Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

REVENUE LOSS ASSISTANCE

Emergency Relief Program (ERP) 2022 Track 2

Overview

Emergency Relief Program 2022 (ERP) will provide payments to eligible crop producers for losses due to qualifying disaster events which occurred in calendar year 2022, following a two-Track process:

- Track 1 leverages existing **Federal Crop Insurance or Noninsured Crop Disaster Assistance Program (NAP)** data as the basis for calculating initial payments.
- Track 2 will assist producers for other eligible crop and tree losses through a revenue-based approach.

This two-Track approach enables USDA to streamline the application process to reduce the burden on producers, proactively include underserved producers who have been left out of past relief efforts and encourage participation in existing risk management tools that can help producers handle future extreme weather events.

Eligibility — Track 2

Track 2 is a revenue-based certification program that provides assistance for producers that suffered a loss in disaster year revenue as compared to the benchmark year revenue, that was due to necessary expenses associated with losses of eligible crops (excluding crops intended for grazing), due in whole or in part to qualifying disaster event that occurred in the 2022 calendar year.

To be eligible, a producer must be a U.S. citizen, resident alien, which for purposes of ERP 2022 means "lawful alien," as defined in 7 CFR part 1400; a partnership organized under State law, a corporation, limited liability company, or other organizational structure organized under State law, Indian Tribe, or Tribal Organization, per section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304); or foreign person or foreign entity who meets all requirements as described in 7 CFR part 1400.

Qualifying disaster event means: wildfires, hurricanes (including excessive wind, storm surges, tropical storms, and tropical depressions that occurred as a direct result of a hurricane), floods (including silt and debris that occurred as a direct and proximate result of flooding), derechos (including excessive wind that occurred as a direct result of a derecho), excessive heat, tornadoes, winter storms (including excessive wind and blizzards that occurred as a direct result of a winter storm), freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought, and related conditions occurring in calendar year 2022.

For ERP 2022 eligibility, "Related conditions" mean damaging weather and adverse natural occurrences that occurred concurrently with and as a direct result of a specified qualifying disaster event. "Qualifying drought" means an area within the county in which the loss occurred was rated by the U.S. Drought Monitor as having a drought intensity of D2 (severe drought) for eight consecutive weeks or D3 (extreme drought) or higher for any period of time during the 2022 calendar year. A list of counties that experienced a qualifying drought in calendar year 2022 is available through local FSA service centers and at **https://www.fsa.usda.gov/programs-and-services/emergency-relief/index**.

Track 2 Methodology

Track 2 will provide assistance for eligible revenue, production, and quality losses of eligible crops not assisted through Track 1. FSA is using a producer's decrease in disaster year revenue, which will also reflect losses in both production and quality without requiring the more extensive calculations used in previous disaster programs. Decreases in disaster year revenue reflect a producer's loss due to qualifying disaster events, regardless of whether the loss occurs before harvest or after harvest while the crop is in storage, further streamlining the delivery of assistance.

Terminology Used in Track 2:

Benchmark Year — is intended to represent a typical year of revenue for the farming operation. Producers may use one of the following options to represent a typical year of revenue: (1) the 2018 or 2019 tax year allowable gross revenue (for the tax year option), or (2) expected revenue from all eligible crops prior to a qualifying disaster event in calendar year 2022 (for the expected revenue option).

Benchmark Year Revenue — (1) For producers who elect the tax year option, the producer's allowable gross revenue received from all eligible crops for the 2018 or 2019 tax year, as elected by the producer; or (2) For producers who elect the expected revenue option, the producer's expected revenue from all eligible crops that could have been affected by a qualifying disaster event in calendar year 2022, including crops prevented from being planted, crops in storage, and planted crops (including inventory and perennial crops), based on realistic projections.

Representative Revenue Year — is intended to represent the disaster year revenue for the farming operation. Producers may use one of the following options that best represents the disaster effects of the 2022 calendar year: (1) 2022 or 2023 tax year allowable gross revenue (for the tax year option), or (2) the actual disaster year revenue from all eligible crops that were included in the producer's expected revenue calculation (for the expected revenue option).

