USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

Emergency Relief Program 2022 (Track 1) Delivery Snapshot

In passing the Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328), Congress intended the emergency relief for losses resulting from eligible natural disasters occurring in calendar year 2022 to be delivered in the same manner as previous assistance (specifically Emergency Relief Program (ERP) Phase 1 for 2020 and 2021 losses).

To enhance access to critical assistance based on indemnified losses, FSA incorporated key improvements from lessons learned, including:

- Track 1 has been enhanced to support an update/correction process to allow additional Risk Management Agency (RMA) records to be included under ERP 2022 ensuring that participants with eligible records have access to critical assistance.
- To support access to emergency relief in a manner that aligns with the structure of the operation, the Track 1 application process has been enhanced to include all Substantial Beneficial Holders listed on a crop insurance policy.

Progressive Factoring (vs. Flat Rate) is a more advantageous, equitable distribution of limited funds to more producers in need of assistance.

- In early conversations about the need for 2022 emergency relief assistance, USDA informed Congress that the Department estimated disaster-impacted producers incurred at least **$10 billion in uncovered losses**. Actual numbers are closer to **$12 billion in uncovered losses**. When the Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328) passed, Congress allocated **$3.2 billion in funding** for uncovered crop losses.
- With a known funding deficit, USDA found an equitable process that would provide the most benefits to the most producers. According to RMA and FSA data, roughly **206,000 crop insurance and 4,500 Noninsured Crop Disaster Assistance Program (NAP) policies** had an indemnity that would earn a payment through ERP 2022 Track 1.
- If a flat factor was applied, the factor would have been **27%**. For a policy holder (producer/operation) to earn more in ERP 2022 benefits under a flat factor (vs. a progressive factor), it would have required an ERP gross payment of around **$30,000**.

Designing and Deploying ERP

When designing and deploying a program as complex as ERP, we've made every effort to incorporate lessons learned from our previous disaster programs as well as glean important input from producers, commodity groups, members of Congress and other stakeholder groups before opening the program for applications. The end result is a more advantageous, equitable distribution of limited funds to more producers in need of assistance.

- More than **80%** of the 210,500 indemnified policies have ERP gross payments less than $30,000 meaning nearly 170,000 producers will receive a higher payment using the progressive factor when compared to the 27% flat factor. It's important to understand that, for these producers, the ERP 2022 payment is in addition to over **$19 billion** in indemnities already received through their respective RMA or FSA risk coverage options.
- Should Congress authorize additional funding, FSA can timely issue additional assistance by adjusting factors currently in place.

For **NEW YORK**, the ERP 2022 progressive factoring option is more advantageous than the flat factor for **81%** of program participants.

Flat vs. Progressive[1]	Number of Producers with Effective Factor	Share of Producers with Effective Factor
<0.27	297	19%
>=0.27	1,297	81%

[1] Producers who received an effective factor greater than 27 percent did better with progressive factoring while those with an effective factor of less than 27 percent would have done better if a flat factor was used.

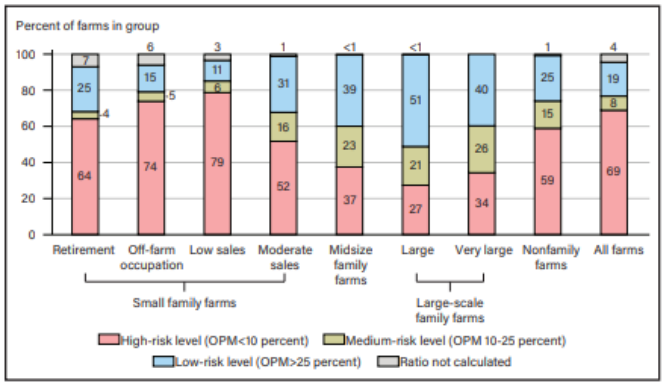
Much-needed assistance delivered to small and mid-size family farms and underserved producers that historically have not had the same risk protection opportunities that are critical to sustaining operations in times of disaster.

- Offering a reduction in premiums and fees provides additional assistance to more-often vulnerable and smaller operations who lack financial resources to access higher levels of coverage through crop insurance or FSA's NAP.
- Most U.S. farms are small family farms; these farms operate on 46% of U.S. agricultural land and account for 19% of the total value of production.
- In 2022, approximately 88% of all farms were small family farms and operated 46% of U.S. agricultural land.

According to USDA Economic Research Service Data (see figure 1):

- Most U.S. farms are small family farms; In 2022, approximately 88% of all farms were small family farms that operated 46% of U.S. agricultural land and accounted for 19% of the total value of production.

Farms by operating profit margin and farm type, 2022



Note: The Operating Profit Margin (OPM) ratio is defined as: $100 \times \left(\frac{Net\ farm\ income + interest\ paid - charges\ for\ unpaid\ labor\ and\ management}{gross\ farm\ income}\right)$. OPM ratios are not calculated for operations with zero or negative gross farm income as the OPM for these operations are undefined or do not reflect the financial position of the farm operation. Gross farm income can be negative due to decreases in the value of inventory. Due to rounding, numbers may not add to 100 percent.

Source: USDA, Economic Research Service (ERS) using USDA, National Agricultural Statistics Service and USDA, ERS, 2022 Agricultural Resource Management Survey data.

Fig. 1

For **NEW YORK**, ERP 2022 payments complement more than **$52.7 MILLION** in disaster recovery benefits delivered to disaster-impacted producers in 2020, 2021, 2022, and 2023 (as of Dec. 10, 2023).

Program	Program Year/ Fiscal Year 2020	Program Year/ Fiscal Year 2021	Program Year/ Fiscal Year 2022	Program Year/ Fiscal Year 2023	Total
Emergency Conservation Program (ECP)	$26,508		$69,039	$22,526	$118,073
Emergency Forest Restoration Program (EFRP)				$8,813	$8,813
Emergency Assistance for Livestock (ELAP)	$280,411	$721,046	$1,423,149	$58,865	$2,483,471
Emergency Livestock Relief Program (ELRP)			$6,562		$6,562
Emergency Loans	$47,810				$47,810
Emergency Relief Program (ERP)	$17,800,470	$20,397,922	$483,396		$38,681,788
Emergency Relief Program (ERP) 2	$584,425	$840,838			$1,425,262
Emergency Relief Program (ERP) 2022			$1,181,883		$1,181,883
Livestock Forage Disaster Program (LFP)			$31,267		$31,267
Livestock Indemnity Program (LIP)	$3,357	$3,112	$68,511		$74,980
Milk Loss Program (MLP)			$460,484		$460,484
Noninsured Crop Disaster Assistance Program (NAP)	$1,660,443	$3,030,918	$2,093,832	$1,301,350	$8,086,543
Tree Assistance Program (TAP)	$13,521	$1,443	$83,771		$98,735