



United States
Department of
Agriculture

Farm
Production
and
Conservation

Farm
Service
Agency

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DATE: April 26, 2022

TO: Brenda Aguilar
Branch Chief

THROUGH: Levi Harrell
USDA Information Collection Officer

FROM: Scott Marlow
Deputy Administrator for Farm Programs

SUBJECT: Request for Emergency Approval for a New Information Collection
Package—Cotton and Wool Apparel (CAWA) Program

The Farm Service Agency (FSA) is requesting OMB emergency approval of a collection of information necessary to implement the new Cotton and Wool Apparel Program (CAWA) which will support the domestic markets for wool and Pima cotton by assisting eligible apparel manufacturers of mens' and boys' worsted wool suits, sport coats, pants, or Pima cotton dress shirts; Pima cotton spinners; and wool fabric manufacturers and wool spinners. OMB is currently reviewing the related CAWA notice of funding availability (NOFA), announcing \$50 million of the Commodity Credit Corporation (CCC) funds authorized by section 5(e) of the CCC Charter Act (15 U.S.C. 714c(e)) to assist the eligible applicants to support their domestic markets. Details from the NOFA are included in this emergency request. The CAWA NOFA is expected to be published in the Federal Register early in the week of May 2, 2022; FSA is ready to begin accepting the applications on day the NOFA is published. As explained below, FSA could not obtain OMB approval under the normal clearance under the Paperwork Reduction Act because CAWA needs to begin quickly, as CAWA is in response to a substantial shift in the cotton and wool apparel industry as a result of the COVID-19 pandemic. As outlined in the NOFA and recently discussed with OMB, the assistance to wool and Pima cotton domestic apparel and textile industries will help increase and restore the domestic consumption of agricultural commodities in the form of raw Pima cotton and wool by aiding in the recovery of the domestic market for the use of Pima cotton and wool products.

FSA is using the allocated \$50 million of the Commodity Credit Corporation (CCC) funds that were previously transferred for pandemic-related assistance to establish a new program to indirectly support Pima cotton and wool producers by providing assistance to wool and Pima cotton manufacturers and spinners whose consumption and gross sales of raw Pima cotton and wool in 2020 were impacted by the COVID-19 pandemic and that filed an affidavit for a payment in any year from calendar year 2017 to calendar year 2021 in accordance with sections 12602 or 12603 of the Agriculture Improvement Act of 2018 (2018 Farm Bill; Pub. L. 115-34), which authorizes the Wool Apparel Manufacturers Trust Fund and the Pima Agriculture Cotton Trust Fund,

respectively. As discussed recently with OMB, the Trust Fund participants represent the universe of potential applicants for CAWA; being able to use the information previously submitted for the Trust Funds helped us streamline the information collection requirements for CAWA, even though it is a new program and not related to the Trust Funds.

We are requesting emergency approval by May 2, 2022, in order to start accepting the applications from the CAWA applicants when the NOFA is published.

FSA expects approximately 50 applicants to receive CAWA payments. FSA needs to collect the following information from applicants:

- CCC-917, Cotton and Wool Apparel Program (CAWA) Application that includes applicant information, SAM UEI, and Gross Sales or Consumption.
- Signature authority for applicant if not an individual.

The collection of information is needed to provide eligible applicant financial assistance as quickly as possible because the COVID-19 pandemic dramatically reduced the demand for these types of clothing, textiles, and threads, and in turn, the market for the raw commodities. Several companies have indicated that they may cease operation or remain at lower production levels for a substantially longer period of time, impairing the demand for Pima cotton and wool materials from domestic markets. To be eligible for CAWA, an applicant must have experienced a decrease of at least 15 percent in calendar year 2020 gross sales or consumption of eligible products described in this document compared to the applicant's gross sales or consumption in any selected calendar years 2017, 2018, or 2019. Payments to eligible entities will be based on their pre-pandemic market share relative to other similar applicants subject to payment limitations. If FSA had announced anything estimating the burden sooner, it would have preannounced the program; set expectations for payments sooner than would have been possible, and given the way the program development was streamlined, it would have most likely been an unrealistic burden estimate.

The collection of information is needed prior to the 3 months or more required for the normal PRA process to avoid having a lengthy delay in aiding in the recovery of the domestic market for the use of Pima cotton and wool products.

This collection of the information is essential as a part of the mission of USDA to help ensure continued markets for agricultural products and to maintain a domestic apparel manufacture industry, which indirectly supports agricultural producers.

FSA cannot reasonably comply with the normal PRA clearance procedures under 5 CFR part 1320 because:

- This collection of information needs to be implemented quickly to avoid further disruptions to the domestic apparel manufacturing industry, which was negatively impacted by the COVID-19 pandemic; and

- Public harm is reasonably likely to result if normal PRA clearance procedures are followed – that public harm would be to the applicants that might otherwise cease operation or remain at lower production levels for a substantially longer period of time, impairing the demand for Pima cotton and wool materials from domestic markets.

The information collection activities for this on-time program are only expected to be required for 6-months.

If there are any questions or concerns, please call Deirdre Holder at 202-205-5851 or Mary Ann Ball.