



# REVENUE LOSS ASSISTANCE

## Emergency Relief Program Phase 2 and Pandemic Assistance Revenue Program Comparison Factsheet



### Emergency Relief Program (ERP) Phase 2

#### Overview

ERP Phase 2 is part of the Extending Government Funding and Delivering Emergency Assistance Act, which includes \$10 billion in assistance to agricultural producers impacted by expenses associated with losses of eligible crops due in whole or part, to a qualifying disaster event experienced **during calendar years 2020 and 2021**. ERP Phase 2 provides direct financial assistance to producers who suffered an eligible revenue loss in the applicable disaster year, compared to the benchmark year.

#### Benchmark & Disaster Years

ERP Phase 2 applicants will use the following **tax years** when selecting allowable gross revenue:

- Benchmark years: 2018 and/or 2019, or **adjusted** for new producers with no 2018 or 2019 revenue, or if the benchmark years are not representative of the disaster year due to a change in operation size;
- Disaster years: 2020 and/or 2021. The allowable gross revenue for the specific disaster year will be based on the **tax year** applicable to that revenue (2020, 2021 or 2022)

### Pandemic Assistance Revenue Program (PARP)

#### Overview

USDA is providing critical support to producers impacted by the effects of the COVID-19 outbreak through the Pandemic Assistance Revenue Program (PARP). PARP provides direct financial assistance to producers of agricultural commodities who suffered at least a 15% loss in gross revenue in **calendar year 2020** due to the COVID-19 pandemic.

#### Benchmark & Disaster Years

To be eligible 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 15% loss in allowable gross revenue for the **2020 calendar year**, as compared to:

- The 2018 or 2019 **calendar year**, as elected by the producer, if they received allowable gross revenue during the 2018 or 2019 **calendar years**, or
- the producers' expected 2020 **calendar year** allowable gross revenue if the producer had no allowable gross revenue in 2018 or 2019.

### Eligible Producers

To be eligible for payments, individuals or legal entities must:

- Be an eligible producer who was entitled to a share in the agriculture commodity or would have shared had the agriculture commodity been produced and marketed;
- Comply with the provisions of the “Highly Erodible Land and Wetland Conservation” regulations, often called the conservation compliance provisions;
- Not have a controlled substance violation.
- **For ERP Phase 2 Only:** Be a U.S. citizen, resident alien, which means “lawful alien,” a partnership consisting solely of U.S. citizens or resident aliens, a corporation, limited liability company, or other organizational structure organized under State law consisting solely of U.S. citizens or resident aliens, Indian Tribe or Tribal Organization, per section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304 )
- **ERP Phase 2 Only:** if at least 75% of the person or legal entity’s average AGI is derived from farming, ranching, or forestry related activities and the participant provides the required certification and documentation by submitting optional form FSA-510, as discussed below, the person or legal entity, other than a joint venture or general partnership, is eligible to receive, directly or indirectly, up to:
  - \$900,000 for each program year for specialty and high value crops; and
  - \$250,000 for each program year for all other crops



- **For PARP Only:** Be a U.S. citizen, resident alien, which means “lawful alien,” a partnership, a corporation, limited liability company, or other organizational structure organized under State law, Indian Tribe or Tribal Organization, per section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304 ), a foreign person or foreign entity who meets all requirements as described in 7 CFR part 1400;
- **PARP Only:** To be eligible for payments, a person or legal entity must have an average adjusted gross income (AGI) of less than \$900,000 for tax years 2016, 2017, and 2018 or have an adjusted gross income of less than \$900,000 for tax year 2020 if exceeding average AGI. With respect to joint ventures and general partnerships, this AGI provision will be applied to members of the joint venture and general partnership.

### Ineligible Commodities

The following chart outlines which commodities are *ineligible* for ERP Phase 2 and PARP.

ERP PHASE 2	PARP
Wild free-roaming animals	Wild free-roaming animals
Horses and other animals used or intended to be used for racing or wagering	Horses and other animals used or intended to be used for racing or wagering
<i>Cannabis sativa L.</i> and any part of that plant that does not meet the definition of hemp	<i>Cannabis sativa L.</i> and any part of that plant that does not meet the definition of hemp
Timber	Timber
Aquatic species that do not meet the definition of aquaculture	Aquatic species that do not meet the definition of aquaculture
Livestock	
Crops for grazing	

## How to Determine Allowable Gross Revenue

Allowable gross revenue is calculated differently for ERP Phase 2 and PARP. The table below provides guidance for determining allowable gross revenue sources and shows what to include and exclude for each program.

