Overview

FSA’s Deputy Administrator for Farm Programs has updated policy for the Emergency Relief Program (ERP) Phase Two to provide a method for valuing losses and accessing program benefits to eligible producers of certain crops, including grapes grown and used by the same producer for wine production or forage that is grown, stored and fed to livestock, that do not generate revenue directly from the sale of the crop.

Wine Grapes

Wine Grapes: any variety of grapes grown and used by the same producer for wine production.

Producers who grow their own wine grapes and process the grapes into wine as part of their ordinary operation and do not have sales from the wine grapes to include in their allowable revenue can now include the value of the crop in their allowable gross revenue for both the benchmark and disaster years. The value of the eligible crop is based on the producer’s actual production of the crop and a price for the crop obtained from National Agricultural Statistics Service (NASS) data, and other published prices, such as prices from Risk Management Agency (RMA) and Noninsured Crop Disaster Assistance Program (NAP) and locally published prices based on sales for the applicable year.

Example:

John Doe Wines, LLC is a wine maker that grows PNO grapes to process into wine, they do not sell their grapes. In 2021, John Doe Wines, LLC produced 500 tons of actual production. They are using published pricing from NASS at $552.50/ton to determine the value of the crop at $276,250 for the disaster year.

John Doe Wines, LLC selects 2019 as their benchmark year. In 2019, they produced 800 tons of PNO grapes and are using a published NASS price of $570/ton to determine the value of the crop at $456,000 for the benchmark year.

Forage Crops

Forage Crops: vegetation consisting of annual, biennial, and perennial grasses, legumes, and small grains.

Producers of forage crops who store the crop and feed it to livestock on their farm or ranch and do not have revenue from the sale of the portion of their crop used for this purpose in their allowable gross revenue can now include the value of the crop in their allowable gross revenue for both the benchmark and disaster years. The crop value must be based on the producer’s actual production of the crop and a price for the crop obtained from NASS data, and other published prices, such as prices from RMA and NAP and locally published prices based on sales for the applicable year.

Example:

Jane Doe Ranch is a forage producer that does not sell production, it is stored and fed to livestock on the ranch as part of their ordinary operation.

In 2021, Jane Doe Ranch produced 2250 tons of forage. They are using NASS published pricing at $68.00/ton to determine the value of the crop for the disaster year at $153,000.

In Benchmark year 2019, Jane Doe Ranch produced 3000 tons of forage. They are using NASS published pricing at $69.17/ton to determine the value of the crop for the benchmark year at $207,510.

For More Information

Producers of crops grown for on-farm use, in addition to wine grapes and forage, who want to use the crop value for the purpose of determining ERP Phase Two allowable gross income need to submit the crop to RA.FSA.DCWA2.ppb@wdc.usda.gov. FSA’s Deputy Administrator for Farm Programs will review and approve submitted requests.

For more information, view the ERP Phase Two Fact Sheet, ERP Phase Two application video tutorial and myth-buster blog.

For FSA programs, producers should contact their local USDA Service Center.