Disaster Year Revenue — (1) For producers who elect the tax year option, the producer's allowable gross revenue received from all eligible crops for the 2022 or 2023 tax year, as elected by the producer; or (2) For producers who elect the expected revenue option, the actual revenue from all eligible crops that were included in the producer's expected revenue calculation.

The revenue-based approach has been expanded, and Track 2 provides two options for determining benchmark and disaster year revenues:

The tax year option — (similar to the approach used in Phase 2 of the previous ERP for years 2020 and 2021). The tax year option uses a calculation of allowable gross revenue for the benchmark and disaster year and allows producers to use certain information located in their tax records and/or supportive documentation to find the information needed to apply for Track 2. Tax year is specific to each participant and is based on fiscal year which may include multiple years.

Producers who chose tax year option for Track 2 will select 2018 or 2019 for their benchmark year revenue and 2022 or 2023 as their representative year for the disaster year revenue and will certify to their allowable gross revenue for those years. Allowable gross revenue is based on the year for which the revenue would be reported for the purpose of filing a tax return. Producers who file or would be eligible to file a joint tax return will certify their allowable gross revenue based on what it would have been had they filed taxes separately for the applicable year.

Producers cannot use the tax year option if they experienced a decrease in operating capacity during the disaster year, as compared to the 2018 and 2019 benchmark years, did not have a full year of revenue for 2018 or 2019, or produced any eligible crops that did not generate revenue directly from the sale of the crop, except as described below in Situation 1. In addition to Table 1 of this fact sheet, an optional ERP 2022 Application Tool and FSA-524-A worksheet will be available at **https://www.fsa.usda.gov/programs-and-services/emergency-relief/index** to help producers determine allowable gross revenue for the benchmark and disaster year if the tax year option was selected.

The expected revenue option — The expected revenue option allows the producer to certify to the revenue a producer reasonably expected to receive absent any disaster conditions and the actual disaster year revenue. The producer's expected revenue must include the expected revenue from all eligible crops that could have been affected by a qualifying disaster event in calendar year 2022, including crops prevented from being planted, crops in storage, and planted crops (including inventory, and perennial crops). It does not include revenue from crop by-products, such as cotton seed and corn stalks. Expected revenue will be based on Tables 2 and 3 of this fact sheet.

Expected revenue must be based on realistic projections that can be supported by acceptable documentation of expected inventory, acres, yield, and unit price. Actual disaster year revenue will include revenue from all eligible crops that were included in the producer's expected revenue calculation.

The expected revenue option is likely to be more beneficial to producers who did not have revenue in 2018 or 2019, experienced an increase in operating capacity compared to the 2018 and 2019 benchmark years, or find that the expected revenue option is more representative of their revenue in a normal year without a loss due to disaster events. Producers must use the expected revenue option if they experienced a decrease in operating capacity in the disaster year as compared to both the 2018 and 2019 benchmark years to accurately reflect their loss, except as described below. In addition to Table 2 and Table 3, on pages 9–10 of this fact sheet, an optional ERP 2022 Application Tool and FSA-524-B worksheet will be available at **https://www.fsa.usda.gov/programs-and-services/emergency-relief/index** to help producers determine expected and actual revenue for the benchmark and disaster year if the expected revenue option was selected.

The following table summarizes benchmark and disaster year revenue for the two options. Sources of revenue to be included in allowable gross revenue, expected revenue, and actual revenue are explained below in greater detail.

Option	Benchmark Year Revenue	Disaster Year Revenue
Tax Year	A producer's allowable gross revenue for the 2018 or 2019 tax year, as elected by the producer.	A producer's allowable gross revenue for the 2022 or 2023 tax year, as elected by the producer.
Expected Revenue	A producer's expected revenue from all eligible crops that could have been affected by a qualifying disaster event in calendar year 2022.	A producer's actual revenue from all eligible crops that were included in the producer's expected revenue.