PROGRAM	ERP PHASE 2		PARP	
	SOURCE	ALLOWABLE REVENUE	EXCLUDE GROSS REVENUE	ALLOWABLE REVENUE
<p><b>SCHEDULE F LINE 1C</b></p> <p>“Sales of purchased livestock and other resale items,” or information that could be reported on Scheduled F</p>	<p>Sales of eligible crops purchased for resale that had a change in characteristic due to the time held, such as:</p> <ul style="list-style-type: none"> <li>A plant purchased at a size of 2 inches and sold as an 18-inch plant after 4 months</li> </ul>	<p>Sales of livestock</p>		<p>Resale of items not held for characteristic change</p>
<p><b>SCHEDULE F LINE 2</b></p> <p>Sales of livestock, produce, grains, and other products you raised or information that could be reported on a Schedule F</p>	<p>Sales of eligible crops grown and sold in the United States and its territories by the applicant.</p> <p>Sales of eligible crops grown by the applicant resulting from value added through post-production activities that could have been reported on IRS Schedule F</p> <p>Examples of post-production activities include:</p> <ul style="list-style-type: none"> <li>Strawberries into jam</li> </ul> <p>Sales of aquatic species that are grown:</p> <ul style="list-style-type: none"> <li>As food for human or livestock consumption,</li> <li>For industrial or biomass uses</li> <li>As fish raised as feed for fish that are consumed by humans</li> <li>As ornamental fish propagated and reared in an aquatic medium</li> </ul>	<p>Sales of animals and their by-products:</p> <ul style="list-style-type: none"> <li>Animals for consumption by the owner, lessee, or contract grower</li> <li>Eggs</li> <li>Milk</li> <li>Mink including pelts</li> <li>Revenue from animals for show, sport, or recreational purposes</li> <li>Wild free-roaming animals</li> <li>Revenue from raised breeding livestock (Schedule 4797 Part 1, Column (d) or (g) or other information that could be reported on a Schedule F</li> </ul> <p>Sales of agricultural commodities resulting from value added through post-production activities if reported on Schedule C</p> <p>Commodities not grown in the U.S. and its territories.</p>	<p>Sales of agricultural commodities purchased for resale, less the cost or other basis of such commodities.</p> <p>NOTE: the sale of eligible aquatic species must be raised by a commercial operator and in water in a controlled environment</p> <ul style="list-style-type: none"> <li>Revenue from raised breeding livestock (Schedule 4797 Part 1, Column (d) or (g) or other information that could be reported on a Schedule F</li> <li>Inventory carried over from the prior tax year</li> <li>Post-production activities (value added) i.e., grapes into wine or strawberries into jam.</li> <li>Commodities not grown in the U.S. (if grown by U.S. producer and marketed in the U.S.)</li> <li>IC-DISC income from the sale of agricultural commodities</li> </ul>	<ul style="list-style-type: none"> <li>Animals for consumption by the owner, lessee, or contact grower</li> <li>Wild free-roaming animals</li> <li>Horses and other animals used for racing or wagering</li> <li>Timber</li> <li>Aquatic species that are NOT grown:                             <ul style="list-style-type: none"> <li>as food for human or livestock consumption,</li> <li>for industrial or biomass uses,</li> <li>as fish raised as feed for fish that are consumed by humans, or</li> <li>as ornamental fish propagated and reared in an aquatic medium.</li> </ul> </li> </ul> <p><i>Cannabis sativa L.</i> and any part of that plant including the seeds, thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent on a dry weight basis, that is grown under a license or other required authorization issued by the applicable governing authority that permits the production of hemp</p>
<p><b>SCHEDULE F LINE 3A</b></p> <p>“Cooperative distributions,” Form 1099-PATR, or information that could be reported on a Schedule F</p>	<p>The taxable amount of cooperative distributions directly related to the sale of eligible crops produced by the applicant such as:</p> <ul style="list-style-type: none"> <li>Per-unit allocations paid to patrons for gross grain sales</li> </ul>	<p>Distributions that are not directly related to the sale of eligible crops that are not produced by the applicant</p>	<p>The taxable amount of cooperative distributions directly related to the sale of agricultural commodities produced by the applicant</p>	

