

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Emergency Relief Program 2022
5-ERP**

Amendment 2

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 4 D has been amended to add the required COC review of FSA-523s with shares designated to an SBI.

Subparagraph 5 D has been amended to update the image of the CCC-770 ERP 2022 Track 1 checklist.

Subparagraph 27 D has been amended to clarify the meaning of “eligible producer.”

Subparagraph 65 B has been amended to clarify that:

- ERP 2022 Track 1 applications (FSA-523) may contain a zero value for an Estimated ERP 2022 Payment
- SBI’s must meet FSA’s definition of eligible producer.

Subparagraph 65 K was added to incorporate withdrawal policy for Track 1 applications.

Subparagraph 66:

- A has been amended to clarify that COC action is not required for line items on FSA-523 where the producer did not request payment
- C has been amended to add that COC review for shares designated to SBI’s and annual forage policies are required prior to approval of FSA-523
- F has been amended to provide policy for the COC review process for applications with shares designated to an SBI
- G has been added to provide guidance on reviewing Track 1 applications with Annual Forage policies.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 129 B has been amended to update instructions for the FSA-524-A worksheet.

Subparagraph 129 C has been amended with an updated image of the FSA-524-A worksheet.

Subparagraph 130 A has been amended to correct a typographical error.

Subparagraph 130 H has been amended to clarify the instructions for the FSA-524-B worksheet.

Paragraph 165 has been amended to add a note referencing a sample letter (Exhibit 40) to issue to producers where their Track 2 payment calculated to zero.

Exhibit 2 has been amended to add a note to the definition for eligible producer.

Exhibit 17 has been added to provide a sample letter for requesting documentation supporting shares greater than zero designated to an SBI.

Exhibit 40 has been added to provide a sample letter for an ERP 2022 Track 2 payment calculated to zero.

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2	Definitions of Terms Used in This Handbook
3-7	(Reserved)
8	List of Specialty Crops
9	FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs
10	(Reserved)
11	NAP Crops Covered under PRF and Annual Forage Policies
12	Track 1 Letter Sent to Producers
13	Sample Letter of Incomplete Application
14	Sample Letter Notifying of Duplicate RMA and NAP Benefits
15	Sample Letter Notifying of Disapproval Due to Duplicate Benefits
16	Sample Letter Requesting Supportive Documentation
17	ERP 2022 SBI Applicant Sample Letter
18-39	(Reserved)
40	Sample Letter ERP 2022 Track 2 Payment Calculated to Zero

4 Responsibilities (Continued)

C DD Responsibilities (Continued)

- enter results of first 5 reviews in the ERP 2022 Internal Control SharePoint site
- handle appeals according to 1-APP
- immediately notify the SED or designated State Office employee of software problems, incomplete or incorrect procedures, specific problems, or findings
- ensure all County Offices publicize ERP 2022 provisions
- take any oversight actions necessary to ensure that PIIA provisions are met to prevent County Offices from issuing improper payments.
- ensure that FSA assists persons by providing as much program information as it can in a variety of ways.

Notes: Because of limited resources, publication may or may not be by direct mail or on an individual basis. FSA meets its publication responsibilities by making broad program announcements in the press, print and electronic media, FR documents, radio and television announcements, and through posting program information in USDA Service Centers.

FSA cannot be responsible for reaching out to every potential program participant with all program information. Producers must seek information on program details and not wait for FSA to individually write or communicate with them about program provisions. As resources permit, COC will ensure that program provisions are publicized and maintain a record of all publicity efforts.

4 Responsibilities (Continued)

D COC Responsibilities

Within the authority and limitations in this handbook, COC's will:

- fully comply with all program provisions
- ensure that CED's fully comply with all program provisions
- ensure that CED or designated employee(s) conduct reviews according to paragraph 5 for Track 1 and paragraph 6 for Track 2
- review, approve, and disapprove applications and document in the COC minutes

Note: COC may redelegate authority to CED to review and approve routine applications. Redlegation of authority must be documented in the COC minutes. All adverse actions must go to COC for review and action. CED may not redelegate authority to review or approve routine applications to any other County Office employees.

- *--review all FSA-523's where the primary policyholder certified to the designation of shares greater than zero to SBI's to ensure the SBI meets FSA's definition of eligible producer according to subparagraph 27 D--*
- thoroughly document all actions taken in the COC minutes
- handle suspected fraud cases according to applicable procedure
- handle appeals according to 1-APP
- safeguard confidentiality of records according to 3-INFO
- ensure that producers receive complete and accurate program information
- ensure that program provisions and other important items are publicized as soon as possible after information is received from the National Office, including but not limited to the following:
 - application period
 - payment limitation
 - basic participant eligibility criteria.

5 Internal Controls for Track 1 (Continued)**C CCC-770 ERP 2022 Track 1, Emergency Relief Program (ERP) 2022 Track 1 Checklist**

PIIA requires federal agencies to evaluate programs to determine whether internal controls are sufficient to prevent improper payments. CCC-770 ERP 2022 Track 1 was developed to address areas of concern to ensure that payments are issued properly.

CCC-770 ERP 2022 Track 1 is required to be completed for **all** FSA-523's that will receive a payment and must be:

- second party reviewed by CED or designee
- reviewed by DD for the first 5 FSA-523's filed in each Service Center.

Note: Review may be completed and authority to process FSA-523 may be provided to CED, one application at a time, until at least 5 have been reviewed.

CCC-770 ERP 2022 Track 1 does not negate STC, SED, State Office, DD, COC, CED, and County Office responsibility for administering all provisions applicable to ERP 2022 Track 1.

Note: CCC-770 ERP 2022 Track 1 was developed by the National Office and is the only authorized checklist. County Offices must not use State or local generated checklists.

5 Internal Controls for Track 1 (Continued)

D Example of CCC-770 ERP 2022 Track 1

The following is an example of CCC-770 ERP 2022 Track 1.

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CCC-770 ERP 2022 Track 1 (12-11-23)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		A. Recording State Name Code		B. Recording County Name Code		
EMERGENCY RELIEF PROGRAM (ERP) 2022 TRACK 1 CHECKLIST				C. Producer Name		D. Application Number		
County Office Action				Handbook or Other Reference		YES	NO	N/A
General Eligibility								
1	Has FSA-523 been completed, signed by the applicant, and submitted by the application deadline?			5-ERP, paragraph 65				
2	If the producer is a foreign person or entity, was the producer properly recorded in business file?			5-ERP, paragraph 27; 6-PL				
3	Is the CCC-902 on file and signed by the person or an authorized representative(s) of the legal entity?			5-ERP, paragraph 65; 6-PL				
4	Is the CCC-903 on file with a determination made by the COC, CED, or authorized representative, including review for substantive change?			5-ERP, paragraph 65; 6-PL				
5	Was CCC-901 completed to identify any embedded entity member information?			5-ERP, paragraph 65; 6-PL				
6	Has a CCC-860 been completed according to policy by an underserved farmer or rancher certifying as a Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher?			5-ERP, paragraphs 14 & 65; 3-PL				
7	Is valid signature authority on file for the applicant who signed FSA-523?			5-ERP, paragraph 65; 11-CM				
Conservation Compliance								
8	Did the applicant and all affiliated persons certify compliance with HELC/WC provision on an AD-1026?			5-ERP, paragraphs 12 & 65; 6-CP				
Payment Limitation								
9	Did the applicant file an FSA-510 to request a higher payment limitation?			5-ERP, paragraphs 26 & 65				
10	Has FSA-510 been completed according to policy and properly loaded in Subsidiary?			5-ERP, paragraph 26 & 65				
FSA-525 Crop Insurance and/or NAP Coverage Agreement – Linkage Agreement								
11	Has producer completed FSA-523, Items 18 and 32, certifying that they agree to purchase crop insurance and or NAP, for listed crops receiving an ERP 2022 payment according to FSA-523, Part A?			5-ERP, paragraph 48				
COC or Designee Determination								
12	If COC has provided redelegation of approval authority, was that redelegation of approval authority properly established and recorded in the COC minutes prior to any action taken by the designee?			5-ERP, paragraphs 4 & Exhibit 1				
13	If SBI(s) have been designated a share of a payment, do all SBI(s) meet the definition of an eligible producer?			5-ERP, paragraphs 27 & 66				
14	If SBI(s) have been designated a share of a payment, are the designated shares accurate for all SBI(s) on FSA-523?			5-ERP, paragraph 66				
15	Has the COC or designee verified that all applicable items on FSA-523 have been completed according to policy and the certification has been completed by the producer or a legal representative in Part E?			5-ERP, paragraphs 65 & 66				
16	Has COC or designee completed their determination in Part F on FSA-523 and recorded their determination in the ERP 2022 software?			5-ERP, paragraph 66				

