

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice ERP-23

For: State and County Offices

Emergency Relief Program (ERP) Phase 2 Producer Compliance Review

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

FSA will be conducting ERP Phase 2 producer compliance reviews. ERP Phase 2 producer compliance reviews provide program oversight and ensure that payments are issued to eligible program applicants and certifications provided by the applicants are supported by appropriate documentation.

B Purpose

This notice:

- provides policy and procedure for completing the ERP Phase 2 producer compliance reviews to ensure program integrity
- requires ERP Phase 2 producer compliance reviews to be completed and recorded in the Internal Review Documentation and Tracking System (IRDTS) by September 13, 2024
- requires ERP Phase 2 quality compliance reviews to be completed and recorded in IRDTS by September 27, 2024
- provides schedule of ERP Phase 2 producer compliance reviews (Exhibit 1).

C Contacts

For questions about this notice, applicable State Office staff will email:

- Aaron Blackburn, for ERP policy and procedure
- Marcqualyn Pierce, for IRDTS.

Disposal Date	Distribution
December 1, 2024 5-17-24	State Offices; State Offices relay to County Offices

2 ERP Phase 2 Producer Compliance Review

A National Producer Selection Process

The National Office used a risk-based approach and selected a statistical sample from all producers receiving ERP Phase 2 benefits.

The National Office has provided the list of producers selected for ERP Phase 2 producer compliance reviews on the ERP Internal Controls SharePoint at <https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP>.

The national producer selection list will include the following:

- Recording State
- Recording County
- Producer Name (Common Customer Name)
- CCID
- Application Number.

B Identifying Producers Selected for ERP Phase 2 Compliance Review

State and County Offices will immediately review the list of ERP Phase 2 producers selected and identify if additional producers need to be added to the producer compliance review. The list of producers selected for review, titled “Producers Selected for ERP Phase 2 Producer Compliance Review,” can be found on the ERP Internal Controls SharePoint at <https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP>.

Any producer may be added to the ERP Phase 2 producer compliance review, as determined by State and County Offices. Recording County Offices will email a list of all additional producers selected for review to their State Office. If a producer is added to the review by a State Office, State Offices will email the recording County Office to inform them that the producer has been added. State Offices will compile a list of additional producers that will be added to the review, including a brief explanation for adding a producer to the compliance review. The following information will be needed for each producer added:

- Recording State
- Recording County
- Producer Name (Common Customer Name)
- CCID
- ERP Phase 2 Application Number
- Justification; briefly explain the purpose for adding the producer to the compliance review.

2 ERP Phase 2 Producer Compliance Review (Continued)

C Submitting Additional Producers Selected for ERP Phase 2 Compliance Review

ERP State Office specialist, or designee, will submit additional producers that are not currently listed in the ERP Phase 2 producer compliance review sample. Additional producers selected for review will be submitted by completing the following survey “Additional Producers Selected for ERP Phase 2 Producer Compliance Review” on the ERP Internal Controls SharePoint at <https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP>.

All surveys for submitting additional producers selected for ERP Phase 2 review must be completed in the ERP Internal Controls SharePoint site by May 31, 2024.

D Selecting and Submitting Information for Recording County Office Reviewers

CED, or designee, from each recording county that have producers being reviewed will identify a reviewer to complete that recording County Office's review. After the reviewer from each recording County Office has been identified, the recording county will email the name and email address of the reviewer to their State Office. ERP State Office specialists, or designees, will submit the name and email address of designated recording County Office reviewers by completing the survey “Designated Recording County Office Reviewer for ERP Phase 2 Producer Compliance Review” on the ERP Internal Controls SharePoint at <https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP>.

All surveys for submitting recording County Office reviewers must be completed in the ERP Internal Controls SharePoint site by May 31, 2024.

E Selecting and Submitting Information for State Quality Reviewers

FSA will conduct quality reviews, as part of the ERP Phase 2 producer compliance review process. Quality reviews will include a sample, selected at random, of producer compliance reviews completed by recording County Office reviewers. Quality reviews will be conducted by selected quality reviewers and will ensure that reviews being conducted by the recording County Office are accurate.

ERP State Office specialists, or designees, from each State that have producers being reviewed will identify a quality reviewer to complete that State's quality reviews. After the quality reviewer from each State has been identified, the ERP State Office specialist, or designee, will submit the name and email address of designated State quality reviewer by completing the survey “Designated State Quality Reviewer for ERP Phase 2 Producer Compliance Review” on the ERP Internal Controls SharePoint at <https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP>.

All surveys for submitting State quality reviewers must be completed in the ERP Internal Controls SharePoint site by May 31, 2024.

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2 ERP Phase 2 Producer Compliance Review (Continued)

F Notifying Producers Selected for ERP Phase 2 Compliance Review

The County Office must notify all selected producers by letter that they have been selected for the ERP Phase 2 producer compliance review and explain that they are required to provide supporting documentation for their ERP Phase 2 certifications. A template letter titled “ERP Phase 2 Review – Example Notification Letter” (Exhibit 2) can be found on the ERP Internal Controls SharePoint at <https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP>.

June 3, 2024 is the deadline to send all notification letters to producers informing them that they have been selected for an ERP Phase 2 review and requesting documentation.

A producer selected for review must provide documentation by July 19, 2024.

G Documentation

The deadline to receive documentation from producers is July 19, 2024.

Once documentation has been provided by the producer, the reviewer and COC will review all records and determine if the documentation provided is acceptable.

To be acceptable, documentation must demonstrate that the producer is eligible to participate in ERP Phase 2, and establish that the producer:

- had a decrease in allowable gross revenue because of necessary expenses related to losses of eligible crops due in whole or in part to a qualifying disaster event or related condition that occurred in the 2020 or 2021 calendar year
- listed all crops that were affected by a qualifying disaster event(s) or related condition(s) that resulted in a decrease in allowable gross revenue in the disaster year on their FSA-522
- certified their revenue amounts for both benchmark and disaster years correctly
- certified their percentage of expected revenue from specialty and high value crops, and percentage of expected revenue from other crops in their disaster year(s) correctly.

All documentation must be clearly summarized by the producer. Documentation may require a producer explanation that demonstrates the methods used to determine their eligibility and certified amounts. If documentation is not clear or cannot be easily linked to the producer’s certified values on their FSA-521, the recording County Office may determine that the documentation is unacceptable and will follow procedure in subparagraph H.

2 ERP Phase 2 Producer Compliance Review (Continued)

G Documentation (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 or deposit slips
- crop insurance, NAP, and WHIP+ records
- IRS Schedule F with supporting documentation.

Notes: IRS Schedule F will be accompanied by documentation, when applicable, that supports the producer certifications on FSA-521 to COC's satisfaction for reasonableness. CPA, attorney, or other similar statements will **not** be accepted as supportive documentation for the COC reasonableness review.

If the documentation provided and reviewed is considered questionable, the third party shown on the documentation should be contacted about the accuracy of information shown on the documentation. If this contact is made and the third party does not affirm the documentation, the documentation no longer supports the certification and may result in other adverse action or decision for the applicant.

