

ERP 2022 Webinar Q&As

| Question | Answer |
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| When will ERP 22 Track 1 payments begin again? | Track 1 payments are issued as applications are processed and approved. |
| Does flooding that happened on 12/31/22 qualify? | Flooding is an eligible qualifying disaster event provided it occurred in calendar year 2022. |
| Can you please send the Drought Counties link in this chat? | Emergency Relief Program (ERP): Drought Eligible Counties in 2022 (usda.gov) |
| I didn't see drought listed as an eligible disaster? | Qualifying droughts are eligible. Qualifying drought means an area within the county was rated by the U.S. Drought Monitor as having a drought intensity of D2 (severe drought) for 8 consecutive weeks or D3 (extreme drought) or higher level for any period of time during the applicable calendar year. |
| If you got a track 1 payment can you qualify for a track 2 payment? | Yes |
| Is vegetable seed production considered a specialty crop? Also, any other crop grown for planting seed production. | Vegetable seed production would be considered either specialty or high value, dependent on the intended use. A producer may work with their local FSA office to ensure the correct use is entered on their application. |
| What is the deadline to sign up for track 2? | No deadline has been announced yet. |
| Are all crops eligible? | All crops aren't eligible for ERP 2022. Ineligible crops and commodities include: crops intended for grazing, aquatic species that do not meet the definition of eligible aquaculture, Cannabis sativa L. and any part of the plant that does not meet the definition of hemp, timber, livestock and animal by-products, and banana plants. If you have a specific crop or commodity that you are concerned about, please reach out to your local FSA office. |
| Does USDA have a mechanism in place to check/confirm individuals receiving ERP are purchasing NAP or crop insurance? | Yes, the Risk Management Agency will assist us in confirming linkage requirements for insured crops when it is time to verify linkage. |
| Are ERP-2 payments taxable? Line 4b on Schedule F. | Yes |
| Any relief available for 2023 losses due to extreme weather? | A 2023 program does not currently exist. |
| Is there estimated to be a program for disaster year 2023? | FSA currently has no information available for a 2023 program. |
| Do this program apply to loss of trees, note: industries that grow trees? | Timber is ineligible for ERP 22 assistance. If you have a specific crop/tree that you are inquiring about please contact your local FSA Office. |
| What if the county in Oregon triggered a D3 drought but that county is not listed in the eligible counties? Do we just assume it is available? Linn, Lincoln, Benton | Please reach out to your local FSA office to inquire if the counties met the U.S. Drought Monitor D3 drought intensity level requirements. If there is a mistake, they may communicate this information to the State Office for review and correction. |
| Where do we get the 1099-G? | If you haven't received your USDA 1099, contact the 1099 Help Desk for reprints at 1-800-421-0323. |
| How do we handle a benchmark year selection if we weren't farming in 2018 or 2019? | If the producer did not receive a payment for ERP Phase 2, for representative year 2022, the producer may apply using the Expected Revenue Option, which will allow them to apply using an expected revenue for the disaster year to use as their benchmark year (that did not exist) as a new producer. |