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5 Internal Controls for Track 1 (Continued)

D Example of CCC-770 ERP 2022 Track 1 (Continued)

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CCC-770 ERP 2022 Track 1 (12-11-23)		Page 2 of 2	
COC Adverse Decisions			
17	If the COC made an adjustment on FSA-523 in Item 25, did the COC request documentation from the producer to support their adjustment and is the COC's decision for the adjustment thoroughly recorded in the COC minutes?	5-ERP, paragraph 66	
18	If the COC disapproved FSA-523 in Part F, was the adverse decision thoroughly recorded in the COC minutes?	5-ERP, paragraph 66	
19	If the COC disapproved FSA-523 in Part F, what day was the producer notified and provided appeal rights? Date Notified: _____	5-ERP, paragraph 66; 1-APP	
Certification			
20. I, the undersigned, certify the above items have been verified or updated accordingly.			
20A. Signature of Preparer	20B. Date	20C. Signature of Preparer	20D. Date
21. I concur, or do not concur that the above items have been verified and updated accordingly: Concur Do Not Concur			
22. CED or Designee Signature for Spot-check			23. Date
24. I concur, or do not concur that the above items have been verified and updated accordingly: Concur Do Not Concur			
25. DD or Designee Signature for Spot-check			26. Date
27. Remarks:			
<p>Non-Discrimination Statement: In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</p> <p>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</p> <p>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.asc.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</p>			

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5 Internal Controls for Track 1 (Continued)**E Retention**

CCC-770 ERP 2022 Track 1 must be retained in the producer's electronic ERP 2022 Track 1 folder with their FSA-523. Folder content requirements for ERP 2022 Track 1 are listed in paragraph 66 and will be maintained according to 32-AS Supplement. If a new CCC-770 ERP 2022 Track 1 is initiated because of an update to FSA-523, then the original CCC-770 ERP 2022 Track 1 must be retained, along with the new CCC-770 ERP 2022 Track 1.

Note: In cases involving multiple preparers, the preparer can use the "Remarks" section in item 27 to indicate which items they verified.

Reminder: County Offices cannot rely solely on CCC-770 ERP 2022 Track 1 for administering ERP 2022 Track 1. All program provisions must be met, not just items on CCC-770 ERP 2022 Track 1. CCC-770 ERP 2022 Track 1 is a tool to assist with ERP 2022 Track 1 administration and includes the major areas where deficiencies have been identified, but is not, nor is it intended to be, inclusive of all ERP 2022 Track 1 provisions.

Part 2 – Provisions Applicable to Both Tracks

25 Payment Limitation Authority

A Applicability

This paragraph provides the general payment eligibility requirements applicable to ERP 2022 for both Track 1 and Track 2.

B Payment Limitation Authority

The Disaster Relief Supplemental Appropriations Act, 2023, provides that payment limitations for ERP 2022 will be consistent with the regulations at 7 CFR Part 760.1507. In the case of specialty crops or high value crops, as determined by the Secretary, it provides that payment limitations will be consistent with the regulations at 7 CFR Part 760.1507(a)(2).

ERP 2022 has its own per person or legal entity payment limitation separate from other programs authorized under the rule. The per person or legal entity payment limitation will be recorded through direct attribution according to 6-PL.

The rules for applying payment limitation and attribution apply to program payments according to 6-PL and 7 CFR Part 1400. Accordingly, the rules for notification of interest, substantive change, and direct attribution apply.

26 Payment Limitation

A Overview

For payment limitation purposes, ERP 2022 classifies eligible crops into the following categories: specialty crops, non-specialty crops, high value crops, and other crops. The term “non-specialty crop” only applies to Track 1, the terms “high value crop” and “other crop” only apply to Track 2, and the term “specialty crop” applies to both tracks. See Exhibit 2 for definitions of high value, specialty, non-specialty, and other crops, and Exhibit 8 for a list of specialty crops.

--The payment limitation is \$125,000 per person or legal entity and is applied collectively-- for specialty and high value crops, with a separate payment limitation of \$125,000 per person or legal entity for non-specialty and other crops.

This limitation applies to program year 2022 for Track 1 and Track 2 combined.

Notes: For Track 1, WFRP, Micro Farm policies, and WFU are treated as a single crop. For payment limitation purposes, producers will certify to the percentage of revenue or liability from specialty crops.

For Track 2, producers will certify to the percentage of expected revenue from specialty and high value crops and other crops.

27 General Eligibility (Continued)

D Eligible Producer

Eligible producer means, in addition to other eligibility requirements as may apply, an individual or legal entity that is entitled to an ownership share and is at risk in the crop, production, and marketing associated with the agricultural production of crops on the farm and is any of the following:

- a United States citizen
- resident alien, which for the 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

*--**Note:** States, including, agencies, divisions, and political subdivisions thereof, as defined in 6-PL are eligible.--*

- Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)
- foreign person or foreign entity who meets all requirements as described in 7 CFR Part 1400.

Note: Landowners, landlords, tenants, contract growers, or anyone else not having both a share of the risk and a valid claim of share ownership of a crop are ineligible for assistance for that crop.

27 General Eligibility (Continued)

E Ineligible Producer

The following persons or legal entities are **ineligible**:

- persons or legal entities who did not have a reported ownership interest in any of the designated commodities
- persons and legal entities that have been suspended or debarred or otherwise excluded from participating in federal programs (1-CM, paragraph 823)
- persons and legal entities that do not meet payment limitation, payment eligibility and HELC/WC requirements.

Section 2 Application and County Committee Action

65 Applying for ERP 2022 Track 1

A Track 1 Application

FSA and RMA will identify producers eligible to apply for ERP 2022 Track 1 based on the criteria described in paragraphs 49 and 50. For each producer identified, FSA will generate an FSA-523 with certain items pre-filled with information already on file with USDA.

Note: FSA will send a letter with the application(s) explaining the Track 1 process. See Exhibit 12 for a sample of the letter that will be sent to producers with insured crops and/or NAP covered crops.

B Application Process

Receipt of a pre-filled application form is not a confirmation that the producer, crop, or unit is eligible to receive an ERP 2022 Track 1 payment.

To receive a payment, the producer must:

- certify that their crop insurance indemnity or NAP payment on which the ERP 2022 Track 1 payment will be based was due, in whole or in part, to a crop production loss or a tree loss caused by a qualifying disaster event
- review the list of qualifying disaster events and related conditions, and if a loss was because of drought, producers must also ensure that the county where the crop and unit was located meets the definition of “qualifying drought” as outlined in subparagraph 27 B
- certify that they will meet the requirement to purchase crop insurance or NAP coverage, as applicable for the crop, at the 60/100 level of coverage or higher for insured crops or at the basic 50/55 (catastrophic) level or higher for NAP crops for the next 2 available crop years.

Producers are not required to request payment for all crops and units listed on their application to receive a Track 1 payment.

***--Note:** ERP 2022 Track 1 applications (FSA-523) may contain a zero value for the “Estimated ERP 2022 Payment (Prior to Adjustments)” in items 15 and 31. The applicant may request payment if the line item meets the eligibility criteria as a qualifying loss and the applicant agrees to linkage. For underserved producers, after progressive factoring, requesting payment on a zero-value entry could result in the return of applicable premiums and fees.--*

65 Applying for ERP 2022 Track 1(Continued)

B Application Process (Continued)

The portion of the application for producers with crop insurance will include the crop year, physical State and county code, crop and unit number. The application will also include the primary policyholder and all producers with an SBI.