2 ERP Phase 2 Producer Compliance Review (Continued)

H Failure to Provide Acceptable Documentation

Failure to provide acceptable documentation by July 19, 2024, will result in the following:

- producer did **not** comply with ERP Phase 2 provisions
- the producer is ineligible for all or part of ERP Phase 2 benefits
- the producer will be required to refund any calculated overpayment from ERP Phase 2 that is the result of not complying with compliance review procedures.

The recording County Office must notify the producer that they failed to provide documentation which results in an overpayment. A template letter for notifying producers who failed to provide acceptable documentation, titled “ERP Phase 2 Review – Example Letter for Unacceptable Documentation” (Exhibit 3) can be found on the ERP Internal Controls SharePoint at <https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP>.

I Requesting Additional Information

If necessary, reviewers may contact producers after reviewing the producer’s documentation to determine if their documentation is acceptable and to clarify how their documentation was used to determine the certifications on their FSA-521. Reviewers may decide what method is most effective for completing a producer compliance review, which may include virtual meetings, meetings by phone, or in-person to gather additional information and clarification.

Emergency Relief Program (ERP) Phase 2 Producer Compliance Review Worksheet FSA-521-CR is an optional worksheet that was designed to help reviewers record and keep track of the documentation that was provided by producers and link that documentation to certified values. FSA-521-CR also provides methods for calculating total revenue amounts and percentages of expected revenue from specialty and high value crops and other crops.

Note: See Exhibit 6 for an example of FSA-521-CR.

2 ERP Phase 2 Producer Compliance Review (Continued)

J Performing ERP Phase 2 Producer Compliance Review

IRDTS software will record and track ERP Phase 2 producer compliance reviews. Designated reviewers will receive auto-generated emails from IRDTS by July 22, 2024. The emails will include a link to access the review questionnaire for the sample records selected and will identify the specific producer applications selected to be reviewed.

All producer compliance reviews must be completed, questionnaires submitted, and received documentation loaded into IRDTS by September 13, 2024.

Note: If discrepancies are identified between the certified values on FSA-521 and documentation provided by the producer, the recording County Office should follow the instructions provided in subparagraph M.

Training and information about new enhancements made to IRDTS, IRDTS accessibility, and using the centralized IRDTS mailbox for system inquiries has been provided by the Office of Management and Strategy and can be found at https://usdagcc.sharepoint.com/sites/fsa-oa/OMS/Internal_Controls/SitePages/IRDTS-Training.aspx.

K Performing Quality Reviews for ERP Phase 2 Producer Compliance Reviews

If a producer compliance review is subsequently selected for a quality review, then quality reviewers will receive auto-generated emails from IRDTS by September 13, 2024, or upon the recording County Office reviewer's completion of their assigned producer compliance reviews in IRDTS. The email from IRDTS will include a link to access the review questionnaire and will also provide access to the recording County Office reviewer's submitted review results and all documentation received from the producer and loaded by the recording County Office reviewer that was used to complete their reviews.

Quality reviewers will complete their assigned questionnaires in IRDTS by using the initial review and producer documentation. Any discrepancies that exist between the recording County Office reviewer and quality reviewer will be addressed according to subparagraph L.

All quality reviews must be completed, and questionnaires submitted into IRDTS by September 27, 2024.

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2 ERP Phase 2 Producer Compliance Review (Continued)

L Discrepancy between Recording County Office Review and Quality Review

The following instructions provide guidance for actions to take once the Quality Review has been completed:

IF the quality review proves...	THEN quality reviewer will...
the recording County Office review is incorrect	<ul style="list-style-type: none">• notify the recording County Office that the quality review has been completed and the quality reviewer did not agree with the recording County Office review results• work with the recording County Office to complete a final determination, by resolving differences that exist between the recording County Office review and the quality review• instruct the recording County Office to complete instructions provided in subparagraph M, based on the final determination.
the recording County Office review is correct	<ul style="list-style-type: none">• notify the recording County Office that the quality review has been completed and the quality reviewer did agree, and concurs with the recording County Office review results• instruct the recording County Office to complete instructions provided in subparagraph M, according to the original recording County Office review results.

M Discrepancy between Producer Certified Values and Documentation

The following instructions provide guidance when there is a discrepancy between the certified values on FSA-521 and documentation provided by the producer:

IF documentation proves...	THEN COC will...
the producer did not have a qualifying disaster event or related condition in calendar year 2020 or 2021 that resulted in a decrease in allowable gross revenue due to necessary expenses related to losses of eligible crops	<ul style="list-style-type: none">• determine the producer did not comply with ERP Phase 2 provisions• update the COC determination from “Approved” for an applicable Disaster Year to “Disapproved” and enter a new COC Determination Date• notify the producer of the disapproval determination and provide applicable appeal rights• process overpayments through NRRS.

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2 ERP Phase 2 Producer Compliance Review (Continued)

M Discrepancy between Producer Certified Values and Documentation (Continued)

IF documentation proves...	THEN COC will...
the producer did not list all crops that were affected by a disaster event(s) or related condition(s) that resulted in a decrease in allowable gross revenue in the disaster year on their FSA-522	<ul style="list-style-type: none"> determine the producer did not comply with ERP Phase 2 provisions <p>Note: FSA-521 is incomplete if FSA-522 is incomplete.</p> <ul style="list-style-type: none"> update the COC determination from “Approved” for an applicable Disaster Year to “Disapproved” and enter a new COC Determination Date notify the producer of the disapproval determination and provide applicable appeal rights process overpayments through NRRS.
the amount that the producer certified for Benchmark Revenue on their FSA-521 in Part C, Item 8 and/or in Part D, Item 19 is incorrect	<ul style="list-style-type: none"> determine the producer did not comply with ERP Phase 2 provisions add a COC Adjusted Benchmark Revenue amount in Part C, Item 13 and/or in Part D, Item 24 based on the documentation provided by the producer, if the Benchmark Revenue amount is less than what was originally certified by the producer on FSA-521 do not adjust Benchmark Revenue amount based on the documentation provided by the producer, if the Benchmark Revenue amount is greater than what was originally certified by the producer on FSA-521 notify the producer of the adjustment and provide applicable appeal rights, if applicable process overpayments through NRRS, if applicable.

