

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Emergency Relief Program 2022 5-ERP	Amendment 3
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Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 105 D has been amended to add permitted exclusions for producers when certifying that all acreage of all eligible crops were insured or covered under NAP.

Subparagraphs 146 A and C have been amended to require COC reviews on all FSA-524's where the producer certified "Yes" that all acreage of all eligible crops was insured or covered by NAP prior to approving FSA-524.

Page Control Chart		
TC	Text	Exhibit
	4-3, 4-4 4-4.5, 4-4.6 (add) 4-167 through 4-170	1, pages 1-4

105 Track 2 Overview (Continued)

B Determining Benchmark and Disaster Year Revenue (Continued)

In certain situations, producers are required to use either the tax year option or the expected revenue option according to the following.

IF a producer...	THEN the producer must use the...
<p>received payment under the previous ERP for the 2021 disaster year and elected 2022 as their representative revenue year</p>	<p>tax year option and select 2023 as the representative revenue year.</p> <p>Notes: These producers must adjust their allowable gross revenue if the producer had a decreased operation capacity in the disaster year as compared to the benchmark year.</p> <p>These producers may adjust their allowable gross revenue if they did not have a full year of revenue in 2018 or 2019 (new producer) or if they expanded their operation capacity in the disaster year as compared to the benchmark year.</p> <p>In addition, these producers must also include the value of DAFP-approved crops with no revenue from sales in their allowable gross revenue. See subparagraph 128 F</p>
<p>did not receive a payment under the previous ERP for the 2021 disaster year and elected 2022 as their representative revenue year and meets any of the following:</p> <ul style="list-style-type: none"> • did not have revenue in 2018 and 2019 • had a decrease in operating capacity (this is required in order to prevent being paid as if the decrease was a loss because of a qualifying disaster event) <p>Note: 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.</p> <ul style="list-style-type: none"> • needs to include the value of eligible crops produced and not sold (such as crops in storage or inventory, processed on the farm, or fed to the producer’s livestock) 	<p>expected revenue option.</p>

105 Track 2 Overview (Continued)

C Percentage of Revenue from Specialty and High Value and Other Crops

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. Producers will certify to the percentages of revenue from specialty and high value crops (combined) and other crops on FSA-524.

D Crop Insurance or NAP Coverage Certification

Producers must certify on FSA-524 if all acreage of eligible crops (including crops grown, prevented from being planted, and in storage or inventory in the disaster year) was covered by crop insurance or NAP for the purpose of determining the applicable ERP factor.

Note: Producers of eligible crops in storage may certify that the crops were covered by crop insurance or NAP only if all acres of the crops were insured at the time the crop was grown. For example, a grain bin may contain corn for both the 2021 and 2022 crop years, to be considered insured, all the corn must have been insured in the 2021 and 2022 growing seasons.

The following table provides the ERP factor that will be used based on the producer’s insured certification:

IF a producer certifies...	THEN a...
“Yes” that all acreage of eligible crops was covered by crop insurance or NAP	90 percent ERP factor is used in the payment calculation.
“No” that all acreage of eligible crops was not covered by crop insurance or NAP	70 percent ERP factor is used in the payment calculation.

***--Notes:** A 70 percent ERP factor will be used if a producer has acreage not covered by crop insurance or NAP due to immature trees, or first year seeding status. For example, apple orchard replant trees and first year seeding of alfalfa forage. The reason a crop or acres are not covered or coverable under Federal crop insurance or NAP does not impact how the question should be answered.

Participants covered by WFRP policy will certify “Yes”.--*

105 Track 2 Overview (Continued)

D Crop Insurance or NAP Coverage Certification (Continued)

*--A producer will only certify “Yes” if all acreage of all eligible crops was covered by Federal crop insurance or NAP, unless all acreage of eligible crops that was not covered is subject to one of the following permitted exclusions:

- inconsequential or inaccessible acres, such as, grass waterways or draws, may be excluded

Important: This exclusion may involve acreage that has or has not been reported to FSA or RMA.