The primary policy holder must designate whether they have 100 percent interest in the crop *--or designate the appropriate share for themselves and the SBI's. SBI's must meet FSA's definition of an "eligible producer", meaning an individual or legal entity that is at risk in the crop and is entitled to an ownership share in the crop or would have shared had the crop been produced, in addition to meeting other eligibility requirements. Landowners, landlords, tenants, contract growers, or anyone else not having both a share of the risk and a valid claim of share ownership of a crop are ineligible for ERP 2022 assistance for that crop.--*

Payments will be issued to the primary policyholder and to any SBI producer(s) with a share in the crop identified on the FSA-523 provided all signature and eligibility requirements are met.

Note: Share is assumed to be 100 percent to the primary policyholder unless otherwise designated.

Producers that receive a Track 1 application for WFRP and Micro Farm policies or included in a WFU must certify to the percentage of their expected revenue or total liability for the unit, as applicable, from specialty crops, for:

- WFRP/Micro Farm policyholders must certify their percentage of expected revenue from specialty crops
- WFU policyholder must certify to the percentage of liability from specialty crops.

For producers who received a NAP payment, the pre-filled application will include the crop year, administrative State and county code, pay group, pay crop, and unit number.

FSA will also pre-fill the calculated ERP 2022 Track 1 payment amounts, prior to any payment reductions.

Note: Only producers established with FSA with a CCID will be listed on the application.

65 Applying for ERP 2022 Track 1 (Continued)

J Reviewing Applications for Duplicate Benefits (Continued)

FOR...	THE County Office will...
<p>producers that received 2022 and 2023 ELAP payment for farm-raised fish losses (excluding feeder fish losses)</p>	<ul style="list-style-type: none"> • review the 2022 and 2023 ELAP farm raised fish report, and cross reference the report to the FSA-523 for the producer to see if there were aquaculture losses that were previously compensated under ELAP for the same commodity. • notify the producer by suggested letter in Exhibit 15 that the FSA-523 cannot be processed as submitted because of the duplicate benefit. <p>Notes: The 2022 and 2023 ELAP farm-raised fish report includes all producers who received ELAP benefits for 2022 and 2023 for farm raised fish deaths. The report is posted on the FSA intranet site at https://inside.fsa.usda.gov/program-areas/dafp/dap/erp-2022/index</p> <p>The producer may decline the duplicate payment on the FSA-523 by leaving blank the share, (if applicable), linkage and qualifying disaster event items, indicating no payment requested.</p> <p>If duplicates are unresolved, the COC will disapprove the applicable crop and units.</p>

65 Applying for ERP 2022 Track 1 (Continued)

J Reviewing Applications for Duplicate Benefits (Continued)

FOR...	THE County Office will...
<p>All applications where a producer received ERP Phase 1 benefits for 2022 crop year losses</p>	<ul style="list-style-type: none"> • review the Complete Data Report from Phase 1, program year 2022, and cross reference the report to the FSA-523 for the producer to see if there were 2022 losses that were already compensated under Phase 1 for the same crop and unit • notify the producer by suggested letter in Exhibit 14 that the FSA-523 cannot be process as submitted because of the duplicate benefit. <p>Notes: The Complete Data Report includes all producers who received ERP Phase 1 benefits for 2022 crop year crops. The report may be accessed through the ERP Phase 1 software in according to 6-ERP.</p> <p>The producer may decline the payment on the FSA-523 by leaving blank the share, (if applicable), linkage and qualifying disaster event items, indicating no payment requested.</p> <p>If duplicates are unresolved, the COC will disapprove the applicable crop and units.</p>

*--K Withdrawing FSA-523's

A producer may withdraw or partially withdraw FSA-523 at any time after submission. A producer must request a withdrawal in writing and submit the request to the recording County Office. The County Office must date stamp the request.

If the producer is withdrawing their application for all crops and units on FSA-523, the County Office must remove all producer signature dates, COC actions, and COC signature dates from the software.

If a producer requests a partial withdrawal of a specific crop or unit, then the County Office will remove all information for the applicable line item(s) and leave the producer signature dates and all COC actions in the software for the items that were not withdrawn.

Note: All actions must be thoroughly documented in the COC minutes.--*

66 County Committee Action***--A Acting on FSA-523--***

The recording county's COC, or CED if delegated, will act on all completed and signed FSA-523's submitted.

COC action is required for each crop and unit on the FSA-523 that the producer requested payment.

*--COC will take no action for line item(s) on the FSA-523 where the producer did not request payment. Line items indicating no payment was requested by the producer include:

- line items left completely blank (separate from incomplete line items described in subparagraph 65 G)
- line items where the producer certified "no" to the requirement to purchase crop insurance or NAP coverage
- line items where the producer certified "no" to suffering a qualifying loss.

Note: County Office is not required to notify the applicant of COC inaction when no payment was requested on a line item.--*

County Office must make every effort to process FSA-523 in the system timely. Producers may be provided a copy of the ECPR following procedure found in 6-ERP once a complete application is entered into the system.

A copy of the ECPR, CCC-770 ERP 2022 Track 1, copies of supporting documentation, if applicable, and the FSA-523 will be maintained in the producer's electronic ERP 2022 file. See 32-AS Supplement for file creation, maintenance, and disposition guidance.

B Producer Certification

Program eligibility is based on producer certification and is subject to spot check. However, COC's may request documentation from an ERP 2022 applicant if they have reason to question the producer's certification.

If supporting documentation (See Exhibit 16) is requested, the documentation must be submitted within 30 calendar days from the request. If not timely submitted, COC may disapprove the application for the applicable crop and unit.

66 County Committee Action (Continued)

C Approving FSA-523

Before approving a specific crop/unit on FSA-523, COC, or CED if delegated, must ensure:

- producer meets eligible producer requirements
- *--COC reviews are completed according to subparagraph 66 F on all FSA-523's where the primary policy holder designated shares greater than zero to an SBI
- COC reviews of FCIC Annual Forage policies are completed according to subparagraph 66 G--*
- certifications of qualifying disaster event are reasonable

Reminder: Producers are certifying that the loss was due in whole or in part to a qualifying disaster event or related condition. The specific weather event is not required to be identified on the application and the entire crop and unit is eligible provided the loss was due in whole or in part to any of the qualifying disaster events or related conditions.

- all producers requesting payment have agreed to purchase crop insurance or NAP coverage in return for receiving payment
- FSA-523 was received or postmarked by the sign-up deadline.

If all program eligibility requirements are met COC will approve the crops and units on FSA-523 and document approval in the COC minutes.

Note: Completing eligibility forms (such as AD-1026, CCC-901 and CCC-902) is not a condition of COC or CED approving FSA-523. However, these forms must be filed within 60 calendar days from the date of the application deadline. Failure to timely provide all eligibility forms may result in no payment or a reduced payment.

66 County Committee Action (Continued)

***--F COC Required Review of FSA-523s with Shares Designated to an SBI**

The COC review process will be completed for all ERP 2022 Track 1 applications where a share greater than zero has been designated to an SBI. The COC review process will ensure:

- SBIs that have requested a share of an ERP 2022 benefit meet FSA’s definition of “eligible producer”
- accuracy of the shares designated to the SBI on the FSA-523.

COC will follow guidance in the table when conducting the review. An FSA-578 is not required to participate in ERP 2022; however, it is a valuable tool for verifying risk in a crop, entitlement to an ownership share in a crop, and maintaining integrity in various FSA programs. If an FSA-578 is on file for the producer, COC will review the FSA-578 to verify shares designated to the SBI on the FSA-523. Documentation submitted for other FSA programs **may** also be used in the review if it provides relevant information.

COC will...	IF...	THEN...
compare shares designated to an SBI on the FSA-523 to certified data on the FSA-578	no discrepancies are found	the COC review is complete. COC will document the findings in the COC minutes and no further action is required.
compare shares designated to an SBI on the FSA-523 to the certified data on the FSA-578	<ul style="list-style-type: none"> • discrepancies are found • no FSA-578 is on file for the producer • COC is unable to verify shares from the FSA-578 	the COC will request additional supportive documentation from the SBI and primary policy holder by issuing the “ERP 2022 SBI Applicant Letter” (Exhibit 17).
review additional supportive documentation submitted	COC can verify shares based on the review of the supportive documentation	the COC review is complete. COC will document the findings in the COC minutes and no further action is required.
review additional supportive documentation submitted	<ul style="list-style-type: none"> • COC cannot verify shares based on the supportive documentation • supportive documentation was not submitted or was not timely submitted 	the COC will follow subparagraphs 66 F and H.