Special Provisions for Certain Producers:

Situation 1: Producers who received a payment under the previous ERP for the 2021 disaster year and elected 2022 as their representative revenue year for Phase 2 can only apply for Track 2 using the tax year option, and they must select 2023 as their representative revenue year to ensure that they are not paid for the same loss under both programs. These producers must certify to an allowable gross revenue for the benchmark year that has been adjusted if the producer had a decrease in operation capacity in the disaster year as compared to the benchmark year.

Those producers may certify to an adjusted allowable gross revenue that has been adjusted the benchmark year on FSA–524 if either of the following apply:

(1) The producer did not have a full year of revenue for 2018 or 2019; or

(2) The producer had expanded their operation capacity in the disaster year compared to the benchmark year.

Also included in allowable gross revenue for these producers is a value for certain crops, as determined by the Deputy Administrator, that was produced and did not generate revenue directly from the sale of the crop and that the producer uses within their ordinary operation. This would include, for example, wine makers who grow their own wine grapes and process those grapes into wine and producers of forage crops who store the crop to feed to livestock on their farm.

The value of the eligible crop reported in the producer's allowable gross revenue will be based on the producer's actual production of the crop and a price for the crop based on the best available data for each crop, as determined by the Deputy Administrator and published through guidance on FSA's website.

These adjustment provisions only apply to producers that received a payment under the previous ERP for the 2021 program year based on the 2022 tax year for their representative disaster year revenue. All other producers that would require such adjustments must use the expected revenue option.

Situation 2: Producers, except those described in Situation 1, will use the expected revenue option if they had a decrease in operating capacity during their disaster year, as compared to the 2018 or 2019 benchmark years, were a new producer with no benchmark year revenue in 2018 or 2019, or produced crops that did not generate revenue directly from the sale of the crop and that the producer uses within their ordinary operation.

Producers who had an increase in operation capacity may elect either the tax year option or the expected revenue option; however, they may not adjust benchmark year revenue under the tax year option to reflect the change.

Underserved Producers

Underserved producers, including beginning, limited resource, socially disadvantaged and veteran farmers and ranchers, will receive an additional 15% ERP payment factor for Track 2 payments.

To qualify for the higher payment percentage, eligible producers must have a CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, form on file with FSA for the applicable program year.

Payment Limitation and Adjusted Gross Income

The payment limitation for ERP is determined by the person's or legal entity's average adjusted gross farm income (income from activities related to farming, ranching, and forestry). A person or legal entity, other than a joint venture or general partnership, cannot receive, directly or indirectly, more than $125,000 in payments for specialty crops and $125,000 in payment for all other crops under ERP 2022 (for Track 1 and Track 2 combined) for the program year if their average adjusted gross (AGI) farm income is less than 75 percent of their average AGI the three taxable years preceding the most immediately preceding complete tax year.

The relevant tax years for establishing a producer's AGI and percentage derived from farming, ranching, and forestry related activities are:

- 2018, 2019, and 2020 for program year 2022

Independent payment limitations for non-specialty/other crops and specialty/high value crops will remain, however only program year 2022 will be applicable for ERP Track 2.

Since separate payment limitations apply to payments for specialty and high value crops and other crops, for both the Tax Year Option and the Expected Revenue Option, producers must certify to the percentage of their disaster year revenue that they expected to receive from specialty and high value crops and the percentage from other crops.

The percentages must be based on what the producer would have reasonably expected to receive for each category in the disaster year if the qualifying disaster event had not occurred.