PROGRAM	ERP PHASE 2		PARP	
	SOURCE	ALLOWABLE REVENUE	EXCLUDE GROSS REVENUE	ALLOWABLE REVENUE
<p><b>SCHEDULE F LINE 4A</b></p> <p>“Agricultural program payments”, Form 1099-G, or information that could be reported on a Schedule F</p>	<ul style="list-style-type: none"> <li>• Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Program</li> <li>• Biomass Crop Assistance Program (BCAP)</li> <li>• Loan Deficiency Payment (LDP) Program</li> <li>• Market Loan Gains (MLG) - repayment of Commodity Credit Corporation (CCC) loan less than the original amount</li> <li>• Market Facilitation Program (MFP)</li> <li>• Seafood Trade Relief Program (STRP)</li> <li>• For the disaster year only- Emergency Relief Program (ERP) Phase 1 payments issued to another person or entity for the applicant's share of an eligible crop, regardless of the tax year in which the payment would be reported to the IRS</li> </ul>	<p>Pandemic Assistance payments including, but not limited to:</p> <ul style="list-style-type: none"> <li>• Coronavirus Foods Assistance Program 1 (CFAP 1)</li> <li>• CFAP 2</li> <li>• Pandemic Livestock Indemnity Program (PLIP)</li> <li>• Spot Market Hog Pandemic Program (SMHPP)</li> <li>• Cost-share assistance</li> <li>• Loss of buildings</li> <li>• Livestock portion</li> </ul> <p>Other programs:</p> <ul style="list-style-type: none"> <li>• Conservation Program Payments</li> <li>• Dairy Margin Coverage (DMC) Program</li> <li>• Marketing Assistance Loan (MAL)</li> </ul>	<p>Payments received under the following programs regardless of crop year or program year:</p> <ul style="list-style-type: none"> <li>• ARC/PLC</li> <li>• BCAP</li> <li>• DMC</li> <li>• LDP, MLG</li> <li>• MFP</li> <li>• MPP Dairy</li> <li>• Seafood Trade Relief Program (STRP)</li> </ul>	<p>Pandemic Assistance from:</p> <ul style="list-style-type: none"> <li>• CFAP 1</li> <li>• CFAP 2</li> <li>• PLIP</li> <li>• SMHPP</li> </ul> <p>Other Programs:</p> <ul style="list-style-type: none"> <li>• Conservation Program Payments</li> <li>• 2020 Emergency Relief Program</li> </ul>
<p><b>SCHEDULE F LINE 5A - 5C</b></p> <p>“Commodity Credit Corporation (CCC) loans reported under election,” Form 1099-A, or information that could be reported on a Schedule F</p>	<ul style="list-style-type: none"> <li>• CCC loans 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</li> <li>• Forfeited CCC loans</li> </ul>		<p>CCC loans reported under election if elected to be treated as income and reported to IRS</p>	



PROGRAM	ERP PHASE 2		PARP	
	SOURCE	ALLOWABLE REVENUE	EXCLUDE GROSS REVENUE	ALLOWABLE REVENUE
<p><b>SCHEDULE F LINE 6</b></p> <p>“Crop insurance proceeds and federal crop disaster payments” or information that could be reported on a Schedule F</p>	<ul style="list-style-type: none"> <li>Crop insurance proceeds less administrative fees and premiums</li> <li>Noninsured Crop Disaster Assistance Program (NAP) payments less administrative fees and premiums.</li> <li>2017 Wildfire and Hurricanes Indemnity Program (WHIP) Payments- impacts Benchmark Year Revenue (2018, 2019)</li> <li>On-Farm Storage Loss Program (OFSLP)</li> <li>Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) - payments specific to aquaculture</li> <li>Payments through grant agreements with FSA for losses of eligible crops</li> <li>Grants from the Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), and state program funds for the direct loss of eligible crops or the loss of revenue for eligible crops</li> </ul>	<ul style="list-style-type: none"> <li>ELAP- payments specific to livestock and honeybees</li> <li>Emergency Livestock Relief Program (ELRP)</li> <li>Emergency Relief Program (ERP) Phase 1 Payments</li> <li>Livestock Forage Disaster Program (LFP)</li> <li>Livestock Indemnity Program (LIP)</li> <li>Milk Loss Program</li> <li>Quality Loss Adjustment (QLA) Program</li> <li>Tree Assistance Program (TAP)</li> <li>Wildfire and Hurricanes Indemnity Program (WHIP/WHIP+)</li> </ul>	<p>Crop insurance proceeds received from FCIC or a private plan of insurance regardless of crop year (as reported to IRS).</p> <p>Federal disaster program payments under the following programs:</p> <ul style="list-style-type: none"> <li>2017 WHIP</li> <li>ELAP</li> <li>LFP</li> <li>LIP</li> <li>NAP</li> <li>MLP</li> <li>OFSLP</li> <li>TAP</li> <li>WHIP+</li> </ul> <p>Payments through grant agreements with FSA for losses of eligible crops</p> <ul style="list-style-type: none"> <li>Grants from the Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), and state program funds for the direct loss of eligible crops or the loss of revenue for eligible crops</li> </ul>	
<p><b>SCHEDULE F LINE 7</b></p> <p>“Custom hire (machine work) income,” or information that could be reported on a Schedule F</p>		Custom hire income		Custom hire income