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66 County Committee Action (Continued)

***--F COC Required Review of FSA-523's with Shares Designated to an SBI (Continued)**

Note: An EU is an insurance unit structure that consists of all insurable acreage of the same insured crop in the county in which a producer has a share on the date coverage begins for the crop year. EU's are available for crops and counties where the actuarial documents specify availability. When specified in the actuarial documents, a producer may elect separate EU's by practice or type using one of the following methods:

- irrigation practice - irrigated and non-irrigated practices
- cropping practice - as allowed by the crop provisions
- type - as allowed by the crop provisions.

COC should be aware of EU's when reviewing the FSA-578; additional supportive documentation may be necessary for the verification of shares on the FSA-523.

The following are examples of required COC SBI reviews.

Example 1: No discrepancy exists. Shares were verified through review of the FSA-578 that was on file.

Jack, the primary policy holder, has a crop insurance policy with Chrissy and Janet listed with SBI to the primary policy holder. Jack has a 30 percent share of the crop, while his spouse Chrissy has a 20 percent share. Janet, their landlord, has a 50 percent share.

The FSA-578 on file for Jack shows Jack has a 30 percent share of the crop, while his spouse Chrissy has a 20 percent share. Janet, their landlord, has a 50 percent share.

On the FSA-523, Jack, the primary policy holder, designates 30 percent to himself, 20 percent to Chrissy, and 50 percent to Janet for shares for the unit and crops that suffered a qualifying loss on the FSA-523. The COC reviewed the FSA-578 on file which supported the certification of shares designated to SBI's on the FSA-523. Since no discrepancies were found, the COC review is complete. COC will document the findings in the minutes and no further action is required.--*

66 County Committee Action (Continued)

***--F COC Required Review of FSA-523's with Shares Designated to an SBI (Continued)**

Example 2: COC cannot verify shares based on the FSA-578 because of an enterprise unit.

Producer Z, the primary policy holder, crop shares with a landowner, with 75 percent share to Producer Z and 25 percent to the landowner. Producer Z insured the landowner's share under his policy. Producer Z insures with EU structure.

FSA data on the FSA-578 shows Producer Z certifies 1,000 acres of wheat at 100 percent share and 500 acres at 75-25 percent with his landlord on the FSA-578.

Due to the EU structure, the ERP 2022 payment is calculated on the entire 1,500 acres. Although there is an FSA-578 on file, COC cannot verify shares from the FSA-578 and requests additional supportive documentation for verification of shares on the FSA-523.

66 County Committee Action (Continued)

***--F COC Required Review of FSA-523's with Shares Designated to an SBI (Continued)**

COC is not required to request supportive documentation for ERP 2022 Track 1 applications (FSA-523's) based on indemnities under husband and wife policies provided there is no FSA-578 or other documentation on file, such as a CCC-902 that contradicts the claimed shares on the FSA-523.

Example 1: Husband is the primary policy holder and wife is listed as the SBI on the policy. The FSA producer of record is an informal joint venture, and the members are the husband and wife each with a 50 percent share. There is no 2022 FSA-578 on file at FSA. The husband files an FSA-523 for ERP 2022 and designates shares 50 percent to himself and 50 percent to his wife as SBI. No further review is required.

Example 2: Husband is the primary policy holder and wife is listed as the SBI on the policy. The FSA producer of record is an informal joint venture, and the members are the husband and wife who have participated in past programs and have a prior year CCC-902 on file showing 50 percent share to the husband and 50 percent share to the wife. The members have not filed a new CCC-902 for 2022 to update shares within the joint operation. The certified shares on the FSA-523 are 95 percent to the wife as the SBI and 5 percent to the husband who is the primary policy holder. There is no FSA-578 on file for 2022; however, the existing CCC-902 appears to contradict the claimed shares on the FSA-523. In this example, the COC will request supportive documentation to verify the shares on the FSA-523.

If the COC determines the shares are not verifiable the COC will:

- request additional supportive documentation from the SBI or primary policy holder by issuing the "ERP 2022 SBI Applicant Letter", see Exhibit 17

Note: At a minimum, provide a carbon copy of this letter to the primary policy holder

- provide 30 calendar days from the date of receipt of the letter for the submission of the requested documents.--*

66 County Committee Action (Continued)

***--F COC Required Review of FSA-523's with Shares Designated to an SBI (Continued)**

The supportive documentation provided must demonstrate eligibility to participate in ERP 2022, and establish:

- that the SBI that requested a share of an ERP 2022 benefit meets FSA's definition of "eligible producer"
- accuracy of the shares designated on the FSA-523.

The following are examples of supportive documentation generated during the ordinary course of business that may be used for verifying risk and ownership share:

- copies of signed written leases
- copies of legal documents showing land ownership or control of rented land
- rental agreements with landowner or landlord
- input records
- statements or FSA or CCC forms signed by landowner, farm operator, or landlord that indicate the person or legal entity claiming to be a producer had control of the acreage
- copies of grower contracts or the Community Supported Agriculture consumer agreements
- sales contracts or purchase agreements
- assembly sheets
- settlement sheets
- sales receipts or other sales documents indicating when a commodity was sold
- ledgers of income
- income statements of deposit slips
- crop insurance or NAP documentation
- IRS Schedule F, accompanied by documentation, when applicable that supports the certification.--*

66 County Committee Action (Continued)

***--F COC Required Review of FSA-523's with Shares Designated to an SBI (Continued)**

If the COC determines the certification is not verifiable and the requested documentation was not provided, not sufficient, or was not provided timely, see subparagraph 66 H for COC action.

The COC will document the findings of all reviews in the COC minutes.--*

***--G COC Review of Annual Forage Policies**

Annual Forage policies provide coverage for a variety of annually planted crops and intended uses. Crops may include small grains such as wheat or annual ryegrass, and may include intended uses of grain, forage, or grazing. As such, Annual Forage policy indemnities may include multiple intended uses under one unit.

Since crops for grazing are ineligible for ERP 2022, if any acreage under an Annual Forage policy was attributed to grazing, the entire indemnity by unit is ineligible for ERP 2022 and must be disapproved.

COC may use the FSA-578 as an initial tool for a first line review. If the FSA-578 does not substantiate the producer's certification on the FSA-523, then the COC may request additional information from the producer.

Note: The COC must not rely solely on the FSA-578 as grounds for disapproval of the application

The following are examples of Annual Forage Policies.

Example 1: The producer planted wheat and insured the acreage through an Annual Forage policy. The County Office reviewed the FSA-578 and determined that the producer reported intended uses of forage, grain, and grazing on a unit. This unit would be ineligible for ERP 2022 Track 1 because of the grazing acres reported.

Example 2: The producer planted annual ryegrass for forage and insured the acreage through an Annual Forage policy. FSA must determine that the policy does not contain grazing acres. As a first line review, the County Office can look at the FSA-578 to determine what the intended use is. The FSA-578 shows forage for the specific unit. This unit would be eligible since grass for forage is an eligible crop for ERP 2022.

Example 3: The producer planted oats and insured the acreage through an Annual Forage policy. The County Office reviews the FSA-578 and sees that the producer certified the oats as both forage and grazing for the specific unit. This unit would be ineligible since a portion of the reported acreage is for grazing.--*

66 County Committee Action (Continued)

H Disapproving Crop and Unit on FSA-523

COC may disapprove a crop and unit for any of the following reasons:

- person or legal entity applying for ERP 2022 is determined to be an ineligible producer
- documentation requested by COC shows the producer did not suffer a loss due, in whole or in part, to a qualifying disaster event
- COC has knowledge that designated shares to SBI's are incorrect
- duplicate benefits were unresolved, in accordance with subparagraph D
- signature requirements were not met according to 1-CM
- FSA-523 was submitted or postmarked after the announced signup deadline.

If COC disapproves a crop and unit, COC must:

- thoroughly document the reason for the disapproval in COC minutes
- notify the producer of the disapproval in writing
- provide appeal rights according to 1-APP.

67 FSA-523, Emergency Relief Program (ERP) 2022 Track 1 Application

A Completing FSA-523

The following table provides instructions for completing FSA-523.