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2 ERP Phase 2 Producer Compliance Review (Continued)

M Discrepancy between Producer Certified Values and Documentation (Continued)

IF documentation proves...	THEN COC will...
the amount that the producer certified for Disaster Year Revenue on their FSA-521 in Part C, Item 8 and/or in Part D, Item 19 is incorrect	<ul style="list-style-type: none"> determine the producer did not comply with ERP Phase 2 provisions add a COC Adjusted Disaster Year Revenue amount in Part C, Item 14 and/or in Part D, Item 25 based on the documentation provided by the producer, if the Disaster Year Revenue amount is greater than what was originally certified by the producer on FSA-521 do not adjust Disaster Year Revenue amount based on the documentation provided by the producer, if the Disaster Year Revenue amount is less than what was originally certified by the producer on FSA-521 notify the producer of the adjustment and provide applicable appeal rights, if applicable process overpayments through NRRS, if applicable.
the percentage of expected revenue from specialty and high value crops, and percentage of expected revenue from other crops in the disaster year(s) was certified incorrectly	<ul style="list-style-type: none"> determine the producer did not comply with ERP Phase 2 provisions add a COC Adjusted Percent of Expected Revenue from Specialty & High Value Crops in Part C, Item 11 and/or Part D, Item 22 based on the documentation provided by the producer if the percent differs from the producer's original certified percent on FSA-521 add a COC Adjusted Percent of Expected Revenue from Other Crops in Part C, Item 12 and/or Part D, Item 23 based on the documentation provided by the producer if the percent differs from the producer's original certified percent on FSA-521 notify the producer of the adjustment and provide applicable appeal rights, if applicable process overpayments through NRRS.
the producer did have a qualifying disaster event, the producer listed all crops that were affected by disaster events or related conditions that resulted in a decrease in allowable gross revenue in the disaster year on their FSA-522, and that the producer-certified values are correct	<ul style="list-style-type: none"> determine the producer did comply with ERP Phase 2 provisions notify the producer to inform them that they are found compliant according to subparagraph R.

2 ERP Phase 2 Producer Compliance Review (Continued)

N Notifying Out of Compliance Producers

The recording County Office will notify producers who are found out of compliance with ERP Phase 2 provisions and who have a pending overpayment. A template letter titled “ERP Phase 2 Review – Example Letter for Out of Compliance Producers” (Exhibit 4) can be found on the ERP Internal Controls SharePoint at <https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP>.

Note: The applicant can appeal COC adverse decisions, including COC adjustments, according to 3-ERP and 1-APP.

O Updating FSA-521 due to Discrepancies Found During Review

If changes to COC adjustments and determinations on FSA-521 are necessary because of discrepancies found during the producer compliance review, recording County Offices must submit COC updates to their State Office and ERP State Office specialists, or designees, will record updates in the ERP Phase 2 Software. If COC adjustments and determinations are updated, then a new COC determination date will be loaded based on the date of those COC actions. All COC actions must be thoroughly recorded in the COC minutes.

Notes: The deadline to submit an FSA-521 **has not been extended**. Recording County Offices will not update FSA-521’s that are not affected by this notice.

See 3-ERP, paragraph 66 for policy and procedure on COC actions.

See 4-ERP for ERP Phase 2 software automation.

P Processing Overpayments

Some updates to FSA-521’s that are based on the COC determining that the producer did not comply with ERP Phase 2 provisions will result in an overpayment.

If an overpayment occurs:

- transfer the pending overpayment to receivable as soon as available
- immediately notify the producer of the overpayment.

Notes: A template letter titled “ERP Phase 2 Applicant Letter – Out of Compliance Producers” (Exhibit 4) can be found on the ERP Internal Controls SharePoint at <https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP>.

Interest will apply to receivables. Policy for handling overpayments, including small balances and processing a receivable, can be found in 58-FI and 64-FI.

2 ERP Phase 2 Producer Compliance Review (Continued)

Q Finality Rule

According to 7-CP, the finality rule does not apply if an erroneous determination is based on incorrect information, mistakes, erroneous data, or wrongdoing by or on behalf of the participant, even if the participant was not aware, at the time of their application, that the information or data was false. Since ERP Phase 2 certified values are completed by the producer, the finality rule will not apply.

R Notifying Compliant Producers

The recording County Office will notify producers who are found compliant with ERP Phase 2 provisions. A template letter titled “ERP Phase 2 Review – Example Letter for Compliant Producers” (Exhibit 5) can be found on the ERP Internal Controls SharePoint at <https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP>.

3 Action

A State Office Action

State Offices will:

- review the contents of this notice
- record producers that were identified to be added to the ERP Phase 2 producer compliance review
- record the reviewers identified from each recording County Office in their State for the producers selected for the ERP Phase 2 producer compliance review
- record the quality reviewers identified from each State designated to complete assigned quality reviews
- ensure that quality reviews are completed as assigned
- ensure that County Offices are aware of the provisions of this notice
- assist County Offices with questions about this notice
- direct questions related to ERP policy and procedure to Aaron Blackburn
- direct questions related to the IRDTS process to Marcqualyn Pierce.

3 Action (Continued)

B County Office Action

County Offices will:

- review the contents of this notice
- direct questions to their ERP State Office specialist, or designee
- complete actions in subparagraph 2 B by the applicable deadlines.

Schedule for ERP Phase 2 Producer Compliance Reviews

This table provides the schedule for completing ERP Phase 2 reviews.

Step	Action Item	Deadline Dates
1	State and County Offices will review the list of producers selected for ERP Phase 2 review titled “Producers Selected for ERP Phase 2 Producer Compliance Review” on the ERP Internal Controls SharePoint at https://usdagcc.sharepoint.com/sites/fsa-dafp/SND/ERP .	Immediately
2	State and County Offices will identify any additional producers that will be added to the ERP Phase 2 review, that are not included in the sample according to subparagraph 2 B.	Immediately
3	ERP State specialist, or designee, will compile a list of additional producers that will be added to the ERP Phase 2 review, that have been identified by State and County Offices according to subparagraph 2 C.	Immediately
4	County Offices will email the name and email address of the applicable recording County Office employee designated to complete the ERP Phase 2 review to their State Office.	Immediately
5	ERP State specialist, or designee, will submit additional producers selected for ERP Phase 2 review according to subparagraph 2 C.	May 31, 2024
6	ERP State specialist, or designee, will submit the name and email address of designated recording County Office reviewers according to subparagraph 2 D.	May 31, 2024
7	ERP State specialist, or designee, will submit the name and email address of the designated State Office quality reviewers according to subparagraph 2 E.	May 31, 2024
8	Recording County Office reviewer will notify selected producers of their selection for the ERP Phase 2 review according to subparagraph 2 F.	June 3, 2024
9	Recording County Office reviewer will ensure that all selected producers have provided acceptable supporting documentation. For acceptable documentation requirements, go to subparagraph 2 G.	July 19, 2024
10	ERP State specialist, or designee, will ensure that the designated recording County Office reviewer receives all applicable autogenerated emails from IRDTS with a link to each identified producer and their ERP Phase 2 reviews. If there are issues, contact Marcqualyn Pierce at marcqualyn.pierce@usda.gov .	July 22, 2024
11	Complete and submit all applicable producer assessments in IRDTS according to subparagraph 2 J.	September 13, 2024
12	Recording County Office reviewer will ensure that all acceptable supporting documentation used to complete assessment, including application, are uploaded into the IRDTS application.	September 13, 2024

Schedule for ERP Phase 2 Producer Compliance Reviews (Continued)

Step	Action Item	Deadline Dates
13	ERP State specialist, or designee, will monitor IRDTS to ensure all assessments in that State have been completed on or before the established deadline.	September 13, 2024
14	State Office quality reviewer will receive quality reviews through IRDTS once the Recording County Office reviewer has completed the producer compliance review. The State Office quality reviewer will complete and submit quality reviews in IRDTS according to subparagraph 2 K.	September 27, 2024

ERP Phase 2 Review – Example Notification Letter

The following is an example notification letter for ERP Phase 2 review.



