equal to 1 hour for completion of the application form multiplied by \$23.72 (estimated county employee average hourly wage; based 2022 General Schedule, Grade 7, Step 5). The total annualized cost to the Federal Government is \$635,607 (\$27.50 x 23,113 respondents).

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>.

15. Explain the reason for any program changes or adjustments reported.

The total burden hours increased by 3,852 because the respondents will require to provide an additional documentation for the form FSA-940, SMHP application that changed the average times from 30 minutes to 40 minutes. All applicants must provide supporting documentation to verify the accuracy of information provided on the form FSA-940 application, including to substantiate the number of hogs reported on the application that were sold through a spot market sale and how the price was determined for the sale.

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 SMHPP.

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 displayed the OMB expiration date.

18. Explain each exception statement to the certification statement.

FSA is able to certify compliance with all provisions under the certification statement.