Item	Instructions
County Office Use Only	
1	Prepopulated with the producer or primary policy holder’s recording State name and FSA code.
2	Prepopulated with the producer or primary policy holder’s recording county name and FSA code.
3	Prepopulated with the 2022 program year.
4	Prepopulated an application number assigned by the automated system.
5 A - B	Prepopulated with the name, address (including city, State, and zip code) and telephone number of the producer’s or primary policyholder’s recording County Office.
Part A – Producer Agreement	
<p>Producers, which includes primary policyholders and any producers with substantial beneficial interest, agree to provide all information required or requested by FSA for program participation in ERP 2022. Producers must also certify whether they have experienced a qualifying loss and they understand that by receiving an ERP 2022 Track 1 payments, they are required to purchase crop insurance or NAP coverage where crop insurance is not available, for the next 2 available crop years.</p> <p>Producers must obtain either of the following as may be applicable:</p> <ul style="list-style-type: none"> • crop insurance at a coverage level equal to or greater than 60 percent for insurable crops • NAP at the basic 50/55 (catastrophic) level or higher for NAP crops. 	

129 Determining Tax Year Revenue Using FSA-524-A (Continued)

B Completing FSA-524-A (Continued)

Item	Instructions
10	<p>Enter amount of allowable gross revenue from benefits for eligible crops for the following agricultural programs:</p> <ul style="list-style-type: none"> • ARC/PLC • BCAP • CFAP 1 • CFAP 2 • LDP • MLG repayment of CCC loans less than the original amount • MFP • STRP • 2017 WHIP payments • 2018/2019 WHIP+ payments • QLA payments • PARP payments •*--ERP Phase 1 payments • ERP Phase 2 payments--* • OFSLP payments • ELAP payments specific to aquaculture.
11	<p>Enter amount of total revenue from benefits for eligible crops for the following:</p> <ul style="list-style-type: none"> • payments through grant agreements with FSA • grants from the Department of Commerce • grants from NOAA • State programs for the direct loss of eligible crops or the loss of revenue for eligible crops.

129 Determining Tax Year Revenue Using FSA-524-A (Continued)

B Completing FSA-524-A (Continued)

Item	Instructions
12	Enter amount of allowable gross revenue from cooperative distributions directly related to the sale of eligible crops produced by the producer such as per-unit allocations paid to patrons for gross grain sales.
13	Enter amount of allowable gross revenue from 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 and forfeited CCC loans for eligible crops.
14	Enter amount of allowable gross revenue from 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.
15	<p>Enter amount of other revenue directly related to the production of eligible crops that the IRS requires the producer to report as income, including but not limited to commodity-specific income received from state or local governments; and net gains from hedging.</p> <p>Note: Net gains from hedging means, any amount of revenue earned from selling commodity futures contracts that were made to protect a commodity from price changes, minus the cost of those contracts.</p>
16	<p>In the block provided, sum amounts entered in items 3 through 15.</p> <p>Round the result to the nearest hundredth.</p> <p>If the producer received a payment under ERP Phase 2 for the 2021 program year and elected the 2022 tax year for their representative revenue year and needs to adjust Benchmark Year Revenue due to an increase or decrease in operation capacity in Representative Revenue Year 2023 as compared to the Benchmark Year, continue through Section B, and complete Section C and Section E.</p> <p>If the producer received a payment under ERP Phase 2 for the 2021 program year and elected the 2022 tax year for their representative revenue year and will include the crop values of Deputy Administrator-Approved Crops in allowable gross revenue for Benchmark Year and Disaster Year, continue through Section B, and complete Section D and Section E.</p> <p>If completing Benchmark Year Revenue for Tax Year 2018 or 2019 without a special provision, the amount entered in item 16 is the Total Benchmark Year Revenue that can be entered in Item 11 on FSA-524.</p> <p>Note: It is possible that some producers will need to complete all parts on FSA-524-A if both exceptions and methods provided in Section C and Section D are needed.</p>

129 Determining Tax Year Revenue Using FSA-524-A (Continued)

B Completing FSA-524-A (Continued)

Item	Instructions
Section B – Disaster Year Revenue	
In this section enter allowable gross revenue items based on the Representative Revenue Year selected for Disaster Year, either tax year 2022 or 2023.	
Note: If the producer applied for ERP Phase 2 and used 2022 as their Representative Revenue Year, complete Section B based on Tax Year 2023.	
17	Enter amount of allowable gross revenue from sales of eligible crops and commodities grown in the United States and its Territories by the producer. Example: Corn sold as grain.
18	Enter amount of allowable gross revenue from sales of eligible crops resulting from value added through post-production activities that were reportable on IRS Schedule F, excluding any amount that was reportable on IRS Schedule C. Example: Strawberries made into jam.
19	Enter amount of allowable gross revenue from sales of eligible crops purchased for resale that had a change in characteristic because of the time held. Example: A plant purchased at a size of 2 inches and sold as an 18-inch plant after 4 months.
20	Enter amount of allowable gross revenue from 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, and as ornamental fish propagated and reared in an aquatic medium.
21	Enter amount of allowable gross revenue from Federal crop insurance proceeds for eligible crops less administrative fees and premiums.
22	Enter amount of allowable gross revenue from NAP payments for eligible crops less service fees and premiums.
23	Enter amount of allowable gross revenue from private crop insurance proceeds for eligible crops.

129 Determining Tax Year Revenue Using FSA-524-A (Continued)

B Completing FSA-524-A (Continued)

Item	Instructions
24	<p>Enter amount of allowable gross revenue from benefits for eligible crops for the following agricultural programs:</p> <ul style="list-style-type: none"> • ARC/PLC • BCAP • CFAP 1 • CFAP 2 • LDP • MLG repayment of CCC loans less than the original amount • MFP • STRP • 2017 WHIP payments • 2018/2019 WHIP+ payments • QLA payments • PARP payments •*--ERP Phase 1 payments • ERP Phase 2 payments--* • OFSLP payments • ELAP payments specific to aquaculture • 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.

129 Determining Tax Year Revenue Using FSA-524-A (Continued)

C Example of FSA-524-A

The following is an example of FSA-524-A.

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<p style="text-align: right;">OMB Approval No. 0560-0316 OMB Expiration Date: 04/30/2024</p>		
<p>FSA-524-A (12-05-23)</p>	<p style="text-align: center;">U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency</p>	<p>1. Producer's Name <i>(Person or Legal Entity)</i></p>
<p>EMERGENCY RELIEF PROGRAM (ERP) 2022 TRACK 2 TAX YEAR REVENUE WORKSHEET</p>		<p>2. Application Number</p>
<p>SECTION A – BENCHMARK YEAR REVENUE</p>		
<p><i>Enter allowable gross revenue items based on the tax year selected for Benchmark Year, either tax year 2018 or 2019.</i></p>		
3.	Enter amount of allowable gross revenue from sales of eligible crops grown in the United States by the producer (example: corn sold as grain):	
4.	Enter amount of allowable gross revenue from sales of eligible crops resulting from value added through post-production activities that were reportable on IRS Schedule F, excluding any amount that was reportable on IRS Schedule C (example: strawberries made into jam):	
5.	Enter amount of allowable gross revenue from sales of eligible crops purchased for resale that had a change in characteristic due to the time held (example: a plant purchased at a size of 2 inches and sold as an 18-inch plant after 4 months):	
6.	Enter amount of allowable gross revenue from sales of 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, and as ornamental fish propagated and reared in an aquatic medium:	
7.	Enter amount of allowable gross revenue from federal crop insurance proceeds for eligible crops less administrative fees and premiums:	
8.	Enter amount of allowable gross revenue from NAP payments for eligible crops less service fees and premiums:	
9.	Enter amount of allowable gross revenue from private crop insurance proceeds for eligible crops:	
10.	Enter amount of allowable gross revenue from benefits for eligible crops for the following agricultural programs: ARC/PLC, BCAP, CFAP 1, CFAP 2, LDP, MLG repayment of CCC loans less than the original amount, MFP, STRP, 2017 WHIP payments, 2018/2019 WHIP+ payments, QLA payments, PARP payments, ERP Phase 1 payments, ERP Phase 2 payments, OFSLP payments, and ELAP payments specific to aquaculture:	
11.	Enter amount of total revenue from benefits for eligible crops for the following: payments through grant agreements with FSA, grants from the Department of Commerce, grants from NOAA, and State programs for the direct loss of eligible crops or the loss of revenue for eligible crops:	
12.	Enter amount of allowable gross revenue from cooperative distributions directly related to the sale of eligible crops produced by the producer, such as per-unit allocations paid to patrons for gross grain sales:	
13.	Enter amount of allowable gross revenue from 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, and forfeited CCC loans for eligible crops:	
14.	Enter amount of allowable gross revenue from 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:	
15.	Enter amount of 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, and net gain from hedging:	
16.	Total Benchmark Year Revenue (sum Items 3 through 15):	

