for OMB approval. All comments will also become a matter of public record.

Done in Washington, DC, this 2nd day of June 2016.

Kevin Shea,

Administrator, Animal and Plant Health Inspection Service.

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BILLING CODE 3410–34–P

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Notice of Funds Availability (NOFA); Cotton Ginning Cost-Share (CGCS) Program Payments to Cotton Producers

AGENCY: Commodity Credit Corporation and Farm Service Agency, USDA.

ACTION: Notice.

SUMMARY: This NOFA announces the availability of cost-share funds to certain cotton producers of the United States, specifically for the 2015 cotton crop. Eligible CGCS participants will receive a one-time payment, calculated based on a cost-share not to exceed 40 percent of calculated ginning costs by region, the number of cotton acres that were planted, including failed acreage, for the 2015 crop year, and the percentage of share the participant had in the cotton. Similar to other Commodity Credit Corporation (CCC) programs, certain eligibility requirements apply, such as a $40,000 per individual or entity payment limit and a requirement that each participant's 3-year average adjusted gross income (AGI) be $900,000 or less. CGCS Program payments will be made to help the domestic cotton industry find new and improved ways to market cotton.

DATES: Application period: June 20, 2016 through August 5, 2016.

FOR FURTHER INFORMATION CONTACT: Kelly Hereth, (202) 720–0448.

SUPPLEMENTARY INFORMATION:

Background

U.S. upland and extra-long staple (ELS) cotton producers are required to gin and bale cotton before either of the components of cotton (lint or seed) can be marketed, as there is no commerce in un-ginned bales. Approximately 13 million bales were ginned for the 2015 cotton crop year. There exists, however, 2014 cotton production carryover (ginned cotton inventory that has not yet been sold), as well as the 2015 cotton crop production some which has not been marketed. While the payments are based on ginning costs, the intended effect of the CGCS Program is to aid the broader marketing chain associated with cotton. For example, there is a direct cost to cotton producers associated with ginning for improved bale packing and storage to meet the ever increasing quality demands of the fiber industry, and there is a large domestic market for the cotton seed extracted during the ginning process.

The state of the market has limited the ability of cotton producers to expand domestic markets, develop new and additional markets, maintain existing markets that would have otherwise shrunk and marketing facilities, and increase the uses for cotton. The Commodity Credit Corporation Charter Act (15 U.S.C. 714c(e)) includes authority for CCC to use its general powers to increase the domestic consumption of agricultural commodities (other than tobacco) 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 ginning of cotton is necessary prior to marketing the lint for fiber or the seed for oil or feed; therefore CCC is using its general authority to aid in the expansion and maintenance of domestic markets for cotton. Increased domestic consumption and uses for cotton as a result of the CGCS Program payments to cotton producers, based on cotton ginning costs, will aid more than just the farmers; as the cotton gins, cooperatives, marketers, cottonseed crushers, and other marketing facilities will indirectly benefit also.

CGCS is being done as a NOFA, as opposed to a regulation, because it is a one-time payment to aid expansion and creation of new markets for cotton. Also, CGCS is based upon 2015 cotton crop acres which are already known to FSA through previously submitted acreage reports. Accordingly, there is no benefit for public comment on CGCS.

The Farm Service Agency (FSA) will administer the CGCS Program on behalf of CCC, using CCC funds.

CGCS Description

CGCS is a one-time payment to cotton producers. CGCS will be available to producers of upland and extra-long staple (ELS) cotton. CGCS payments will be available to those cotton producers who had a share in the 2015 cotton acres that were planted, including failed cotton acreage, and reported to FSA, including landowners who had a share interest and risk in the cotton crop and incurred ginning costs for the 2015 cotton crop.

FSA will make approximately $300 million in CGCS payments to cotton producers. The maximum aggregate payment amount a person or legal entity is eligible for under CGCS is $40,000. The funds announced in this NOFA are not subject to sequestration.