Farm
Production
and
Conservation

Farm
Service
Agency

[UPDATE] County Office
County Office Street Address
City, State Zip Code
(XXX) XXX-XXXX, ext. XXX

May XX [UPDATE], 2024

[UPDATE] Producer Name
Producer Street Address
City, State Zip Code

ERP Phase 2 Application Number: [UPDATE]

Dear [UPDATE - Enter name of FSA-521 Producer]:

This letter is in reference to an Emergency Relief Program (ERP) Phase 2 application you filed with the Farm Service Agency (FSA). When you filed your application, you were advised that your certification was subject to a producer compliance review by FSA.

Your ERP Phase 2 application has been selected for a producer compliance review.

As a condition of program eligibility, at time of application you agreed to retain documentation in support of your application that, if requested by FSA, can be used to determine your eligibility to participate in ERP Phase 2 and provide evidence that your certifications are correct.

The documentation you provide must demonstrate your eligibility to participate in ERP Phase 2, and establish that:

- a decrease in allowable gross revenue due to necessary expenses related to losses of eligible crops was due in whole or in part to a qualifying disaster event or related condition that occurred in the 2020 or 2021 calendar year,
- all crops that suffered a revenue loss due to a qualifying disaster event(s) or related condition(s) are listed on your FSA-522,
- the certified revenue amounts for both benchmark and disaster years are accurate, and
- the certified percentage of expected revenue from specialty and high value crops, and percentage of expected revenue from other crops in the disaster year(s) is accurate.

The following are examples of documents you may provide to support the certifications on your ERP Phase 2 application:

- financial documents such as a business plan or cash flow statement that demonstrate an expected level of revenue

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ERP Phase 2 Review – Example Notification Letter (Continued)

- sales contracts or purchase agreements
- documentation supporting production capacity, use of existing production capacity, or physical alterations that demonstrate production capacity
- assembly sheet
- 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 with supporting documentation.

If you submit IRS Schedule F or similar tax forms, they must be accompanied by documentation, when applicable, that supports your certifications on FSA-521. CPA, attorney, or other similar statements will not be accepted as supportive documentation.

Documentation that you submit must be summarized and provide a narrative supporting the following certifications that you made on your FSA-521:

2018 Benchmark Year Revenue: *[UPDATE - \$XXX,XXX.XX]*

2019 Benchmark Year Revenue: *[UPDATE - N/A]*

2020 Disaster Year Revenue: *[UPDATE - N/A]*

2021 Disaster Year Revenue: *[UPDATE - \$XXX,XXX.XX]*

Percent of Expected Disaster Year Revenue from Specialty and High Value Crops, for Disaster Year 2020: *[UPDATE - XX.X%]*

Percent of Expected Disaster Year Revenue from Other Crops, for Disaster Year 2020: *[UPDATE - XX.X%]*

Percent of Expected Disaster Year Revenue from Specialty and High Value Crops, for Disaster Year 2021: *[UPDATE - XX.X%]*

Percent of Expected Disaster Year Revenue from Other Crops, for Disaster Year 2021: *[UPDATE - XX.X%]*

If you selected “Adjusted” as your Benchmark Year for your Disaster Year(s) please provide a narrative to disclose the following:

- if your adjustment to Benchmark Year was because you are a new producer in 2020 or 2021 and you did not have allowable gross revenue in 2018 or 2019,
- if your adjustment to Benchmark Year was because you had an increase in operation capacity between your Benchmark Year and Disaster Year, or

ERP Phase 2 Review – Example Notification Letter (Continued)

- if your adjustment to Benchmark Year was because you had a decrease in operation capacity between your Benchmark Year and Disaster Year.

Submit your documentation to the office and address shown above. Documentation must be provided no later than **July 19, 2024**.

You must respond to this request for documentation. **If you do not submit the requested documentation, FSA will disapprove your ERP Phase 2 application, and you will be required to refund your ERP Phase 2 payment, plus applicable interest.**

If you have any questions or need a copy of your FSA-521 or FSA-522 for reference, please contact our office at **[UPDATE - enter office phone number]**.

Sincerely,

/s/ **[UPDATE]** County Executive Director

ERP Phase 2 Review – Example Letter for Unacceptable Documentation

The following is a template letter for notifying producers who failed to provide acceptable documentation.



United States
Department of
Agriculture

Farm
Production
and
Conservation

Farm
Service
Agency

[UPDATE] County Office
County Office Street Address
City, State Zip Code
(XXX) XXX-XXXX, ext. XXX

June XX [UPDATE], 2024

[UPDATE] Producer Name
Producer Street Address
City, State Zip Code

ERP Phase 2 Application Number: [UPDATE]

Dear [UPDATE - Enter name of FSA-521 Producer]:

This letter is in reference to an Emergency Relief Program (ERP) Phase 2 application you filed with Farm Service Agency (FSA). When you filed your application, you were advised that your certification was subject to a producer compliance review by FSA.

On [UPDATE - enter date of original notification letter], FSA wrote to inform you that your ERP Phase 2 application was selected for a producer compliance review. In that same letter, we requested that you submit your documentation that demonstrates your eligibility to participate in ERP Phase 2 and supports your certifications on your application. This office did not receive your documentation as requested. Your documentation was [UPDATE based on which choice applies: never received -OR- not acceptable].

As such, I have determined that you are ineligible for ERP Phase 2 and your application has been disapproved. The [UPDATE] County Committee has also determined that one or more exceptions to application of the finality rule (7 CFR 718.306) applies, as you have either intentionally or unintentionally misrepresented facts concerning your eligibility, or you had reason to know that FSA erred in determining your payment eligibility. You will be notified by separate communication of amounts owed as a result of this determination.

If you believe the facts of this decision are not correct or I have not properly applied rules governing ERP Phase 2 to your application, you may file a written appeal of this determination with the [UPDATE] County Committee within 30 days of receipt of this decision. To file an appeal of this decision, [UPDATE - insert appropriate language from 1-APP and address for COC].

Sincerely,

/s/ [UPDATE] County Executive Director

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ERP Phase 2 Review – Example Letter for Out of Compliance Producers

The following is an example letter for out of compliance producers.



Farm
Production
and
Conservation

Farm
Service
Agency

[UPDATE] County Office
County Office Street Address
City, State Zip Code
(XXX) XXX-XXXX, ext. XXX

September XX [UPDATE], 2024

[UPDATE] Producer Name
Producer Street Address
City, State Zip Code

ERP Phase 2 Application Number: [UPDATE]

Dear [UPDATE - Enter name of FSA-521 Producer]:

This letter is in reference to an Emergency Relief Program (ERP) Phase 2 application you filed with Farm Service Agency (FSA). You were previously advised that your certification was selected for a producer compliance review by FSA.