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| <p>Can producer who has an extension filed on their tax return still apply for ERP 2</p> | <p>Yes, a producer may apply for Track 2 regardless of whether a tax return has been filed or not. If a producer is using the Tax Option, producers will determine their allowable gross revenue based on the year for which the revenue would be reported for the purpose of filing a tax return. This means if the producer has all the information available to calculate the benchmark and disaster year revenue you may apply without waiting for the tax return to be finalized. Additionally, producers may revise the application if needed any time before the sign-up deadline.</p> |
| <p>So, if your county isn't listed in the ERP Drought Eligible Counties listing, you will not qualify?</p> | <p>All or part of the loss had to be due to a qualifying disaster event that occurred in calendar year 2022. Producers will certify that they suffered the loss due to one of the qualifying disaster events when they apply for assistance. If you feel your county was mistakenly excluded from the eligible drought counties, please reach out to your local FSA office. If there is a mistake, they may communicate this information to the State Office for review and correction.</p> |
| <p>Once applied what's the timeline for approval and payment?</p> | <p>Once an ERP 2022 application for Track 1 or Track 2 is submitted, that producer's recording county office County Committee will then review that application and take action to Approve or Disapprove. The timeline for approval/disapproval is dependent on that County Committee.</p> |
| <p>What is included in "Conservation Program Payments"... does this mean any payments from NRCS programs?</p> | <p>Conservation programs administered by the Farm Service Agency and Natural Resource Conservation Service (such as the Conservation Reserve Program and Environmental Quality Incentives Program).</p> |
| <p>Bottom line there must be a qualifying disaster to participate in Tract 2?</p> | <p>Yes, a producer's eligible crop losses must have occurred because of a qualifying 2022 disaster event or related condition.</p> |
| <p>FSA 510 - is that for someone who is using the tax year option or is it also for those that use the expected revenue option?</p> | <p>The FSA-510 is used for ERP 2022 to request an increase to the payment limitation. It is not limited to the tax year option.</p> |
| <p>Are disasters under which the ERP application is submitted under producer self-certified?</p> | <p>Yes, producers will certify on the application that the loss was due to one of the qualifying disaster events that occurred in calendar year 2022.</p> |
| <p>Does the producer self-certify the qualifying disaster for ERP, or does the FSA office?</p> | <p>The producer self-certifies if they qualify for ERP, depending on if their crop was affected by a qualifying 2022 disaster event or related condition.</p> |
| <p>Will it be necessary to contact FSA for a Track 1 Application, or will they simply be sent to us?</p> | <p>If a producer qualifies for ERP 2022 Track 1, they should receive an application. However, if the producer's mailing address is incorrect it is possible that the application may not be deliverable. It never hurts for a producer to contact their local FSA Office to make sure they are not missing out on potential program benefits.</p> |
| <p>How do you decide whether to use 2022 or 2023 as the disaster year and 2018 or 2019 as the benchmark year?</p> | <p>It is up to the producer to decide which tax years they would like to use. The only requirement to use a certain tax year is if the producer received payment under the previous ERP for the 2021 disaster year and chose 2022 as their representative revenue year for Phase 2. These producers are required to use the tax year option and select 2023 as their representative revenue year.</p> |
| <p>Is it required that the 510 is signed by an accountant/attorney?</p> | <p>Yes</p> |
| <p>Is there a way to get a screen shot of Will Farmer's schedule F to follow along with where numbers are going?</p> | <p>The slides from this presentation will be available after this call. At that time, you will have the ability to compare Will Farmer's Schedule F to the slides being presented.</p> |

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| If a producer elects to do the application using the "Expected Revenue" option, does he still include all the "tax form" info on the application? | No. The expected revenue option allows producers to certify to the revenue they reasonable expected to receive, absent disaster conditions, for their benchmark revenue and their actual disaster year revenue. |
| How much % drop from benchmark to disaster year to qualify? | FSA provided an ERP 2022 Application Tool at https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/emergency-relief-program/docs/erp2022_tool_version_final-v1.2-02212024.xlsm , that the producer may use to determine if the difference between the benchmark year and disaster year will calculate a payment. |
| If crop insurance proceeds less the premium/fees is less than zero is the zero used? Or is a negative amount used? | A negative amount may be used if the premiums and fees are greater than the crop insurance indemnity. |
| What if a farmer stores via grain bins a lot of grain normally and in 2019 they sell grain from the 2019 crop year but also grain from other years and in 2022 they don't sell much grain and rather store it in their bins. Thus, the 2019 benchmark year will be much higher due to grain sales. How do you account for this? | Tax year 2018 or 2019 will be used for benchmark year and will be selected by the producer based on the best representation of typical revenue for the producer's operation when compared to disaster year 2022. Producers will determine their allowable gross revenue based on the year for which the revenue would be reported for the purpose of filing a tax return. |
| Is the ERP 2022 Track 1 payment the amount that was received or prior to factoring? | The final ERP 2022 Track 1 payment received, has been factored. |
| I carried over my 2023 crop and sold it in Feb. 2024. Does that crop sale get pulled back for 2023's crop income for the FSA-524? | If the 2023 crop was affected by a qualifying 2022 disaster event or related condition and was sold prior to the producer completing FSA-524, the revenue received from selling that crop would be included. If not sold, and still in storage at the time of the producer completing their application, they would include the value of that crop in storage as of the day the FSA-524 is completed. |
| When you release the recording will the Q&A be included? | Yes. A FAQ document with the questions and answers will be provided. |
| So we don't fill out 524B unless we elect the expected revenue option? | FSA-524-B is not required but can be used to help a producer calculate their Expected Revenue and Disaster Year Revenue when using the Expected Revenue Option. |
| What statue relates to the requirement of the FSA 510? | The FSA-510 is not a required form. It is an optional form producers may file if they want to file an exception to the payment limitation. |
| Is there a way to adjust for gain or loss of acres? | Yes. The producer may use the Expected Revenue Option, if they did not receive a ERP Phase 2 payment from using representative revenue year 2022. If the producer received an ERP Phase 2 payment and used representative revenue year 2022, they still have an option to adjust benchmark year revenue for their change in operation capacity using a special provision for the Tax Year Option. |
| Will the Q & A's be included with the slides when they are available? | A FAQ document with the questions and answers will be provided. |
| Can the FSA County Office help with these forms? | FSA county offices can assist in answering program questions, but the applications should be completed by the producers. |
| We have a vermiculture farm selling both worms and their castings (which is their byproduct that we screen from the soil). Would we qualify for this grant program? | Worms and byproducts such as soil composite are not eligible commodities/crops. |