The exclusion is for acreage not intended for forage, and not utilized or intended to be used as a source of revenue, including on-farm use.

- acres reported as LS may be excluded if COC investigates and confirms the acres reported as LS do not generate revenue or the COC can reasonably determine the acres reported as LS were not intended to generate revenue, nor utilized as a source of revenue, including on-farm use
- minimal crop acreage within a field that exists strictly for pollination purposes, followed by immediate destruction after pollination, regardless of the reported intended use of the acreage.

Note: All FSA-524’s where the applicant marked “Yes” regarding the crop insurance or NAP coverage certification are subject to required COC review, including participants that utilized this exclusion policy. See paragraph 146 for required COC review and action.

The following examples provide guidance when utilizing the allowable exclusions for determining whether all acreage of all eligible crops was insured or covered by NAP.

Example 1: Producer has two 500-acre fields planted to wheat. However, there is a 3-acre draw in the middle of the field that is inaccessible with equipment and therefore, never intended, nor results in actual revenue or on-farm use. The producer certifies “Yes” that all acreage of all eligible crops is covered by Federal crop insurance or NAP. The COC reviews the FSA-524 and determines that the certification is reasonable and supports full coverage of the producer’s acreage of eligible crops. Results of the review are recorded in the COC minutes.

Example 2: Producer has 1,400 acres of wheat, soybeans, and corn, all of which are covered by crop insurance. Producer also has 2.0 acres reported as grass/mixed forage on an FSA-578 with an intended use of LS. The 2.0 acres of grass/mixed forage is never intended to be harvested and never results in sales revenue or on-farm use. The producer certifies “Yes” that all acreage of all eligible crops is covered by Federal crop insurance or NAP. The COC reviews the FSA-524 and determines that the certification is reasonable and supports full coverage of the producer’s acreage of eligible crops. Results of the review are recorded in the COC minutes.--*

105 Track 2 Overview (Continued)**D Crop Insurance or NAP Coverage Certification (Continued)**

*--The following example provides guidance when an exclusion is **not** permitted.

Example: Producer has 1,500 acres of corn and soybeans. Producer has one 20-acre field of grass he cuts for forage to sell to local farmers. In this example, the acreage is **not** inaccessible or inconsequential and **is** utilized or intended to be a source of revenue. The producer must have coverage for the 1,500 acres of corn and soybeans, as well as coverage of the 20 acres of grass forage to certify full coverage to receive the 90 percent ERP factor. If the 20 acres of grass forage is not covered, the producer is only eligible for the 70 percent ERP factor. The COC would record the results of the review in the COC minutes, including if the producer's certification was adjusted based on the results of the review.--*

145 Applying for Track 2 (Continued)

E Recording Receipt of FSA-524 and Accessing Track 2 Application

County Offices must make every effort to process FSA-524 in the system timely and then have the producer sign the application. Producers will 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 2, copies of supporting documentation if applicable, the FSA-524, and the FSA-525 will be maintained in the producer's ERP 2022 file.

See 1-CM for policy on signature and electronic filing requirements and 32-AS Supplement for file maintenance and disposition guidance.

Note: COC's must act on system generated FSA-524 to ensure the obligation process is timely triggered.

146 County Committee Review and Actions

A COC Review of FSA-524 for Reasonableness

Program eligibility is based on self-certification by the producer and is subject to spot check. However, COC's may request documentation from an applicant that establishes the producer's eligibility for ERP 2022 Track 2 if they have reason to question the producer's certification. See Exhibit 16 for a sample letter that may be used to request documentation.