FSA has reviewed the documentation you submitted to support your certifications and has determined that the records do not:

[UPDATE the following bullet points based on which choice applies]

- *support that you suffered a qualifying disaster event or related condition that resulted in a decrease in allowable gross revenue due to necessary expenses related to losses of eligible crops,*
- *support your certification of crops that suffered a revenue loss due to a qualifying disaster event or related condition are listed on your FSA-522,*
- *support your certification of your benchmark year revenue*
- *support your certification of your disaster year revenue*
- *support your certification of expected revenue from specialty and high value crops and percent of expected revenue from other crops.*

As a result, your ERP Phase 2 application has been adjusted, and your payment has been **[UPDATE based on which choice applies: reduced -OR- disapproved]**. You will be notified by separate communication of any resulting amount owed.

The [UPDATE] County Committee has determined that one or more exception to application of the finality rule (7 CFR 718.306) applies, as you have either intentionally or unintentionally misrepresented facts concerning your eligibility, or you had reason to know that FSA erred in determining your payment eligibility.

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ERP Phase 2 Review – Example Letter for Out of Compliance Producers (Continued)

If you believe the facts of this decision are not correct or I have not properly applied rules governing ERP Phase 2 to your application, you may file a written appeal of this determination with the *[UPDATE]* County Committee within 30 days of receipt of this decision. To file an appeal of this decision, *[UPDATE - insert appropriate language from 1-APP and address for COC]*.

Sincerely,

/s/ *[UPDATE]* County Executive Director

ERP Phase 2 Review – Example Letter for Compliant Producers

The following is an example letter for compliant producers.



United States
Department of
Agriculture

Farm
Production
and
Conservation

Farm
Service
Agency

[UPDATE] County Office
County Office Street Address
City, State Zip Code
(XXX) XXX-XXXX, ext. XXX

September XX [UPDATE], 2024

[UPDATE] Producer Name
Producer Street Address
City, State Zip Code

ERP Phase 2 Application Number: [UPDATE]

Dear [UPDATE - Enter name of FSA-521 Producer]:

This letter is in reference to an Emergency Relief Program (ERP) Phase 2 application you filed with Farm Service Agency (FSA). You were previously advised that your certification was selected for a producer compliance review by FSA.

FSA has reviewed the documentation you submitted to support your certifications and has determined that your certifications are correct.

As a result, FSA will not make any adjustments to your ERP Phase 2 application or payment.

Sincerely,

/s/ [UPDATE] County Executive Director

USDA is an equal opportunity provider, employer and lender.

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR

The following table provides instructions for completing FSA-521-CR.

Note: These instructions and example in subparagraph B are being provided at this time for informational purposes. The dated form will be made available at a later date.

Item	Instruction
1	Enter producer's name (person or legal entity). Same as Item 4 on FSA-521 (same on Page 2, 3, 4, and 5)
2	Enter application number. Same as Item 1 on FSA-521 (same on Page 2, 3, 4, and 5)
Section A – Disaster Year	
3	Select disaster year, either 2020 or 2021. Note: Only one disaster year should be selected per FSA-521-CR. If completing a review for both 2020 and 2021 disaster years, complete a separate FSA-521-CR for each year.
Section B – Documentation	
4	Select "Yes" if producer submits all documentation that was requested, that is summarized and provides conclusive evidence to complete all spot check items. Select "No" if the producer did not submit acceptable documentation. Note: If "No" is selected, the producer did not comply with ERP Phase 2.
Section C – Qualifying 2020 Disaster Event	
5	Select "Yes" if the producer's documentation supports that the producer had a qualifying disaster event(s) or relating condition(s) in the 2020 or 2021 calendar year that is applicable to the disaster year selected in Item 3 , that resulted in a decrease in allowable gross revenue due to necessary expenses related to losses of eligible crops. Select "No" if the producer's documentation does not support that the producer had a qualifying disaster event(s) or relating condition(s) that resulted in a decrease in allowable gross revenue due to necessary expenses related to losses of eligible crops. Note: If "No" is selected, the producer did not comply with ERP Phase 2.
6	List the disaster event(s) or relating condition(s), the date and location of the disaster event(s) or relating condition(s), and the documentation provided by the producer that supports those disaster event(s) or relating condition(s) in the spaces provided. List one disaster event or relating condition per row.

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
Section D – Affected Crops	
7	<p>Select “Yes” if the producer’s documentation supports that all crops that were affected by a disaster event(s) or related condition(s) that resulted in a decrease in allowable gross revenue in the disaster year were listed on the producer’s FSA-522.</p> <p>Select “No” if the producer’s documentation does not support that all affected crops were listed on the producer’s FSA-522.</p> <p>Note: If “No” is selected, the producer did not comply with ERP Phase 2.</p>
8	List all crops not included on FSA-522 that were affected by a disaster event(s) or related condition(s) that resulted in a decrease in allowable gross revenue in the disaster year, the crop type, intended use, and documentation provided by the producer that supports the crops that were identified missing in the spaces provided. List one crop per row.
Section E – Benchmark Year Revenue	
9	Select the benchmark year that the producer selected on their FSA-521 for the disaster year selected in Item 3 , either “2018”, “2019”, or “Adjusted”.
10	Enter amount of benchmark revenue certified by the producer on their FSA-521 for the benchmark year selected in Item 9 .
Using the documentation provided by the producer, complete Items 11 through Item 18 to calculate the producer’s total allowable gross revenue if the producer selected “2018”, “2019”, or selected “Adjusted” in Item 9 , and it is determined by the producer’s documentation that the producer adjusted their benchmark revenue based on a decrease or increase in operation capacity.	
11	Enter the documentation used to determine the amount of allowable gross revenue and enter the amount of allowable gross revenue from sales of eligible crops purchased for resale that had a change in characteristic due to the time held, such as a plant purchased at a size of 2 inches and sold as an 18-inch plant after 4 months; and CCC loan proceeds for eligible crops if elected to be treated as income in a prior year less the tax basis in year of repayment.
12	<p>Enter the documentation used to determine the amount of allowable gross revenue and enter amount of allowable gross revenue from sales of all of the following:</p> <ul style="list-style-type: none"> • eligible crops grown in the United States and its Territories by the applicant • eligible crops grown by the applicant resulting from value added through post-production activities that could have been reported on Schedule F • aquatic species that are grown as food for human or livestock consumption, for industrial or biomass uses, as fish raised as feed for fish that are consumed by humans, and as ornamental fish propagated and reared in an aquatic medium.

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
13	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of allowable gross revenue from the amount of cooperative distributions directly related to the sale of eligible crops produced by the applicant such as per-unit allocations paid to patrons for gross grain sales.
14	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of allowable gross revenue from benefits for eligible crops for the following agricultural programs: ARC/PLC, BCAP, LDP, MLG repayment of CCC loans less than the original amount, MFP, and STRP.
15	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of allowable gross revenue from CCC loans for eligible crops 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, and forfeited CCC loans for eligible crops.
16	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of allowable gross revenue from crop insurance proceeds for eligible crops less administrative fees and premiums; benefits for eligible crops under the following federal crop disaster payments: NAP payments less administrative fees and premiums, 2017 WHIP payments, 2018/2019 WHIP+ payments, QLA payments, OFSLP payments, ELAP payments specific to aquaculture, payments received through grant agreements with FSA for losses of eligible crops, grants from the Department of Commerce, NOAA, and State program funds for the direct loss of eligible crops or the loss of revenue for eligible crops.
17	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of other allowable gross revenue directly related to the production of eligible crops that the IRS requires the applicant to report, such as but not limited to commodity specific income received from state or local governments.
18	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of the value of DAFP approved crops that do not have revenue from sales.
19	In the block provided, sum amounts entered in "Amount" column for Items 11 through Item 18 . Round the result to the nearest hundredth.