Most 2015 cotton crop producers have already submitted the required form FSA–578, ''Report of Acreage'', to FSA, as part of their participation in various FSA and CCC programs. The regulation in 7 CFR part 718 requires producers to report for various commodities, including the number of cotton acres that were planted, including failed acres, in the United States for their 2015 cotton crop and their percentage share of the reported 2015 cotton crop acreage. Accordingly, FSA has already acquired this information as previously reported to FSA on a FSA–578 or a crop acreage report to their crop insurance agent (both reports are referred to in this NOFA as the acreage report). If there were any errors in the previously submitted acreage report, the producer may go through the established FSA process to correct the reported information. Any such requests for correction are subject to review and require approval by FSA through the established process before they are accepted. Because FSA already possesses 2015 cotton acreage report data, we know who is potentially eligible to apply for the CGCS Program and will mail the application to such applicants. Applicants may also apply through an FSA county office.

Payment Limits, Eligible Persons, and Legal Entities

CGCS payments are limited to $40,000 per person or legal entity.

A person or legal entity is ineligible for payments if the person's or legal entity's AGI for the applicable compliance program year is more than $900,000. If a person with an indirect interest in a legal entity has AGI of more than $900,000, the CGCS payments subject to AGI compliance provisions to the legal entity will be reduced as calculated based on the percent interest of the person in the legal entity receiving the payment. The relevant years used to calculate AGI for CGCS are the 2011, 2012, and 2013 tax years. As with other FSA and CCC programs, AGI will be calculated based on the average income for the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested.

In addition to having a share in cotton planted in 2015, to be eligible for a CGCS Program payment, each applicant is required to be a person or legal entity who was actively engaged in farming in 2015 and otherwise eligible for payment, as specified in 7 CFR part 1400, and who complies with requirements including, but not limited to, those pertaining to highly erodible land conservation and wetland conservation provisions (commonly referred to as the conservation compliance provisions) specified in 7 CFR part 12.

Foreign persons are not eligible for payments. Federal, State, and local governments are not eligible for CGCS payments.

Appeal regulations specified in 7 CFR parts 11 and 780 apply. FSA program requirements and determinations that are not in response to, or result from, an individual disputable set of facts in an individual participant's application for assistance are not matters that can be appealed.

Payment eligibility, payment limits, and AGI limits are the same for CGCS Program payments as they have been for other FSA and CCC programs, for example the Cotton Transition Assistance Program (see 7 CFR parts 1400 and 1412).

Payment Calculation

The CGCS payment will be calculated as follows:

acres × share × CGCS payment rate

Acres are the number of 2015 cotton crop acres (both upland and ELS) in which the applicant had an interest, as reported on their acreage report as planted (including failed acres, but not prevented planted acres).

Share is the producer's or landowner's share of such acres.

As shown in Table 1, the CGCS payment rate is 40 percent times the ginning cost. The ginning cost is the calculated average cost of ginning per acre in the production region. The applicable production region is the State in which the 2015 cotton crop (upland and ELS cotton) was planted (not where the farm operation is located).

There are four production regions, consistent with the U.S. cotton industry's longstanding designation. The per-acre regional rates are defined in Table 1. Cotton acreage planted in 2015 in any state not listed in Table 1, will receive the regional rate based on where the 2015 cotton acres are located, as determined by the Deputy Administrator.

TABLE 1—COTTON PRODUCTION REGIONS

Region	States	Costs of ginning per acre	CGCS payment rate [1]
Southeast	Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia	$118.60	$47.44
Mid-South	Arkansas, Illinois, Kentucky, Louisiana, Missouri, Mississippi, Tennessee	140.65	56.26
Southwest	Kansas, Oklahoma, Texas	92.43	36.97
West	Arizona, California, New Mexico	243.53	97.41

[1] The CGCS Payment Rate is 40 percent times the regional rate.