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129 Determining Tax Year Revenue Using FSA-524-A (Continued)

C Example of FSA-524-A (Continued)

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FSA-524-A (12-05-23)		Page 2 of 5	
Producer's Name		Application Number	
SECTION B – DISASTER YEAR REVENUE			
<i>Enter allowable gross revenue items based on the Representative Revenue Year selected for Disaster Year, either tax year 2022 or 2023.</i>			
17. Enter amount of allowable gross revenue from sales of eligible crops grown in the United States by the producer (example: corn sold as grain):			
18. Enter amount of allowable gross revenue from sales of eligible crops resulting from value added through post-production activities that were reportable on IRS Schedule F, excluding any amount that was reportable on IRS Schedule C (example: strawberries made into jam):			
19. Enter amount of allowable gross revenue from sales of eligible crops purchased for resale that had a change in characteristic due to the time held (example: a plant purchased at a size of 2 inches and sold as an 18-inch plant after 4 months):			
20. Enter amount of allowable gross revenue from 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:			
21. Enter amount of allowable gross revenue from federal crop insurance proceeds for eligible crops less administrative fees and premiums:			
22. Enter amount of allowable gross revenue from NAP payments for eligible crops less service fees and premiums:			
23. Enter amount of allowable gross revenue from private crop insurance proceeds for eligible crops:			
24. Enter amount of allowable gross revenue from benefits for eligible crops for the following agricultural programs: ARC/PLC, BCAP, CFAP 1, CFAP 2, LDP, MLG repayment of CCC loans less than the original amount, MFP, STRP, 2017 WHIP payments, 2018/2019 WHIP+ payments, QLA payments, PARP payments, ERP Phase 1 payments, ERP Phase 2 payments, OFSLP payments, ELAP payments specific to aquaculture, and 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:			
25. Enter amount of total revenue from benefits for eligible crops for the following: payments through grant agreements with FSA, grants from the Department of Commerce, grants from NOAA, and State programs for the direct loss of eligible crops or the loss of revenue for eligible crops:			
26. Enter amount of allowable gross revenue from cooperative distributions directly related to the sale of eligible crops produced by the producer, such as per-unit allocations paid to patrons for gross grain sales:			
27. Enter amount of allowable gross revenue from 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; and forfeited CCC loans for eligible crops:			
28. Enter amount of allowable gross revenue from 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:			
29. Enter amount of 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; and net gain from hedging:			
30. Total Disaster Year Revenue (sum Items 17 through 29):			

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129 Determining Tax Year Revenue Using FSA-524-A (Continued)

C Example of FSA-524-A (Continued)

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FSA-524-A (12-05-23)		Page 3 of 5			
Producer's Name		Application Number			
SECTION C – ADJUSTED BENCHMARK YEAR REVENUE					
ATTENTION	Section C is only applicable to applicants who received a payment under ERP Phase 2 for the 2021 program year and elected the 2022 tax year for their representative disaster year and that need to adjust Benchmark Year Revenue when operation capacity increased or decreased in Representative Revenue Year 2023 as compared to the Benchmark Year, or if there is no allowable gross revenue in 2018 or 2019 because the applicant is a new producer.				
Complete this section include adjustments to Benchmark Year Revenue.					
ELIGIBLE YIELD-BASED CROPS					
31. Crop	32. Expected Acres	33. Expected Yield/Acre	34. Unit of Measure	35. Expected Price/Unit:	36. Expected Revenue
37. Total Expected Revenue from Eligible Yield-Based Crops (sum amounts in column for Item 36):					
ELIGIBLE SALES FROM VALUE ADDED THROUGH POST-PRODUCTION ACTIVITIES					
38. Crop					39. Expected Revenue
40. Total Expected Revenue from Eligible Value-Added Through Post-Production Activities (sum amounts in column for Item 39):					
ELIGIBLE INVENTORY CROPS					
41. Crop					42. Expected Revenue:
43. Total Expected Revenue from Eligible Inventory Crops (sum amounts in column for Item 42):					
TOTAL ADJUSTMENTS FOR BENCHMARK YEAR REVENUE					
44. Total Adjustments from an Increase in Operation Capacity (sum Item 37, Item 40, and Item 43; leave blank if no increase in operation capacity):					
45. Total Adjustments from a Decrease in Operation Capacity (sum Item 37, Item 40, and Item 43; leave blank if no decrease in operation capacity):					
46. Total Adjustments for New Producers (sum Item 37, Item 40, and Item 43; leave blank if not a new producer):					

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129 Determining Tax Year Revenue Using FSA-524-A (Continued)

C Example of FSA-524-A (Continued)

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FSA-524-A (12-05-23)		Page 4 of 5	
Producer's Name		Application Number	
SECTION D – CROP VALUE FOR DEPUTY ADMINISTRATOR-APPROVED CROPS			
ATTENTION	<p><i>Section D is only applicable to applicants who received a payment under ERP Phase 2 for the 2021 program year and elected the 2022 tax year for their representative disaster year that will include crop values, as approved by the Deputy Administrator in allowable gross revenue for Benchmark Year and Disaster Year, for crops that did not generate revenue directly from the sale of the crop and that the producer uses within their ordinary operations (Deputy Administrator-Approved Crops).</i></p> <p><i>Complete this section to include the value of Deputy Administrator-Approved Crops in allowable gross revenue for Benchmark Year and Disaster Year.</i></p>		
	<p>VALUE OF DEPUTY ADMINISTRATOR-APPROVED CROPS PRODUCED BUT NOT SOLD IN THE BENCHMARK YEAR</p> <p><i>Enter the value of all Deputy Administrator-Approved Crops produced but not sold for the selected Benchmark Year.</i></p>		
47. Crop	48. Total Production (in Units)	49. Price per Unit	50. Value
51. Total Value of Deputy Administrator-Approved Crops Produced but Not Sold in the Benchmark Year (sum amounts in column for Item 50):			
<p>VALUE OF DEPUTY ADMINISTRATOR-APPROVED CROPS PRODUCED BUT NOT SOLD IN THE DISASTER YEAR</p> <p><i>Enter the value of all Deputy Administrator-Approved Crops produced but not sold for Representative Revenue Year 2023.</i></p>			
52. Crop	53. Total Production (in Units)	54. Price per Unit	55. Value
56. Total Value of Deputy Administrator-Approved Crops Produced but Not Sold in the Disaster Year (sum amounts in column for Item 55):			
SECTION E – TOTAL BENCHMARK AND DISASTER YEAR REVENUE			
57. Total Benchmark Year Revenue (sum Item 16, Item 44, Item 46, and Item 51; then subtract Item 45):			
58. Total Disaster Year Revenue (sum Item 30 and Item 56):			

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129 Determining Tax Year Revenue Using FSA-524-A (Continued)

C Example of FSA-524-A (Continued)

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FSA-524-A (12-05-23)	Page 5 of 5
<p>NOTE: Privacy Act Statement: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is the Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328). The information will be used to determine eligibility for program benefits. The information collected on this 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). Providing the requested information is voluntary; however, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</p> <p>Public Burden Statement (Paperwork Reduction Act): Public reporting burden for this collection is estimated to average 60 minutes per response, including reviewing instructions, gathering, and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection of information, unless it displays a valid OMB control number.</p> <p>Non-Discrimination Statement: In accordance with Federal civil rights law and USDA civil rights regulations and policies, the USDA, its agencies, offices, and employees participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</p> <p>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</p> <p>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</p>	

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129 **Determining Tax Year Revenue Using FSA-524-A (Continued)**

D Using the ERP 2022 Track 2 Application Tool to Complete FSA-524-A

The ERP 2022 Track 2 Application Tool was developed to help producers determine tax year revenue.