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
	Using the documentation provided by the producer, complete Item 20 & Item 21 to calculate the producer's expected revenue from eligible value-added products if the producer selected "Adjusted" in Item 9 .
Note:	Expected revenue from blueberries intended to be processed and sold by a producer as blueberry jam is entered in as a value-added product (blueberry jam). Expected revenue from blueberries intended to be marketed by a producer without further processing is entered as a yield-based crop/commodity.
	Using the documentation provided by the producer, if the producer adjusted their benchmark year revenue because they were a new producer in the disaster year selected in Item 3 and did not have allowable gross revenue in 2018 or 2019, list all eligible value-added products in Item 20 and the amount of total expected revenue associated with the selected disaster year selected in Item 3 in Item 21.
	Using the documentation provided by the producer, if the producer adjusted their benchmark year revenue because they had a decrease in operation capacity between their benchmark year and the disaster year selected in Item 3 , list all eligible value-added products in Item 20 and the amount of total expected revenue that is associated with the decrease in operation capacity in Item 21. Only account for the portion of revenue that was expected to decrease as a result of the decrease in operation capacity regardless of the disaster.
Example:	Jane uses Section C to determine that her allowable gross revenue for 2019 (benchmark year) is \$1,000,000. In 2020 (disaster year), Jane's operation capacity decreased by 1,000 acres. Jane will complete Section E to calculate the expected decrease in revenue that was directly related to value-added products for the 1,000 acres she lost. Jane uses Section E to determine that the decrease in revenue from value-added products that, prior to the impact of the disaster event, was expected to have occurred between 2019 and 2020 as a result of the loss of 1,000 acres is \$150,000. The \$150,000 will be subtracted from her 2019 allowable benchmark year revenue in Section I to establish a total adjusted benchmark year revenue from decreased operating capacity.
	Using the documentation provided by the producer, if the producer adjusted their benchmark year revenue because they had an increase in operation capacity between their benchmark year and the disaster year selected in Item 3 , list all eligible value-added products in Item 20 and the amount of total expected revenue that is associated with the increase in operation capacity in Item 21. Only account for the portion of revenue that was expected to increase as a result of the increase in operation capacity regardless of the disaster.
Example:	John uses Section C to determine that his allowable gross revenue for 2018 (benchmark year) is \$500,000. In 2021 (disaster year), John's operation capacity increased by 1,000 acres. John will complete Section E to calculate the expected increase in revenue that was directly related to value-added products for the 1,000 acres he gained. John uses Section E to determine that the increase in revenue from value-added products that, prior to the impact of the disaster event, was expected to have occurred between 2018 and 2021 as a result of the gain of 1,000 acres is \$250,000. The \$250,000 will be added to his 2018 allowable benchmark year revenue in Section J to establish a total adjusted benchmark year revenue from increased operating capacity.

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
20	Enter value-added product. Enter one product per row. Example: Blueberry Jam
21	Enter expected revenue for the product entered in Item 20 .
22	In the block provided, sum amounts entered in column for Item 21 . Round the result to the nearest hundredth.
23	List documentation provided by the producer that supports the commodities that were listed in Item 20 and to determine the expected revenue amounts in Item 21 .
<p>Using the documentation provided by the producer, complete Items 24 through Item 29 to calculate the producer's expected revenue from eligible yield-based crops and commodities if the producer selected "Adjusted" in Item 9.</p> <p>Note: Expected revenue from blueberries intended to be processed and sold by a producer as blueberry jam is entered in as a value-added product (blueberry jam). Expected revenue from blueberries intended to be marketed by a producer without further processing is entered as a yield-based crop/commodity.</p> <p>Using the documentation provided by the producer, if the producer adjusted their benchmark year revenue because they were a new producer in the disaster year selected in Item 3 and did not have allowable gross revenue in 2018 or 2019, list all eligible yield-based crops/commodities in Item 24 that were expected to be grown in the disaster year selected in Item 3, the expected acres for that crop/commodity in Item 25, the expected yield per acre for that crop/commodity in Item 26, the unit of measure for that crop/commodity in Item 27, and the expected price per unit for that crop/commodity in Item 27. Calculate the amount of total expected revenue associated with the crop/commodity by multiplying expected acres by expected yield by expected price; enter amount in Item 29.</p> <p>Using the documentation provided by the producer, if the producer adjusted their benchmark year revenue because they had a decrease in operation capacity between their benchmark year and the disaster year selected in Item 3, list all eligible yield-based crops/commodities in Item 24 that is associated with a decrease in operation capacity between the benchmark year and the disaster year selected in Item 3, the expected acres that is associated with a decrease in operation capacity between the benchmark year and the disaster year selected in Item 3 for that crop/commodity in Item 25, the expected yield per acre for that crop/commodity in Item 26, the unit of measure for that crop/commodity in Item 27, and the expected price per unit for that crop/commodity in Item 27. Calculate the amount of total expected revenue associated with a decrease in operation capacity between the benchmark year and the disaster year selected in Item 3 for the crop/commodity by multiplying expected acres by expected yield by expected price; enter amount in Item 29.</p>	

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
	<p>Example: Jane uses Section C to determine that her allowable gross revenue for 2019 (benchmark year) is \$1,000,000. In 2020 (disaster year), Jane's operation capacity decreased by 1,000 acres. Jane will complete Section F to calculate the expected decrease in revenue that was directly related to yield-based crops/commodities for the 1,000 acres she lost. Jane uses Section F to determine that the decrease in revenue from yield-based crops/commodities that, prior to the impact of the disaster event, was expected to have occurred between 2019 and 2020 as a result of the loss of 1,000 acres is \$250,000. The \$250,000 will be subtracted from her 2019 allowable benchmark year revenue in Section I to establish a total adjusted benchmark year revenue from decreased operating capacity.</p>
	<p>Using the documentation provided by the producer, if the producer adjusted their benchmark year revenue because they had an increase in operation capacity between their benchmark year and the disaster year selected in Item 3, list all eligible yield-based crops/commodities in Item 24 that is associated with an increase in operation capacity between the benchmark year and the disaster year selected in Item 3, the expected acres that is associated with an increase in operation capacity between the benchmark year and the disaster year selected in Item 3 for that crop/commodity in Item 25, the expected yield per acre for that crop/commodity in Item 26, the unit of measure for that crop/commodity in Item 27, and the expected price per unit for that crop/commodity in Item 27. Calculate the amount of total expected revenue associated with an increase in operation capacity between the benchmark year and the disaster year selected in Item 3 for the crop/commodity by multiplying expected acres by expected yield by expected price; enter amount in Item 29.</p>
	<p>Example: John uses Section C to determine that his allowable gross revenue for 2018 (benchmark year) is \$500,000. In 2021 (disaster year), John's operation capacity increased by 1,000 acres. John will complete Section F to calculate the expected increase in revenue that was directly related to yield-based crops/commodities for the 1,000 acres he gained. John uses Section F to determine that the increase in revenue from the yield-based crops/commodities that, prior to the impact of the disaster event, was expected to have occurred between 2018 and 2021 as a result of the gain of 1,000 acres is \$100,000. The \$100,000 will be added to his 2018 allowable benchmark year revenue in Section J to establish a total adjusted benchmark year revenue from increased operating capacity.</p>
24	<p>Enter Crop/Commodity. Enter one Crop/Commodity per row.</p> <p>Example: Highbush Blueberries</p>
25	Enter Expected Acres for Crop/Commodity entered in Item 24 .
26	Enter Expected Yield Per Acre for Crop/Commodity entered in Item 24 .