Exception to Payment Limitation

If at least 75% of the person or legal entity's average AGI is derived from farming, ranching, and forestry related activities and the participant provides the required certification and documentation, as discussed below, the person or legal entity, other than a joint venture or general partnership, is eligible to receive, directly or indirectly, up to:

- $900,000 for each program year for high value/specialty crops; and
- $250,000 for each program year for all other crops

The sale of equipment used to conduct farm, ranch or forestry operations and the provision of production inputs and services to farmers, ranchers, foresters, and farm operations is included in the average adjusted gross farm income, if the average adjusted gross farm income is at least 66.66 percent of the average AGI of the person or legal entity. For legal entities not required to file a federal income tax return, or for persons and entities with no taxable income in one or more tax years, the average will be the adjusted gross farm income, including losses, averaged for the three taxable years preceding the most immediately preceding complete taxable year.

A new legal entity will have adjusted gross farm income averaged only for the years of the base period for which it was in business.

A new legal entity will not be considered "new" to the extent it takes over an existing operation and has any elements of common ownership interest and land with the preceding person or legal entity. If such commonality exists, then the income of the previous person or legal entity will be averaged with that of the new legal entity for the base period.

For a person filing a joint tax return, the certification of average adjusted farm income will be reported as if the person had filed a separate federal tax return and the calculation is consistent with the information supporting the filed joint return.

To request the increased payment limitation, participants must file form FSA-510 certifying their average adjusted gross farm income is at least 75% of their average AGI, accompanied by a certification from a certified public accountant (CPA) or attorney that the participant meets the requirements. If the participant is an entity and files the FSA-510, the payment limitation for the entity may increase, however if the members of the entity do not file FSA-510s, their payment limitation will remain at $125,000, and the payments for the entity will be reduced accordingly. To learn more, visit the Payment Eligibility and Payment Limitation website or, contact your local **FSA service center**.

Future Insurance Coverage Requirements

All producers who receive ERP 2022 payments, are statutorily required to purchase crop insurance, or NAP coverage where crop insurance is not available, for the next two available crop years, as determined by the Secretary. In addition, producers must file an accurate FSA-578 during the linkage years. Participants must obtain crop insurance or NAP, as may be applicable:

- At a coverage level equal to or greater than 60% for insurable crops; or
- At the catastrophic level or higher for NAP crops

Coverage requirements will be determined from the date a producer receives an ERP payment and may vary depending on the timing and availability of crop insurance or NAP for a producer's particular crops. The final crop year to purchase crop insurance or NAP coverage to meet the second year of coverage for this requirement is the 2027 crop year.

For crops where no insurance policy is available, and ERP recipients are ineligible for NAP payments, due to exceeding the average Adjusted Gross Income (AGI) limitations, they must meet this requirement by either:

- Obtaining NAP coverage and paying the applicable NAP service fee as required above, regardless of ineligibility for NAP payment, or
- Purchasing Whole-Farm Revenue Protection (WFRP) crop insurance coverage or Micro Farm, if eligible.

If the crop is not eligible for NAP, then producers are required to purchase Whole Farm Revenue Protection (WFRP) or Micro Farm crop insurance at a coverage level of at least 60%.

Producers applying for ERP 2022 Track 2 must file FSA-525 and report all crops that suffered a revenue loss in whole or in part due to a qualifying disaster event on form FSA–525 Crop Insurance and/or NAP Coverage Agreement, as well as crops not sold that suffered a loss in value. For these crops, they must obtain the required level of Federal crop insurance or NAP coverage in all counties where the crop is grown for the applicable years. For all crops listed on form FSA–525, producers who have the crop or crop acreage in subsequent years and who fail to obtain the required 2 years of Federal crop insurance or NAP coverage must refund the ERP Track 2 payment with interest from the date of disbursement.

Producers who receive an ERP Track 1 payment for a crop are not required to obtain additional years of Federal crop insurance or NAP coverage for that crop if they also receive an ERP Track 2 payment for a loss associated with that crop.

If a crop listed on the FSA-525 is:

- A NAP-eligible crop, and crop insurance becomes available for the crop in a linkage year, the producer is required to obtain crop insurance at the 60/100 level or equivalent.
- An insured crop, and crop insurance is not available for the crop in a linkage year, the producer is required to obtain NAP at the 50/55 level, including paying the applicable service fee and filing annual acreage and production reports.

