**Supporting Statement**

**Emergency Relief Program (ERP) Phase 2**

**OMB control number-0560-New Emergency (0560-0309)**

FSA is requesting **EMERGENCY CLEARANCE** because FSA is implementing the Emergency Relief Program (ERP) Phase 2, which will assist producers who suffered losses of crops due to qualifying disaster events. This information collection request is also covered in the published PARP mega final rule in the Federal Register.

ERP Phase 2 is intended to provide assistance for losses not covered under ERP Phase 1 (this ERP phase 1 is covered under the OMB control number of 0560-0309; this approved under the emergency request for the NOFA published on May 18, 2022), such as losses of uninsured crops, shallow losses of insured crops that did not result in payment under a crop insurance policy, and crop quality losses. The ERP Phase 2 ICR will be included in the 0560-0309 ERP Phase 1 and 2 ICR after the approval. Additionally, the 60-day notice described both ERP Phase 1 and 2 activities in the NOFA to prepare for the renewal). FSA will use the OMB control number of 0560-0309 for the ERP Phase 2 activity.

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

The Extending Government Funding and Delivering Emergency Assistance Act, (Division B, Title I, Pub. L. 117-43) provided $10,000,000,000 for necessary expenses related to losses of crops (including milk, on-farm stored commodities, crops prevented from planting in 2020 and 2021, and harvested adulterated wine grapes), trees, bushes, and vines, as a consequence of droughts, wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze, including a polar vortex, smoke exposure, quality losses of crops, and excessive moisture occurring in calendar years 2020 and 2021. USDA has directed FSA to use part of this funding to provide assistance to producers of eligible crop, tree, bush, and vine losses through ERP.

ERP Phase 2 is intended to provide assistance for losses not covered under ERP Phase 1, such as losses of uninsured crops, shallow losses of insured crops that did not result in payment under a crop insurance policy, and crop quality losses. To calculate payments under ERP Phase 2, FSA will use a producer’s total allowable gross revenue in order to streamline the application process by reducing the amount of information an applicant must provide, since applicants are not required to submit loss data separately for each eligible agricultural commodity. Producers will use a single application form to apply for both program years (2020 and 2021), further reducing the paperwork required for this program.

**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 to determine eligibility and issue payments to eligible applicants under ERP Phase 2.

Applicants will complete the following forms to apply for ERP Phase 2 payments:

FSA-521, Emergency Relief Program Phase 2 Application— Applicants must submit this form in order to be eligible for an ERP Phase 2 payment. Applicants will complete this form manually or electronically and submit it to their FSA County Office.

FSA-521A, Emergency Relief Program Phase 2 Allowable Revenue Worksheet—This form may be used by applicants to provide additional information if needed to adjust their 2018 or 2019 revenue for the purpose of calculating their ERP Phase 2 payment (including those applicants who did not have a full year of revenue in 2018 or 2019, expanded or decreased their operation size in 2020 or 2021, or began farming in 2020 or 2021). Applicants will manually complete this form, and they may use it to support their certification on FSA-521 if additional information is requested by FSA.

FSA-522, Crop Insurance and/or NAP Coverage Agreement— Applicants must submit this form in order to be eligible for an ERP Phase 2 payment. Applicants will use this form to certify their agreement to meet the requirement to purchase crop insurance or NAP coverage for crops which suffered eligible losses as required by law.

CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification—Applicants will use this form if they are certifying that they meet the definition of a socially disadvantaged, limited resource, beginning, or veteran farmer or rancher. ERP Phase 2 payments may be calculated using a higher payment rate for applicants who use this form to certify their status as a member of one of those groups. Applicants who have previously participated in the Noninsured Crop Disaster Assistance Program (NAP); the Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish Program (ELAP); the Emergency Livestock Relief Program (ELRP); or ERP Phase 1 are expected to already have this form on file with FSA.

CCC-901, Member Information for Legal Entities—Legal entities are required to complete this form to report information about their farming operation to determine eligibility for payments. Most legal entities will already have this form on file with FSA due to their participation in previous programs.

CCC-902I, Farm Operating Plan for an Individual— This form is used to collect information about individuals to report their farm operations to determine eligibility for payments. Most applicants will already have this form on file with FSA due to their participation in previous programs.

CCC-902E, Farm Operating Plan for an Entity— This form is used to collect information about legal entities to report their farm operations to determine eligibility for payments. Most applicants will already have this form on file with FSA due to their participation in previous programs.

FSA-510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs—Applicants, and members of legal entities that are applicants, will use this form to certify that at least 75 percent of their average adjusted gross income (AGI) is derived from farming, ranching, or forestry related activities to qualify for an increased payment limitation. Applicants who previously participated in ELRP and ERP Phase 1 are expected to already have this form on file with FSA.

AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation Certification—This form is required 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 previously listed affiliates**.** This form is exempted from the PRA for any FSA programs but included the burden hours for information**.**

AD-2047, Customer Data Worksheet — This form is required to collect basic customer information necessary to establish the applicant’s record in FSA’s Business Partner system and issue a payment. Most applicants will already have this form on file with FSA due to their participation in other FSA programs.

**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 may complete an ERP Phase 2 application manually or electronically and submit it to their FSA County Office. FSA county office staff will complete the application processing in an automated system.

The electronic form versions are available in the USDA eForms website: https://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home. Electronic versions of the forms will also be made available through USDA’s website for ERP Phase 2, which will be available to producers once the program is announced.

**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 ERP Phase 2 application is a new information collection; therefore, no similar form exists. While the Pandemic Assistance Revenue Program (PARP) is also using allowable gross revenue to calculate a payment and some producers may apply for both programs, “allowable gross revenue” is defined differently for the two programs due to the different eligibility criteria and commodities covered; therefore, FSA must collect this information from each ERP Phase 2 applicant.

**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 3,388 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 applicants as intended by the Extending Government Funding and Delivering Emergency Assistance Act.

**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 that 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 collection under the emergency request. The 60-day notice requesting public comments on the ERP Phase 2 ICR was included in the published Pandemic Assistance Programs and Agricultural Disaster Assistance Programs-final rule**.**

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

No other payments or gifts will be provided to respondents.

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

Agency policy prohibits the giving out of individual information. This information is handled according to the Privacy Act of 1974 (5 USC 552a, as amended) and Freedom of Information Act. The information collected on the ERP Phase 2 application form may be disclosed to other Federal, State, and Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated).

**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 48,402 producers may apply for ERP Phase 2. See the Reporting and Recordkeeping Requirements spreadsheet that contains all the numbers for each form.

The annual burden for this information collection package is 55,239 hours.

FSA-521, Emergency Relief Program Phase 2 Application— Applicants will submit this form in order to apply for an ERP Phase 2 payment. The estimated burden hours for the application are 48,402 (48,402 x 1 hour).

FSA-521A, Emergency Relief Program Phase 2 Allowable Revenue Worksheet—This form may be used by applicants to provide additional information if needed to adjust their historic allowable gross revenue for the purpose of calculating their ERP Phase 2 payment. The estimated burden hours for the application are 2,420 (2,420 x 1 hour).

FSA-522, Crop Insurance and/or NAP Coverage Agreement—Applicants will use this form to certify their agreement to meet the requirement to purchase crop insurance or NAP coverage for crops which suffered eligible losses as required by law. The estimated burden hours for the application are 8,067 (48,420 x 0.17 hours).

AD-2047, Customer Data Worksheet — Applicants are required to submit this form if not already on file with FSA. The estimated burden hours for the form are 121 hours (2,420 x 0.05 hours).

CCC-901, Member Information for Legal Entities — 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 are 202 hours (2,420 x 0.08 hours).

CCC-902I, Farm Operating Plan for an Individual — Applicants that are individuals are required to submit this form if not already on file with FSA. The estimated burden hours for the form are 1,613 (19,361 x 0.08 hours).

CCC-902E, Farm Operating Plan for an Entity— Applicants that are entities are required to submit this form if not already on file with FSA. The estimated burden hours for the form are 1,613 (19,361 x 0.08 hours).

AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification — This form is required 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 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 are 20 (242 x 0.08 hours)

Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification — Applicants must use this form if they are certifying that they meet the definition of a socially disadvantaged, limited resource, beginning, or veteran farmer or rancher. The estimated burden hours for the form are 484 (4,840 x 0.10 hours).

Form FSA-510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs — Applicants, and members of legal entities that are applicants, will use this form to certify that at least 75 percent of their average AGI is derived from farming, ranching, or forestry related activities to qualify for the increased payment limitation. The estimated burden hours for the form are 363 (1,452 x 0.25 hours).

The U.S. mean household income (private industry-farmers), as measured by the Bureau of Labor, is $38.91 for the respondent average. Fringe benefits for all private industry workers are an additional 29.5 percent, or $11.47, resulting in a total of $38.91 per hour. The estimated cost is $2,782,941 ($50.38 x 55,239 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.**

For ERP Phase 1, FSA-520, Emergency Relief Program (ERP) Phase 1 Application will be available to county employees in an automated system that reflects the pre-filled applications; therefore, manual input of loss data will not be required.

The estimated FSA county employee cost per response is $28.30 (estimated county employee average hourly wage; based 2022 General Schedule, Grade 7, Step 6). Fringe benefits for all government workers are an additional 31 percent, or $12.72, resulting in a total of $41.03 per hour. The total annualized cost to the Federal Government is $4,139,656 (100,918 x $41.02).

**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.**

FSA may announce the total number of ERP Phase 2 applicants and payments issued by press release or other means.

**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 to display the OMB expiration date.

**18. Explain each exception statement to the certification statement identified.**

FSA is able to certify compliance with all provisions.