PROGRAM	ERP PHASE 2		PARP	
	SOURCE	ALLOWABLE REVENUE	EXCLUDE GROSS REVENUE	ALLOWABLE REVENUE
<p><b>SCHEDULE F LINE 8</b></p> <p>“Other income, including federal and state gasoline or fuel tax credit or refund,” or information that could be reported on a Schedule F</p>	<p>Other revenue directly related to the production of eligible crops that the IRS requires the applicant to report such as but not limited to:</p> <ul style="list-style-type: none"> <li>Commodity specific income received from state or local governments</li> </ul>	<ul style="list-style-type: none"> <li>Federal and State gas/ fuel tax credits</li> <li>Income from by-passed (unharvested) acres</li> <li>Income from a pass-through entity such as an S Corporation or Limited Liability Company (LLC)</li> <li>Certificate Exchanges</li> <li>Net gain from hedging or speculation</li> <li>Wages, salaries, and tips</li> <li>Cash rent</li> <li>Rental of equipment or supplies</li> <li>Revenue earned as a contract producer</li> </ul>	<p>Other revenue directly related to the production of agricultural commodities that IRS requires the applicant to report as income including but not limited to:</p> <ul style="list-style-type: none"> <li>Federal and State gas/ fuel tax credits</li> <li>Income from by-passed (unharvested) acres</li> <li>Commodity specific income received from state or local governments.</li> <li>Revenue earned as a cattle feeding operation.</li> </ul>	<ul style="list-style-type: none"> <li>Income from a pass-through entity such as an S Corporation or Limited Liability Company (LLC)</li> <li>Certificate Exchanges</li> <li>Net gain from hedging or speculation</li> <li>Wages, salaries, and tips</li> <li>Cash rent</li> <li>Rental of equipment or supplies</li> <li>Revenue earned as a contract producer</li> </ul> <p>Any pandemic assistance payments that were not for the loss of agricultural commodities or the loss of revenue from agricultural commodities, including, but not limited to:</p> <ul style="list-style-type: none"> <li>cost-share assistance</li> <li>loss of buildings, etc.</li> </ul>

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

### Producer Documentation

Producers will need to gather supporting documentation including Schedule F (Form 1040), Profit or loss From Farming or similar tax documents for **calendar years** 2018, 2019 and 2020 for PARP and for **tax year** 2018, 2019, 2020, 2021, and 2022 for ERP Phase 2.

Producers should also have the following forms on file for both PARP and ERP Phase 2 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.

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 their local FSA County Office.

In addition to the forms listed above, certain producers will also need to submit the following form to qualify for an increased payment rate as applicable for ERP Phase 2 and PARP.

- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, if applicable.

### Payment Limitations & Eligibility

PARP and ERP both have a \$125,000 payment limit per person or legal entity. For ERP, the \$125,000 payment limit is combined from Phase 1 and Phase 2.

Additionally, there is a separate \$125,000 payment limit for specialty/high value commodities for ERP Phase 2. Payment Limitations are also separate for each program year 2020 and 2021.

**ERP Phase 2 Only:** As a condition of payment eligibility, producers must obtain crop insurance or NAP coverage, as applicable for the eligible crops(s) involved in the revenue loss.

**PARP Only:** PARP may have a reduced payment limitation



## Applying for Assistance

The Farm Service Agency (FSA) is accepting applications for ERP Phase 2 and PARP from **Jan. 23, 2023** to **June 2, 2023**.

## Additional Resources

For more information on how to apply or application forms by program, visit [farmers.gov/service-center-locator](https://farmers.gov/service-center-locator).

- [PARP fact sheet](#)
- [ERP 2 fact sheet](#)

All FSA fact sheets are available at [fsa.usda.gov/factsheets](https://fsa.usda.gov/factsheets).

Additionally, applicants interested in one-on-one support with the ERP Phase 2 and PARP program application can contact our call center at 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

## For More Information

This fact sheet is for informational purposes only; other restrictions may apply. For more information about the PARP program, visit [farmers.gov/parp](https://farmers.gov/parp), [fsa.usda.gov/programs-and-services/emergency-relief](https://fsa.usda.gov/programs-and-services/emergency-relief) or contact your local FSA office. To find contact your local FSA office, visit [farmers.gov/service-center-locator](https://farmers.gov/service-center-locator).