Producers who do not plant a crop listed on form FSA–525 in a year for which the Federal crop insurance and NAP coverage requirement applies are not subject to the Federal crop insurance or NAP purchase requirement for that crop for that year.

A participant not meeting linkage requirements on any crop must repay the entire Track 2 payment plus applicable interest.

How to Apply for Track 2

Producers applying for Track 2 must submit FSA-524, Emergency Relief Program (ERP) 2022 Track 2 Application, certifying their benchmark year revenue and disaster year revenue. The FSA-524 Appendix provides a guide for what should be included as applicable revenue for the option elected by the producer. In addition, all producers applying for Track 2 must submit FSA–525, Crop Insurance and/or NAP Coverage Agreement, by the application deadline to have a complete application on file.

For the purpose of administration of the ERP 2022 payment limitations, for both the tax year option and expected revenue option, producers applying for Track 2 must certify to the percentage of their disaster year revenue from specialty and high value crops combined, and the percentage from other crops for the purpose of administration of the ERP 2022 payment limitation on their application. The percentages certified must be equal to the percentages that the producer would have reasonably expected to receive for the disaster year if not for the qualifying disaster event. Producers must also certify to whether all acreage of all eligible crops (including crops grown, prevented from being planted, and in storage or inventory in the disaster year) were covered by Federal crop insurance or NAP during their applicable growing season, for the purpose of determining the applicable ERP factor, as explained below.

If requested by FSA, documentation required to support a producer's certifications of revenue and other information provided on the application must be submitted within 30 calendar days of FSA's request, or the producer will be considered ineligible for Track 2.

In addition to submitting the forms required for a complete application, the following eligibility forms must be submitted within 60 days of the announced ERP 2022 application deadline, if not already on file for the applicable disaster year:

- AD-2047, Customer Data Worksheet
- CCC-902, Farm Operating Plan for Payment Eligibility
- CCC-901, Member Information for Legal Entities (if applicable)
- AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification.

Note: Completing the eligibility forms is not a condition of COC or CED approving

FSA-524. However, these forms must be filed within 60 calendar days from the date of the announced deadline. Failure to timely provide all eligibility forms may result in no payment or a reduced payment.

Producers requesting an increased payment limitation or payment rate must submit the following forms within 60 days of the announced ERP 2022 application deadline, if not already on file:

- FSA-510, Request for an Exception to the $125,000 Payment Limitation for Certain Programs.
- CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification.

Track 2 Payment Calculation

To determine a producer's Track 2 payment amount, FSA will calculate:

Step (1) The producer's benchmark year revenue, multiplied by the ERP factor of 90 percent if all acres of all eligible crops were covered by Federal crop insurance or NAP, or 70 percent if not all acres of all eligible crops were covered by Federal crop insurance or NAP; minus
Step (2) The producer's disaster year revenue; minus
Step (3) The sum of the producer's gross Track 1 payments.

After performing the calculation described above, progressive factoring will be applied to the calculated amount according to the table below.

Payment Range	Progressive Factor (%)
Up to $2,000	100
$2,001 to $4,000	80
$4,001 to $6,000	60
$6,001 to $8,000	40
$8,001 to $10,000	20
Over $10,000	10

FSA will calculate the total of the results for each range above. For underserved producers, the sum of the results will be multiplied by a factor of 115 percent, and the underserved producer's calculated Track 2 payment will be equal to the lesser of the resulting amount or the amount calculated after step 3 above. For all other eligible producers, the sum of the results for each range will be the calculated Track 2 payment. FSA will multiply that amount by the percentage of the expected disaster year revenue for specialty and high value crops or other crops, as applicable, to determine the amounts that will apply to the payment limitations for specialty and high value crops (combined) and other crops. FSA will apply a final payment factor of 75 percent to all calculated Track 2 payments, including payments to underserved producers, to ensure payments do not exceed available funding. If a producer receives a Track 1 payment after their Track 2 payment is calculated, the producer's Track 2 payment will be recalculated, and the producer must refund any resulting overpayment.