If supporting documentation is requested, the documentation must be submitted within 30 calendar days from the request, or COC will disapprove the application. COC may request supporting documentation in writing to verify information provided by the producer and the producer's eligibility including, but not limited to, the producer's:

- benchmark and disaster year revenue certifications
- percentages of expected allowable gross revenue from specialty and high value crops and other crops
- certification that all eligible acreage of all eligible crops (including crops grown, prevented from being planted, and in storage or inventory in the disaster year) were covered under crop insurance or NAP

***--Important:** COC must review all Track 2 applications where a producer certified that all acreage of all eligible crops were covered by crop insurance or NAP.

COC will determine reasonableness, including the usage of permitted exclusions, as described in subparagraph 105 D for inaccessible or inconsequential acreage, and acreage not intended for forage, and not utilized or intended to be used as a source of revenue, including revenue for on-farm use. COC has flexibility in determining reasonableness and will not establish any form of "tolerance" or "majority" when making this determination. COC will document the results of the review in the COC minutes, indicating whether the findings support that full coverage was obtained.

When determining reasonableness, COC may determine full coverage was obtained when small acreage discrepancies exist between FSA and RMA reported data but upon review, all fields of the crop were insured.--*

Note: Producers of eligible crops in storage may certify that the crops were covered by crop insurance or NAP only if all acres of the crops were insured at the time the crop was grown.

- ownership shares in the eligible crops.

146 County Committee Review and Actions (Continued)**A COC Review of FSA-524 for Reasonableness (Continued)**

The following are a few examples of documents generated during the ordinary course of business that could be used to support producer certifications:

- financial documents such as a business plan or cash flow statement that demonstrate an expected level of revenue
- sales contracts or purchase agreements
- documentation supporting production capacity, use of existing production capacity, or physical alterations that demonstrate production capacity
- 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, NAP, and WHIP+ records
- IRS Schedule F.

Note: IRS Schedule F will be accompanied by documentation, when applicable, that supports the producer certifications on FSA-524 to COC's satisfaction for reasonableness. Certified public accountant, attorney, or other similar statements will not be accepted as supportive documentation for the COC reasonableness review.

146 County Committee Review and Actions (Continued)

B Acting on Complete Track 2 Applications

The recording county's COC, or CED if delegated, will act on all complete Track 2 applications, which include a complete FSA-524 and complete FSA-525.

Important: Payments cannot be authorized until the DD, or other employee designated by SED, has approved the CED's review of the first 5 FSA-524's according to subparagraph 5 A. For the first 5 FSA-524's, payment can be issued upon DD review and approval of each.

C Approving FSA-524's

Before approving FSA-524's, COC, or CED if delegated, must ensure that:

- all program eligibility requirements are met
- the person or legal entity applying for ERP 2022 is determined to be eligible according to subparagraph 27.
- signature requirements on both FSA-524 Part D and FSA-525 Part B are met according to 1-CM
- revenue certifications are reasonable
- FSA-524 was received or postmarked **by** the end of the signup period
- *--all Track 2 applications where a producer certified that all acreage of all eligible crops were covered by crop insurance or NAP, are reviewed and determined for reasonableness.--*

If all program eligibility requirements are met and COC or delegate has determined that the information on FSA-524 is reasonable and accurate, COC or delegate will approve FSA-524 and thoroughly document approval in the COC minutes.

Notes: Situations may occur when application approval is not available in the software. Application approval is not allowed on paper during these times. COC's must act on system generated FSA-524 to ensure the obligation process is triggered timely.

Completing eligibility forms (such as AD-1026, CCC-901, and CCC-902) is not a condition of COC or CED approving FSA-524. However, these forms must be filed within 60 days from the date of the application deadline. Failure to timely provide all eligibility forms may result in no payment or a reduced payment.

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	Emergency Relief Program (ERP) 2022 Track 1 Checklist	5	5, 66,
CCC-770 ERP 2022 Track 2	Emergency Relief Program (ERP) 2022 Track 2 Checklist	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	Certification of Income from Farming, Ranching, and Forestry Operations		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 Delegations 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, 105, 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
LS	left standing	105
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.