To develop the costs in Table 1, FSA used the USDA Economic Research Service's calculation of cotton ginning costs, which is based on the Agricultural Resource Management Survey (ARMS). The data is based on a large survey of cotton producers in 2007 and was updated through 2014 using several indices that reflect annual changes in ginning costs. The per planted acre ginning costs were converted to regional averages weighted by each State's share of regional plantings during the most recent 5 years. In the ARMS data, no distinction is made between ginning costs for upland and ELS cotton, so the same rate will be applied to both varieties of cotton.

For example, an applicant has 1,000 acres of upland cotton located in Texas and 500 acres of ELS cotton in New Mexico, and the applicant has 100 percent interest in all of the cotton reported for 2015 for the farm. Even though the farm operation is located in Texas, the applicable CGCS payment rate is based on where the cotton is planted. Therefore, for the acres located in Texas the CGCS payment rate is $36.97, and for the cotton acreage located in New Mexico, the CGCS payment rate is $97.41 (as shown in Table 1). Therefore, the result of the CGCS calculation would be $85,675 ((1,000 cotton acres in Texas × $36.97 per acre × 100 percent share) + (500 acres in New Mexico × $97.41 × 100 percent share)), but the CGCS payment to this applicant would be reduced to $40,000 because the CGCS payment limit is $40,000 per person or legal entity.

Application and Eligible Applicants

To apply for the CGCS Program, each applicant must submit a complete and valid CGCS application (CCC–882 form) to their recording FSA county office either in person, by mail, or by electronic means, including email and facsimile. The application period is from June 20, 2016, through August 5, 2016. CGCS applications must be received by FSA by August 5, 2016. Applicants may revise their application and re-submit it to FSA during the application period; the revised CGCS application must be received by FSA by August 5, 2016. Any application received by FSA after August 5, 2016, will not be considered and will be ineligible for any CGCS payment. The application must include, but is not limited to, the number of 2015 planted acres of cotton (upland and ELS cotton) on the farm, the farm serial number, and tract number of the farm where the cotton acreage was reported. The applicant will be required to submit evidence upon request, such as seed receipts, custom harvesting receipts, or bale gin lists, to substantiate either the claimed share interest in the cotton or the number of cotton acres reported for the 2015 crop year.

In order to be eligible for CGCS, applicants are required to have reported their 2015 crop year planted cotton, including failed acreage, to FSA using the FSA–578 acreage report. Only the number of cotton acres reported on the FSA–578 acreage report, and the producer's share in the planted, including failed, cotton acreage for the 2015 crop year will be eligible for consideration for a CGCS payment. In the event that there are determined acres of planted, including failed, cotton (upland and ELS cotton) crop acreage for 2015, as verified by FSA in carrying out acreage reporting compliance activities, then determined acres will be used in place of the reported acres. (Standard FSA acreage report compliance activities include verifying the number of reported acres; the results are referred to as ''determined acres.'')

The applicant's share interest in cotton acres on a CGCS application cannot be greater than the share interest in cotton acres as reported on the acreage report. FSA will verify and confirm the applicant's share interest in cotton acres reported on the CGCS application by comparing it to the applicant's share interest in the cropland as reported on that farm's acreage report for the 2015 crop year. For example, if a farm has 50 acres of cotton and two producers report equal shares of the 50 acres of cotton, each must each have a 100 percent share interest in at least 25 cotton acres (or 50 percent share in the 50 reported cotton acres) reported on the farm acreage report for the 2015 crop year to support their reported share of cotton acres on that farm.

If an eligible applicant has sold or leased a farm that produced cotton in 2015, the applicant may assign the CGCS payment by completing form CCC–36. However, under no circumstances will CCC pay both the 2015 producer and the 2016 producer of such cotton.