FSA will issue Track 2 payments as applications are processed and approved. If additional funding is available after ERP 2022 payments are issued, FSA may issue an additional payment, not to exceed the maximum amount allowed by law.

How to Determine Allowable Gross Revenue

Table 1 provides guidance for the Tax Year Option:

- Determining allowable gross revenue source
- What to include/exclude when determining allowable gross revenue

TABLE 1. Tax Year Option

Producers who choose to use the tax year will choose either 2018 or 2019 as their benchmark year and either 2022 or 2023 as their representative revenue year for the disaster year. Allowable gross revenue is based on the year for which the revenue would be reported for the purpose of filing a tax return, except as noted in Table 1.

Include Gross Revenue from the Following Sources:	Exclude Gross Revenue from the Following Sources:
Sales of eligible crops produced by the producer, which includes sales resulting from value added through post-production activities that were reportable on IRS Schedule F. For example: • Strawberries into jam Sales of eligible aquatic species that are grown: • As food for human or livestock consumption • For industrial or biomass uses • As fish raised as feed for fish that are consumed by humans • As ornamental fish propagated and reared in an aquatic medium Eligible aquacultural species must be raised by a commercial operator and in water in a controlled environment.	Sales of livestock, animal by-products, and any commodities that are excluded from eligible crops: • Animals for consumption by the owner, lessee, or other contract grower • Eggs • Milk • Mink including pelts • Revenue from animals for show, sport, or recreational purposes • Wild free roaming animals • Pollinators • Revenue from raised breeding livestock (Schedule 4797 Part 1, Column (d) or (g) or other information that could be reported on a Schedule F • Sales of agricultural commodities resulting from value added through post-production activities if reported on Schedule C • Commodities not grown in the U.S. and its territories • Crops for grazing • Aquatic species that do not meet the definition of aquaculture • Timber • Cannabis sativa L. and any part of the plant that does not meet the definition of hemp

Table continues

Include Gross Revenue from the Following Sources:	Exclude Gross Revenue from the Following Sources:
Sales of eligible crops a producer purchased for resale that had a change in characteristic due to the time held (for example, a plant purchased at a size of 2 inches and sold as an 18-inch plant after 4 months), less the cost or other basis of such eligible crops.	Resale items not held for characteristic change
Cooperative distributions directly related to the sale of the eligible crops produced by the producer, such as patronage paid to producer for gross grain sales.	Distributions that are not directly related to the sale of eligible crops that are not produced by the producer such as: • Patronage paid to a producer based on the amount of money borrowed and the interest paid • Dividend paid to a producer based on the services used or products purchased.
Benefits for eligible crops under the following agricultural programs: • Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Program • Biomass Crop Assistance Program (BCAP) • Coronavirus Food Assistance Program (CFAP) – CFAP 1 and CFAP 2 • Emergency Assistance for Livestock, Honeybees, and Farm Raised Fish Program (ELAP) - payments for aquaculture crop(s) • Emergency Relief Program (ERP) – Phase 1 and Phase 2 • Loan Deficiency Payment (LDP) Program • Market Loan Gains (MLG) - repayment of Commodity • Market Facilitation Program (MFP) • On-Farm Storage Loss Program (OFSLP) • Pandemic Assistance Revenue Program (PARP) • Quality Loss Adjustment Program (QLA) • Seafood Trade Relief Program (STRP) • Wildfire and Hurricanes Indemnity Programs (2017 WHIP and WHIP+) For the disaster year only: ERP 2022 Track 1 payments issued to another person or entity for the producer's share of an eligible crop, regardless of the tax year in which the payment would be reported to IRS.	Pandemic Assistance payments including but not limited to payments from: • Pandemic Livestock Indemnity Program (PLIP) • Pandemic Assistance for Timber Harvesters and Haulers (PATHH) • Spot Market Hog Pandemic Program (SMHPP) Any pandemic assistance payments that were not for the loss of eligible crops or the loss of revenue from eligible crops, such as: • Cost-share assistance • Assistance for loss of buildings • Payments for livestock portion Other program payments, including but not limited to payments from: • Conservation program payments • Dairy Margin Coverage (DMC) Program • Marketing Assistance Loan (MAL)
CCC loans for eligible crops, if treated as income and reported to IRS. For example: • CCC loan proceeds for eligible crops if elected to be treated as income in a prior year less the tax basis in year of repayment • CCC loans for eligible crops reported under election if elected to be treated as income and reported to IRS when all or part of the production is used as collateral to secure the loan • Forfeited CCC loans for eligible crops	