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
27	Enter Unit of Measure for Crop/Commodity entered in Item 24 .
28	Enter Expected Price Per Unit of Measure for Crop/Commodity entered in Item 24 .
29	Enter Expected Revenue by calculating: Expected Acres (Item 25), multiplied by Expected Yield Per Acre (Item 26), multiplied by Expected Price Per Unit of Measure (Item 28), equals Expected Revenue Round the result to the nearest hundredth.
30	In the block provided, sum amounts entered in column for Item 29 .
31	List documentation provided by the producer that supports the crops/commodities that were listed in Item 24 and used to calculate the expected revenue amounts in Item 29 .
<p>Using the documentation provided by the producer, complete Item 32 & Item 33 to calculate the producer's expected revenue from eligible inventory-based crops and commodities if the producer selected "Adjusted" in Item 9.</p> <p>Note: Expected revenue from blueberries intended to be marketed by a producer without further processing is entered as a yield-based crop/commodity. Expected revenue from potted blueberry bushes marketed as a nursey crop is entered as an inventory-based crop/commodity.</p> <p>Using the documentation provided by the producer, if the producer adjusted their benchmark year revenue because they were a new producer in the disaster year selected in Item 3 and did not have allowable gross revenue in 2018 or 2019, list all eligible inventory-based crops/commodities in Item 32 and the amount of total expected revenue associated with the selected disaster year selected in Item 3 in Item 33.</p> <p>Using the documentation provided by the producer, if the producer adjusted their benchmark year revenue because they had a decrease in operation capacity between their benchmark year and the disaster year selected in Item 3, list all eligible inventory-based crops/commodities in Item 32 and the amount of total expected revenue that is associated with the decrease in operation capacity in Item 33. Only account for the portion of revenue that was expected to decrease as a result of the decrease in operation capacity regardless of the disaster.</p>	

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
	<p>Example: Jane uses Section C to determine that her allowable gross revenue for 2019 (benchmark year) is \$1,000,000. In 2020 (disaster year), Jane's operation capacity decreased by 1,000 acres. Jane will complete Section G to calculate the expected decrease in revenue that was directly related to inventory-based crops/commodities for the 1,000 acres she lost. Jane uses Section G to determine that the decrease in revenue from inventory-based crops/commodities that, prior to the impact of the disaster event, was expected to have occurred between 2019 and 2020 as a result of the loss of 1,000 acres is \$100,000. The \$100,000 will be subtracted from her 2019 allowable benchmark year revenue in Section I to establish a total adjusted benchmark year revenue from decreased operating capacity.</p>
	<p>Using the documentation provided by the producer, if the producer adjusted their benchmark year revenue because they had an increase in operation capacity between their benchmark year and the disaster year selected in Item 3, list all eligible inventory-based crops/commodities in Item 32 and the amount of total expected revenue that is associated with the increase in operation capacity in Item 33. Only account for the portion of revenue that was expected to increase as a result of the increase in operation capacity regardless of the disaster.</p>
	<p>Example: John uses Section C to determine that his allowable gross revenue for 2018 (benchmark year) is \$500,000. In 2021 (disaster year), John's operation capacity increased by 1,000 acres. John will complete Section G to calculate the expected increase in revenue that was directly related to inventory-based crops/commodities for the 1,000 acres he gained. John uses Section G to determine that the increase in revenue from the inventory-based crops/commodities that, prior to the impact of the disaster event, was expected to have occurred between 2018 and 2021 as a result of the gain of 1,000 acres is \$150,000. The \$150,000 will be added to his 2018 allowable benchmark year revenue in Section J to establish a total adjusted benchmark year revenue from increased operating capacity.</p>
32	<p>Enter commodity. Enter one commodity per row.</p> <p>Example: Highbush Blueberry Bushes</p>
33	<p>Enter expected revenue for the crop/commodity entered in Item 32.</p>
34	<p>In the block provided, sum amounts entered in column for Item 33. Round the result to the nearest hundredth.</p>

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
35	List documentation provided by the producer that supports the crops/commodities that were listed in Item 32 and used to determine the expected revenue amounts in Item 33 .
36	<p>Only complete this item if “Adjusted” was selected in Item 9 and it was determined by reviewing the producer’s documentation that the producer was a new producer in the disaster year and did not have allowable gross revenue in 2018 or 2019, or if the producer had an increase in operation capacity between the benchmark year and the disaster year.</p> <p>Do not complete this item if “2018” or “2019” was selected in Item 9 or if “Adjusted” was selected in Item 9 and it was determined by reviewing the producer’s documentation that the producer had a decrease in operation capacity between the benchmark year and the disaster year.</p> <p>In the block provided, sum amounts entered in Item 22, Item 30, and Item 34. Round the result to the nearest hundredth.</p>
37	<p>Only complete this item if “Adjusted” was selected in Item 9 and the it was determined by reviewing the producer’s documentation that the producer had a decrease in operation capacity between the benchmark year and the disaster year.</p> <p>Do not complete this item if “2018” or “2019” was selected in Item 9 or if “Adjusted” was selected in Item 9 and it was determined by reviewing the producer’s documentation that the producer was a new producer in the disaster year and did not have allowable gross revenue in 2018 or 2019, or if the producer had an increase in operation capacity between the benchmark year and the disaster year.</p> <p>In the block provided, sum amounts entered in Item 22, Item 30, and Item 34. Round the result to the nearest hundredth.</p>
38	<p>Enter Total Calculated Benchmark Revenue, by calculating:</p> <p>Sum Item 19 and Item 36, then subtract Item 37, equals Total Calculated Benchmark Revenue.</p> <p>Round the result to the nearest hundredth.</p>