As noted above, if there are any corrections required for acreage reports, they may be made, however corrections related to upland or ELS cotton acres or shares must be received by FSA by August 5, 2016, the CGCS Program application deadline in order to be used to calculate the CGCS payment. Any correction to 2015 cotton crop acres made to the acreage report after August 5, 2016, is not eligible to be considered for CGCS.

Process for Evaluation of CGCS Applications and Approval of Payments

FSA will review each CCC–882 application to determine eligibility by verifying that the application is complete and the number of cotton acres the applicant certified on the application for the 2015 crop year is the same as reported on the FSA–578 acreage report.

When there are multiple eligible applicants for a farm, FSA will approve an application for the CGCS Program and approve the division of payment when all the following, as applicable, occur or have been determined to have occurred:

(1) Each landlord, tenant, and sharecropper that apply sign their own CGCS Program application, and their combined payment shares recorded on the application when added together cannot exceed 100 percent of the shares recorded on the acreage report for the 2015 cotton crop for the farm, and neither the landlord, tenant, nor sharecropper can receive 100 percent of CGCS payment for the farm;

(2) CCC determines that the interests of tenants and sharecroppers are being protected by confirming the shares are consistent with the acreage report;

(3) The applicant, upon the FSA county office committee's request, if necessary, will provide a copy of the lease agreement; and

(4) CCC determines that the payment shares do not circumvent either the provisions of this NOFA or the provisions of 7 CFR part 1400.

The result of an approved application will be a one-time payment, consistent with the terms specified in this NOFA and the payment application. All applications are subject to the approval by FSA on behalf of CCC, and FSA will not approve ineligible applications.

Provisions Requiring Refund to FSA

In the event that any application for a CGCS payment resulted from erroneous information or a miscalculation, the payment will be recalculated and the participant must refund any excess to FSA with interest to be calculated from the date of the disbursement to the participant. If for whatever reason FSA determines that the applicant misrepresented either the acreage or share of cotton acreage or both, or if the CGCS payment would exceed the participant's payment based upon correct acreage and share, the application will be disapproved and the full CGCS payment for that crop and participant will be required to be refunded to FSA with interest from date of disbursement. If any corrections to the 2015 cotton crop acres or shares are made to the acreage report after August 5, 2016, and would have resulted in a lower CGCS payment, the applicant will be required to refund the difference with interest from date of disbursement.

The liability of anyone for any penalty or sanction resulting from a CGCS application, or for any refund to FSA or related charge is in addition to any other liability of such person under any civil or criminal fraud statute or any other provision of law including, but not limited to: 18 U.S.C. 286, 287, 371, 641, 651, 1001, and 1014; 15 U.S.C. 714; and 31 U.S.C. 3729.

Paperwork Reduction Act Requirements

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), OMB approved an emergency information collection request on CGCS so FSA can begin the application period upon publication of this NOFA.

Environmental Review

Because this is a one-time payment, there are no impacts to the human environment as defined by NEPA and, as such, no Environmental Assessment or Environmental Impact Statement will be prepared.

Val Dolcini,

Administrator, Farm Service Agency, and Executive Vice President, Commodity Credit Corporation.

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DEPARTMENT OF AGRICULTURE

Farm Service Agency

Submission for OMB Review; Comment Request

June 2, 2016.

The Department of Agriculture has submitted the following information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104–13. Comments are required regarding (1) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Comments regarding this information collection received by July 8, 2016 will be considered. Written comments should be addressed to: Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), New Executive Office Building, 725 17th Street NW., Washington, DC 20502. Commenters are encouraged to submit their comments to OMB via email to: *OIRA_Submission@OMB.EOP.GOV* or fax (202) 395–5806 and to Departmental Clearance Office, USDA, OCIO, Mail Stop 7602, Washington, DC 20250–7602. Copies of the submission(s) may be obtained by calling (202) 720–8958.

An agency may not conduct or sponsor a collection of information unless the collection of information displays a currently valid OMB control number and the agency informs potential persons who are to respond to the collection of information that such persons are not required to respond to the collection of information unless it