Table continues

Include Gross Revenue from the Following Sources:	Exclude Gross Revenue from the Following Sources:
FCIC crop insurance proceeds for eligible crops, minus the amount of administrative fees and premiums. Proceeds for eligible crops under private insurance policies.	Federal disaster program payments under the following programs: • Emergency Assistance for Livestock, Honeybees, and Farm Raised Fish Program (ELAP) for livestock and honeybees • Emergency Livestock Relief Program (ELRP) • Emergency Relief Program 2022 (ERP 2022) Track 1 • Livestock Forage Disaster Program (LFP) • Livestock Indemnity Program (LIP) • Milk Loss Program (MLP) • Tree Assistance Program (TAP)
Noninsured Crop Disaster Assistance Program (NAP) payments for eligible crops, minus the amount of service fees and premiums.	
Payments issued through grant agreements with FSA for losses of eligible crops.	
Grants from the Department of Commerce, National Oceanic and Atmospheric Administration and State program funds providing direct payments for the loss of eligible crops or the loss of revenue from eligible crops.	
Other revenue directly related to the production of eligible crops that IRS requires the producer to report as income including but not limited to: • Commodity-specific income received from state or local governments • Net gain from hedging	• Federal and State gas/fuel tax credits • Income from a pass-through entity such as an S Corporation or Limited Liability Company (LLC) • Certificate Exchanges • Custom hire income • Wages, salaries, tips, and cash rent • Employee Retention Credit (ERTC) • Paycheck Protection Program (PPP) • Rental of equipment or supplies • Revenue earned as a contract producer • Net gain from speculation
For producers who applied for the previous ERP Phase 2 and selected 2022 as the representative revenue year only: Value of the actual production for the following DAFP-approved crops that do not have revenue directly from sales due to the producer's ordinary operation: • All eligible crops grown for feed, to be stored, and fed to livestock on the farm • Any variety of grapes grown and used by the same producer for wine production • Fresh apples, cherries, peaches and plums grown and processed into cider and wine by the same producer The value will be based on: • Actual production of the crop • Published price for the crop based on the best data available for the crop such as NASS, RMA, NAP, and locally published prices based on sales for the applicable year The method for determining the value is the same for both the benchmark and disaster year.	

Note: For those using the tax year option, an applicant is not required to have filed a Schedule F to determine allowable gross revenue. If an applicant did not file a Schedule F, the applicant will use the applicable federal tax form filed to determine allowable gross revenue in the same manner as if a Schedule F was filed.

How to Determine Expected and Actual Revenue

Table 2 & 3 provide guidance for the Expected Revenue Option:

Use Table 2 to determine Benchmark Year Revenue for the Expected Revenue Option.

Use Table 3 to determine Actual Revenue using the Expected Revenue Option.

TABLE 2. Expected Revenue Option

For producers who elect the expected revenue option, the producer's expected revenue must include the expected revenue from all eligible crops that could have been affected by a qualifying disaster event in calendar year 2022, including crops prevented from being planted, crops in storage, and planted crops (including inventory and perennial crops).