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| Is the 510 applicable to the before factored payment or after the factoring is applied? | The FSA-510 is applicable after the factoring is applied. |
| I have a farmer telling other farmers that although his APH is 30 bu/acre, Form FSA 524-B asks his "expected yield and price" so he is putting 60 bu/ac, because that is what he "expects/hopes for". Is he going to get to use that figure, or will he have to have proof from his tax return? | Producers requesting to use the expected revenue option are subject to County Committee review. If the County Committee questions the certification on an application, they can request additional information to support the certification. Approval or disapproval is a County Committee action. Expected revenue must be based on realistic projections that can be supported by acceptable documentation of expected inventory, acres, yield, and unit price. |
| Will there be another webinar that will cover apply via "expected revenue" option? | Nothing is scheduled at this time. |
| When will ERP 22 Track 1 payments resume? | ERP 2022 Track 1 payments are currently being issued. |
| What is the actual % loss needed to qualify? | There is no minimum loss threshold to qualify for ERP 2022. |
| Will Tobacco income be included? | Tobacco is an eligible crop. Revenue from all eligible crops is included. |
| The FSA-510 is optional but what law/statute requires this form? | The FSA-510 is optional, however, to receive the benefit of the higher payment limitation the form must be filed for the purposes of ERP 2022. ERP 2022 regulations published in the Federal Register on October 31, 2023, require that, to receive more than \$125,000 in ERP 2022 payments, producers must submit form FSA-510, including the certification from a certified public accountant or attorney that the person or legal entity has met the requirements to be eligible for the increased payment limitation. If a producer requesting the increased payment limitation is a legal entity, all members of that entity must also complete form FSA-510 and provide the required certification according to the direct attribution provisions in 7 CFR 1400.105. Title I of the Disaster Relief Supplemental Appropriations Act, 2023 (Pub. L. 117-328), was signed December 29, 2022. |
| If your 2022 and 2023 income is higher than 2019 and 2018 year, then it is not eligible, correct? | If you used the tax year method and you certified to a higher allowable gross revenue in the disaster year as opposed to the benchmark year of choice, the payment would result in zero for ERP 2022. |
| If you didn't qualify for the ERP 1 payment, can you still apply for the ERP 2? | Applicants may apply for ERP 2022 Track 1 and Track 2 regardless of whether a payment is earned in Track 1. |
| Is the payment limitation of \$125,000 per entity? I.e. can husband and wife each qualify for \$125,000? | Payment eligibility and limitation determinations are made separately for each individual, entity, or joint operation that requests benefits from FSA. If all criteria are met, husband and wife could potentially qualify for their own payment limitation. |
| Are CRP payments on 1099 included in the 524 income? | CRP payments are not included in the calculation of Allowable Gross Revenue. |

Is the 510 applicable to the before factored payment or after the factoring is applied? To further clarify, should they be securing the 510 if they are showing a loss of greater than 125,000 or we don't need to worry about it until the payment after the factoring is greater than 125?

The FSA-510 is applicable after the progressive factoring occurs.