

Rolling Out Revenue Based Disaster and Pandemic Assistance Programs News Release | Michigan | January 23, 2023

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Starting Jan 23, agricultural producers can begin to apply for two new important programs for revenue losses, from 2020 and 2021 natural disasters or the COVID-19 pandemic. Both programs equitably fill gaps in earlier assistance.

First, you may be eligible for assistance through the <u>Emergency Relief Program (ERP)</u> Phase Two if you experienced revenue losses from eligible natural disasters in 2020 and 2021. ERP Phase Two is for producers who didn't receive assistance from ERP Phase One.

You may also be eligible for the <u>Pandemic Assistance Revenue Program (PARP)</u> if you experienced revenue losses in calendar year 2020. PARP is addressing gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses.???

Applications for both new programs are due June 2, 2023, and you can apply for both programs during your same appointment with USDA's Farm Service Agency (FSA).

Historically, FSA programs have been designed to make direct payments to producers based on a single disaster event or for a single commodity loss. For many of you, this may be the first revenue-based program that you've applied for with FSA.

Why revenue-based programs???

ERP Phase Two and PARP take a much more holistic approach to disaster assistance, ensuring that producers not just make it through a single growing season but have the financial stability to invest in the long-term well-being of their operations and employees.

In general, ERP Phase Two payments are based on the difference in allowable gross revenue between a benchmark year, representing a typical year of revenue for the producer and the disaster year – designed to target the remaining needs of producers impacted by qualifying natural disasters and avoid duplicative payments. ERP Phase Two revenue loss is based on tax years.??? For PARP, an agricultural producer must have been in the business of farming during at least part of the 2020 calendar year and had a decrease in revenue for the 2020 calendar year, as compared to a typical year.?PARP revenue loss is based on calendar years.

How to Apply

In preparation for enrollment, producers should gather supporting documentation including:??

- Schedule F (Form 1040); and?
- *Profit or Loss from Farming*?or similar tax documents for tax years 2018, 2019, 2020, 2021 and 2022 for ERP and for calendar years 2018, 2019 and 2020 for PARP.???

Producers should also have, or be prepared to have, the following forms on file for both ERP and PARP program participation:??

- Form AD-2047,? Customer Data Worksheet? (as applicable to the program participant).??
- Form CCC-902,? *Farm Operating Plan*? for an individual or legal entity.?
- Form CCC-901,? Member Information for Legal Entities? (if applicable); and??
- Form AD-1026? *Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification.*??
- Form CCC-860,? Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, as certain existing permanent and ad-hoc disaster programs provide increased benefits or reduced fees and premiums.?

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm should contact FSA at their local?USDA Service Center.??

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