Expected Revenue Prior to Disaster Includes:	Calculating Expected Revenue:
Revenue from all eligible planted and prevented planted yield-based crops that could have been affected by qualifying disaster event in calendar year 2022. *Includes eligible crops that were planted in 2022 but not harvested until calendar year 2023.* *Excludes all crops with an intended use of grazing.*	Expected Acres × Expected Yield Per Acre × Expected Price **Example:** Producer intended to plant 1,000 acres of soybeans in County A and 100 acres of corn in County B. The expected benchmark year revenue will be calculated for both the corn and the soybeans. Soybeans: 1,000 acres × 60 bushels/acre × $12.00/bushel = $720,000 Corn: 100 acres × 200 bushels/acre × $5.00/bushel = $100,000 The total expected benchmark year revenue for planted and prevented planted crops: $720,000 + $100,000 = $820,000
Revenue from all eligible perennial crops that could have been affected by a qualifying disaster event in calendar year 2022. *Excludes all crops with an intended use of grazing.*	Expected Acres × Expected Yield Per Acre × Expected Price **Example:** Producer planted 1,000 acres of alfalfa and expected to harvest 3 tons per acre. The NASS published priced for alfalfa hay in the county is $200/ton. The total expected benchmark revenue for the alfalfa: 1,000 acres × 3 tons/acre × $200/ton = $600,000
Value of all eligible inventory crops that could have been affected by a qualifying disaster event in calendar year 2022.	Total Inventory Prior to Disaster × Expected Price **Example:** Producer has 100,000 pounds of red fish in inventory with a contract to sell the fish for $3.50 per pound. The total expected benchmark year revenue for inventory: 100,000 pounds × $3.50/pound = $350,000
Value of all crops in storage that could have been affected by a qualifying disaster event in calendar year 2022. Includes eligible crops from 2022 and prior years in storage at the time of the disaster.	Total Production in Storage × Expected Price **Example:** Producer has 50,000 bushels of hard red winter wheat produced on the farm and stored in grain bins and the grain elevator is purchasing wheat for $8.00 a bushel in the county. The total expected benchmark year revenue for crops in storage:50,000 bushels × $8.00/bushel = $400,000

TABLE 3. Actual Revenue

For producers who elect the expected revenue option, the producer's disaster year revenue is the actual revenue from all eligible crops were included in the expected revenue calculation.

Actual Revenue Includes:	Actual Revenue Excludes:
Revenue from sales of eligible crops.	Crops for grazing.
FCIC Crop insurance indemnities and NAP payments, less premiums and fees.	Aquatic species that do not meet the definition of aquaculture.
Indemnities for eligible crops under private insurance policies.	Cannabis sativa L. and any part of the plant that does not meet the definition of hemp.
The value of the eligible crop for crops not sold (such as crops in storage or inventory, or fed to the producer's livestock) *The same price used to calculate the expected revenue for the benchmark year must be used to calculate the actual disaster year revenue for crops in storage from 2021 or earlier that remain in storage at the time of application because ERP does not pay for market fluctuations for prior year crops.*	Timber.
Payments issued for 2022 calendar year disaster losses, including but not limited to payments under: • ELAP for aquaculture crops • ARC, (ARC-CO, ARC-IC) • LDP • MLG • Net gains hedging • Grants from NOAA, and State program funds for the direct loss of eligible crops or the loss of revenue for eligible crops	Crop by-products such as cotton seed and corn stalks.
Other revenue directly related to the production of eligible crops that IRS requires the producer to report as income.	

Optional forms FSA-524-A and FSA-524-B are available at **https://www.fsa.usda.gov/programs-and-services/emergency-relief/index**.

For More Information

Additional USDA disaster assistance information can be found on farmers.gov, the **Disaster Assistance Discovery Tool**, **Disaster-at-a-Glance fact sheet**, and **Farm Loan Assistance Tool**.

For FSA and Natural Resources Conservation Service programs, producers should contact their local **USDA Service Center**. For assistance with a crop insurance claim, producers and landowners should contact their crop insurance agent.