Once all applicable items are complete in the tool, there will be an option to print FSA-524-A.

The tool is available on FSA's ERP website at <https://www.fsa.usda.gov/programs-and-services/emergency-relief/index>

130 Expected Revenue Option

A Overview

Producers who choose the expected revenue option on the FSA-524 will certify to their ~~*-expected~~ benchmark year revenue, which represents what the producer reasonably ~~--*~~ expected prior to the impact of the qualifying disaster event, as well as their **actual** disaster year revenue.

The expected and actual values certified on the FSA-524 using the expected revenue option will include revenue from all eligible crops that could have been affected by a qualifying disaster event that occurred in calendar year 2022.

The expected revenue option must be used by producers who:

- did not have revenue in 2018 or 2019
- experienced a decrease in their operation capacity during their disaster year, as compared to the 2019 and 2019 benchmark year(s)
- need to include the value of eligible crops produced but not sold, that could have been affected by a qualifying disaster event that occurred in calendar year 2022 (such as crops in storage or inventory, used in the operation, or fed to the producer's livestock).

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

Note: The expected revenue option is not available to producers who are required to use the tax year option based on previous ERP participation according to paragraph 128.

130 Expected Revenue Option (Continued)**B Benchmark Year Revenue**

For the expected revenue option, benchmark year revenue is 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, planted crops (including annual, perennial, crops), inventory crops, and crops that were in storage.

Crops that could have been impacted by a 2022 qualifying disaster event include:

- crops planted in 2021 and could have been affected by a disaster event in calendar year 2022
- crops planted or prevented from being planted in 2022 because of a disaster event in calendar year 2022
- 2023 crops that were planted in 2022 and could have been affected by a disaster event in calendar year 2022
- crops in storage that could have been affected by a qualifying disaster event in calendar year 2022

Example: Corn was grown, harvested, and placed in storage during calendar year 2021. It remained in storage into calendar year 2022, and was affected by flood damage that occurred March 28, 2022.

- perennial crops that could have been affected by a disaster even in calendar year 2022
- inventory crops that could have been affected by a disaster event in calendar year 2022.

Note: Expected revenue:

- does not include revenue from crop by-products, such as cotton seed and corn stalks
- is not tied to or represented by a specific tax year.

130 Expected Revenue Option (Continued)

H Completing FSA-524-B (Continued)

Item	Instruction
Expected Value from Eligible Inventory Crops	
In this section enter all eligible inventory crops that were expected to be included in inventory that could have been affected by a qualifying 2022 disaster event and the expected values of eligible inventory crops prior to a qualifying 2022 disaster event.	
15	Enter crop. Example: Littleneck Clams (1.5 - 2 inch wide) Topneck Clams (2 - 3 inch wide) Cherrystone Clams: (3 - 4 inch wide).
16	Enter expected value for each of the eligible inventory crops entered in item 15 .
17	Sum the total expected value from eligible stored crops from all rows in item 16 . Round the result to the nearest hundredth.
Total Expected Benchmark Revenue	
18	In the block provided, sum amounts entered in item 9 , item 14 , and item 17 . Amount entered in item 18 is the Total Benchmark Revenue that can be entered in item 11 on FSA-524, when “Expected” is selected as the Benchmark Year in Item 10 on FSA-524.

130 Expected Revenue Option (Continued)

H Completing FSA-524-B (Continued)

Item	Instruction
Section B – Actual Disaster Year Revenue	
In this section enter eligible revenue items based on the crops that could have been affected by a qualifying 2022 disaster event, including proceeds received for crop losses.	
19	Enter amount of total revenue from sales of eligible crops grown in the United States by the producer. This includes eligible yield-based crops that were produced and then sold; eligible inventory crops that were purchased, had a change in characteristic because of the time held, and then sold; and eligible crops that were stored and then sold.
20	Enter amount of total value for eligible crops grown in the United States by the producer, that were not sold but used, that includes eligible crops that are produced and fed or used to make another commodity.
21	*--Enter the amount of total value for all eligible crops grown in the United States by the producer that remain in storage at the time of application. This includes eligible crops placed in storage prior to calendar year 2022 that could have been affected by a qualifying 2022 disaster event.—*
22	Enter amount of total value for eligible crops that remain in inventory and are not sold during the disaster year. This includes eligible crops that were purchased, had a change in characteristic because of the time held, and are not sold during the disaster year.
23	Enter amount of total revenue from federal insurance proceeds for eligible crops less administrative fees and premiums.
24	Enter amount of total revenue from NAP payments for eligible crops less administrative fees and premiums.

165 Payment Calculation (Continued)**D ERP 2022 Payment**

The Gross ERP 2022 payment will be:

- benchmark year revenue (2018, 2019, or expected) multiplied by
- ERP factor (90 percent if all eligible crops were covered by crop insurance or NAP, or 70 percent if all eligible crops were not covered by crop insurance or NAP) minus
- disaster year revenue (2022, 2023, or Actual), minus
- gross ERP 2022 Track 1 payments, equals
- revenue loss (maximum payment amount), multiplied by
- progressive payment factoring, multiplied by
- underserved producer factor (115 percent for underserved producers with CCC-860 filed, 100 percent for other producers), equals
- calculated payment.

Notes: The calculated payment will be capped at the revenue loss.

--See Exhibit 40 for a sample letter to issue to producers in cases where the calculated payment equals zero.--

165 Payment Calculation (Continued)

D ERP 2022 Payment

For Specialty and High Value Crops

- calculated payment, multiplied by
- percentage of expected revenue from specialty and high value, equals
- gross ERP Track 2 payment.

For Other Crops

- calculated payment, multiplied by
- percentage of expected revenue from other crops, equals
- gross ERP Track 2 payment.

Note: All Gross Track 2 payments will have a 75 percent payment factor applied because of availability of funding.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification (Includes AD-1026 Appendix)		12, 28, 65, 66, 145, 146
AD-2007	FSA/RMA Compliance Referral Form		1
AD-2047	Customer Data Worksheet		65, 145
CCC-860	Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification		Text
CCC-770 ERP 2022 Track 1		5	5, 66,
CCC-770 ERP 2022 2Track 2		6	6, 145,
CCC-901	Members Information		18, 65, 66, 145, 146,
CCC-902	Farm Operating Plan for Payment Eligibility 2009 and Subsequent Programs Years		18, 65, 66, 145, 146,
CCC-942			26
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		28
FSA-510	Request for an Exception to the \$125,000 Payment Limitation for Certain Programs	Ex. 8	4, 26, 65, 145, Ex. 9
FSA-520	Emergency Relief Program (ERP) Phase 1 Application		46

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-523	Emergency Relief Program (ERP 2022) Track 1 Application	67	Text, Ex. 12-16
FSA-524	Emergency Relief Program (ERP 2022) Track 2 Application	148	Text, Ex. 12, 13, 16
FSA-524-A	Emergency Relief Program (ERP) 2022 Track 2 Tax Year Revenue Worksheet	129	Text
FSA-524 Appendix	Appendix to Form FSA-524 Emergency Relief Program (ERP) 2022 Track 2 Application	148	148,
FSA-524-B	Emergency Relief Program (ERP) 2022 Track 2 Expected Revenue Worksheet	130	130
FSA-525	Crop Insurance and/or Noninsured Disaster Assistance Program (NAP) Coverage Agreement	106	3, 6, 105, 106, 145, 146
FSA-578	Report of Acreage		66, 106, 128
FSA-850	Environmental Screening Worksheet		11
IRS Schedule C (Form 1040)	Profit or Loss From Business (Sole Proprietorship)		129
IRS Schedule F (Form 1040)	Profit or Loss From Farming		26, 125, 129, 146

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
CCID	core customer ID	49, 65, 67
CFAP	Coronavirus Food Assistance Program	125, 129
ECO	Enhanced Coverage Option	49
ECPR	Estimated Calculated Payment Report	66, 145, 146
ERP	Emergency Relief Program	Text and Exhibits
ERP 2022	Emergency Relief Program 2022	Text
EU	enterprise unit	66
HIP-WI	Hurricane Insurance Protection-Wind Index	49
LLP	Limited Liability Partnership	26
MFP	Market Facilitation Program	125, 129
MLG	Market Loan Gain	125, 129, 130
NOFA	Notification of Funding Availability	2, 11, 65, 145
NTE	not to exceed	85, 165
OFSLP	On-Farm Storage Loss Program	125, 129
OTIS	Outreach Tracking Information System	6
PACE	Post-Application Coverage Endorsement	49
PATHH	Pandemic Assistance for Timber Harvesters and Haulers	125
PIIA	Payment Integrity Information Act	4, 5, 6
PP	prevented planted	49, 50, 130
PRF	pasture rangeland and forage	46, 48, 48, Ex. 11
QLA	Quality Loss Adjustment Program	125, 129
SBI	substantial beneficial interest	49, 65, 66, 67, 85, Ex. 2
SCO	Supplemental Coverage Option	49
STAX	Stacked Income Protection Plan	49
STRP	Seafood Trade Relief Program	125, 129
WFRP	Whole Farm Revenue Protection	Text
WFU	Whole Farm Unit	26, 49, 65, 66, 85
WHIP	2017 Wildfire and Hurricane Indemnity Program	125, 129,
WHIP+	Wildfire and Hurricane Indemnity Program+	125, 129, 146

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Redelegations of Authority

COC may redelegate authority to CED to review and approve routine applications. Redlegation of authority must be documented in the COC minutes. All adverse actions must go to COC for review and action. CED may not redelegate authority to review or approve routine applications to any other County Office employees.

STC may redelegate authority to a STC Representative to review and approve routine applications.

Definitions of Terms Used in This Handbook (Continued)**Crop Year**

Crop year means for:

- insured crops and trees, the crop year as defined according to the applicable federal crop insurance policy
- NAP covered crops, the crop year as defined in 7 CFR 1437.3.

Direct Market Crop

Direct Market Crop means a crop sold directly to consumers without the intervention of an intermediary such as a registered handler, wholesaler, retailer, packer, processor, shopper, or buyer (for example, a crop sold at a farmer's market or roadside stand), excluding crops sold for livestock consumption.

Disaster Year

Disaster Year means the calendar year in which the qualifying disaster event occurred, that is, 2022.

Disaster Year Revenue

Disaster Year Revenue means for the Track 2:

- tax year option, the producer's allowable gross revenue for the 2022 or 2023 tax year, as elected by the producer
- expected revenue option, the producer's actual revenue from all crops included in the producer's expected revenue.

Eligible Crop

Eligible Crop means a crop, including eligible aquaculture, that is produced or would have been produced if the qualifying disaster event had not occurred (for example, crops prevented from planting), in the United States as part of a commercial operation. It excludes all of the following:

- crops for grazing
- aquatic species that do not meet the definition of aquaculture
- Cannabis sativa L. and any part of the plant that does not meet the definition of hemp
- timber
- livestock and animal by-products
- banana plants.

Definitions of Terms Used in This Handbook (Continued)

Eligible Producer

Eligible producer means, in addition to other eligibility requirements as may apply, an individual or legal entity that is entitled to an ownership share and is at risk in the crop, production, and marketing associated with the agricultural production of crops on the farm and is any of the following:

- a United States citizen
- resident alien, which for the 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

*--**Note:** States, including, agencies, divisions, and political subdivisions thereof, as defined in 6-PL are eligible.--*

- Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)
- foreign person or foreign entity who meets all requirements as described in 7 CFR part 1400.

Note: Landowners, landlords, tenants, contract growers, or anyone else not having both a share of the risk and a valid claim of share ownership of a crop are ineligible for assistance for that crop.

Farming Operation

Farming Operation means a business enterprise engaged in the production of agricultural products, commodities, or livestock, operated by a person, legal entity, or joint operation. A person or legal entity may have more than one farming operation if the person or legal entity is a member of one or more legal entity or joint operation.

FCIC

FCIC means the Federal Crop Insurance Corporation, a wholly owned government Corporation of USDA, administered by RMA.

Federal Crop Insurance

Federal Crop Insurance means an insurance policy reinsured by the Federal Crop Insurance Corporation under the provisions of the Federal Crop Insurance Act, as amended. It does not include private plans of insurance.

ERP 2022 SBI Applicant Sample Letter

Following is a sample letter requesting supportive documentation for the COC review.

Month *[UPDATE]*, 202X

[UPDATE] Producer Name Producer Street Address City, State Zip Code

ERP 2022, Track 1 Application Number: *[UPDATE]*

Dear *[UPDATE - Enter name of FSA-523 SBI Producer]*:

This letter is in reference to an Emergency Relief Program (ERP) 2022 Track 1 application you filed with the Farm Service Agency (FSA).

Your application has been selected for review, as shares were designated to person(s) identified as having a Substantial Beneficial Interest (SBI) to a primary policy holder. SBIs requesting a share of an ERP 2022 benefit must meet the definition of eligible producer and their shares must be reviewed for accuracy.

For ERP 2022, “**eligible producer**” means an individual or legal entity that is at **risk in the crop and is entitled to an ownership share** in the crop or would have shared had the crop been produced, in addition to meeting other eligibility requirements. Landowners, landlords, tenants, contract growers, or anyone else not having both a share of the risk and a valid claim of share ownership of a crop are ineligible for ERP 2022 assistance for that crop.

If one or more producers with an SBI had a share in a crop, the primary policy holder must update the FSA-523 to show the share in the crop for each of those producers, in addition to the primary policy holder.

As a condition of program eligibility, at time of application you agreed to retain documentation in support of your application that, if requested by FSA, can be used to determine your eligibility to participate in ERP 2022 and provide evidence that your certifications are correct. The documentation you provide must demonstrate your eligibility to participate in ERP 2022, and establish:

- that eligible producer requirements have been met, as you have requested a share of an ERP 2022 benefit as an SBI
- accuracy of the designated shares on the FSA-523

ERP 2022 SBI Applicant Sample Letter (Continued)

The following are examples of supporting documentation generated during the ordinary course of business that may support your certifications and allow us to verify risk and ownership share:

Copies of signed written leases	Rental agreements with landowner or landlord
Copies of legal documents showing land ownership or control of rented acreage	Input records
Statements or FSA or CCC forms signed by landowner, farm operator, or landlord that the person or legal entity claiming to be a producer had control of the acreage	Copies of grower contracts or Community Supported Agriculture consumer agreements
Sales contracts or purchase agreements	Assembly sheets
Settlement sheets	Sales receipts or other sales documents indicating when a commodity was sold
Ledgers of income	Income statements of deposit slips
Crop insurance or NAP documentation	IRS Schedule F, accompanied by documentation, when applicable, that supports the certification

Documentation that you submit must be summarized, and you must provide a narrative supporting the certifications that you made on your FSA-523.

Submit your documentation to the office and address shown above. Documentation must be provided within 30 calendar days from the date of receipt of this letter.

You must respond to this request for documentation timely. **If you do not submit the requested documentation, FSA will disapprove your ERP 2022 application, and you will be required to refund your ERP 2022 payment, plus applicable interest.**

If you have any questions or need a copy of your FSA-523 for reference, please contact our office at *[UPDATE - enter office phone number]*.

Sincerely,

/s/ *[UPDATE]* County Executive Director

Cc: Primary Policy holder

Sample Letter ERP 2022 Track 2 Payment Calculated to Zero

The following is a sample letter for an ERP 2022 Track 2 payment that calculated to zero.

Dear Mr. Farmer:

This letter is in response to your FSA-524 Emergency Relief Program (ERP) 2022 Track 2 Application.

FSA processed that application and determined you are not due a payment. Accordingly, a payment will not be issued. [*Enter the reason(s) the payment will not be issued.*]

Please contact us at your earliest convenience if you have any questions.

If you believe the application has not been processed properly, you may appeal this determination to the county committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the county committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the FSA County Committee; you may later appeal any adverse determination of the county committee to the FSA State committee or the National Appeals Division. To appeal, write to the County Committee at the following address and explain why you believe this determination is erroneous.

Somewhere County FSA Committee
99 Some Street
Somewhereville, ST 99999

If you do not timely file an appeal of this determination, this will be the final administrative determination with respect to this matter in accordance with regulations at 7 CFR Part 780.

Sincerely,

County Executive Director