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
39	<p>Enter the difference between certified benchmark revenue amount and reviewer's calculated benchmark revenue, by calculating:</p> <p>Item 10, subtract Item 38, equals the total difference.</p> <p>Notes: Any amount that is calculated other than \$0 is considered a discrepancy.</p> <p>If the calculated difference is positive, then the COC should adjust the benchmark revenue based on the amount that is calculated in Item 38. If calculated difference is a negative amount, then COC should not adjust the benchmark revenue amount on the producer's FSA-521. COC should ensure that no additional payment calculates.</p>
Section F – Disaster Year Revenue	
40	Enter amount of disaster year revenue certified by the producer on their FSA-521 for the disaster year selected in Item 3 .
Using the documentation provided by the producer, complete Items 41 through Item 49 to calculate total allowable gross revenue for the disaster year selected in Item 3 .	
41	Enter the documentation used to determine the amount of allowable gross revenue and enter the amount of allowable gross revenue from sales of eligible crops purchased for resale that had a change in characteristic due to the time held, such as a plant purchased at a size of 2 inches and sold as an 18-inch plant after 4 months, and CCC loan proceeds for eligible crops if elected to be treated as income in a prior year less the tax basis in year of repayment.
42	<p>Enter the documentation used to determine the amount of allowable gross revenue and enter amount of allowable gross revenue from sales of all of the following:</p> <ul style="list-style-type: none"> • Eligible crops grown in the United States and its Territories by the applicant • Eligible crops grown by the applicant resulting from value-added through post-production activities that would have been reported on Schedule F • Aquatic species that are grown as food for human or livestock consumption, for industrial or biomass uses, as fish raised as feed for fish that are consumed by humans, and as ornamental fish propagated and reared in an aquatic medium.
43	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of allowable gross revenue from cooperative distributions directly related to the sale of eligible crops produced by the applicant such as: per-unit allocations paid to patrons for gross grain sales.

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
44	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of allowable gross revenue from benefits for eligible crops for the following agricultural programs: ARC/PLC, BCAP, LDP, MLG - repayment of CCC loans less than the original amount, MFP, STRP, and ERP Phase 1 payments issued to another person or entity for the applicant's share of an eligible crop regardless of the year it would be reported to the IRS.
45	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of allowable gross revenue from CCC loans for eligible crops 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, and forfeited CCC loans for eligible crops.
46	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of allowable gross revenue from crop insurance proceeds for eligible crops less administrative fees and premiums; benefits for eligible crops under the following federal crop disaster payments: NAP payments less administrative fees and premiums, OFSLP payments, ELAP payments specific to aquaculture, payments received through grant agreements with FSA for losses of eligible crops, grants from the Department of Commerce, NOAA, and State program funds for the direct loss of eligible crops or the loss of revenue for eligible crops.
47	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of other allowable gross revenue directly related to the production of eligible crops that the IRS requires the applicant to report, such as but not limited to commodity specific income received from state or local governments.
48	Enter the documentation used to determine the amount of allowable gross revenue and enter amount of the value of DAFP approved crops that do not have revenue from sales.
49	In the block provided, sum amounts entered in "Amount" column for Items 41 through Item 48 . Round the result to the nearest hundredth.
50	<p>Enter the difference between certified disaster year revenue amount and reviewer's calculated disaster year revenue, by calculating:</p> <p>Item 40, subtract Item 49, equals the total difference.</p> <p>Notes: Any amount that is calculated other than \$0 is considered a discrepancy.</p> <p>If calculated difference is a negative amount, then COC should adjust the disaster year revenue amount based on the amount that is calculated in Item 49. If calculated difference is a positive amount, then COC should not adjust the disaster year revenue amount on the producer's FSA-521. COC should ensure that no additional payment calculates.</p>

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
Section G – Expected Percent of Revenue From Specialty/High Value and Other Crops	
51	Enter percent of expected revenue from specialty and high value crops certified by the producer for disaster year selected in Item 3 .
52	Enter percent of expected revenue from other crops certified by the producer for disaster year selected in Item 3 .
53	Using the documentation provided by the producer, enter the expected revenue amount from specialty/high value crops for disaster year selected in Item 3 .
54	Using the documentation provided by the producer, enter the expected revenue amount from other crops for disaster year selected in Item 3 .
55	In the block provided, sum amounts entered for Item 53 and Item 54 . Round the result to the nearest hundredth.
56	In the space provided, enter the value from calculating: Item 53 , divided by Item 55 , equals percent of expected revenue from specialty and high value crops from the disaster year selected in Item 3 . Enter 1 to 100 percent in whole numbers, and round to 3 decimals (thousandth).
57	In the space provided, enter the value from calculating: Item 54 , divided by Item 55 , equals percent of expected revenue from other crops from the disaster year selected in Item 3 . Enter 1 to 100 percent in whole numbers, and round to 3 decimals (thousandth).
58	List documentation provided by the producer that supports the calculation of percent of expected revenue from specialty and high value crops and percent of expected revenue from other crops for the disaster year selected in Item 3 .

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

A Completing FSA-521-CR (Continued)

Item	Instruction
59	<p>Enter the difference between the certified percent of expected revenue from specialty and high value crops and the calculated percent of expected revenue from specialty and high value crops, by calculating:</p> <p>Item 51, subtract Item 56, equals the total difference.</p> <p>Notes: Any percent that is calculated other than 0% is considered a discrepancy.</p> <p>If there is a calculated difference, then COC should adjust the percent of expected revenue from specialty and high value crops for the disaster year with the percent calculated in Item 56.</p>
60	<p>Enter the difference between the certified percent of expected revenue from specialty and high value crops and the calculated percent of expected revenue from specialty and high value crops, by calculating:</p> <p>Item 52, subtract Item 57, equals the total difference.</p> <p>Notes: Any percent that is calculated other than 0% is considered a discrepancy.</p> <p>If there is a calculated difference, then COC should adjust the percent of expected revenue from specialty and high value crops for the disaster year with the percent calculated in Item 57.</p>

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

B Example of FSA-521-CR

The following is an example of FSA-521-CR.

FSA-521-CR U.S. DEPARTMENT OF AGRICULTURE (xx-xx-xxxx) Farm Service Agency EMERGENCY RELIEF PROGRAM (ERP) PHASE 2 COMPLIANCE REVIEW WORKSHEET	1. Producer's Name (Person or Legal Entity): 2. Application Number:
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SECTION A – DISASTER YEAR		
3. Disaster Year (complete separate FSA-521-CR for each Disaster Year):	2020 <input type="checkbox"/>	2021 <input type="checkbox"/>

SECTION B – DOCUMENTATION		
4. Did the producer submit all documentation that was requested, that is summarized and provides conclusive evidence to complete all spot check items?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

SECTION C – QUALIFYING DISASTER EVENT		
5. Does the producer's documentation support that the producer had a qualifying disaster event(s) or related condition(s) in the 2020 or 2021 calendar year that is applicable to the Disaster Year selected in Item 3, that resulted in a decrease in allowable gross revenue due to necessary expenses related to losses of eligible crops?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
6. List disaster event(s) or related condition(s) and the documentation provided by the producer that supports those disaster event(s) or related condition(s) in the spaces provided below.		
Disaster Event or Related Condition:	Date and Location of Disaster Event:	Documentation:

SECTION D – AFFECTED CROPS			
7. Does the producer's documentation support that all crops that were affected by a disaster event(s) or related condition(s) that resulted in a decrease in allowable gross revenue in the disaster year were listed on the producer's FSA-522?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
8. List all crops not included on FSA-522 that were affected by a disaster event(s) or related condition(s) that resulted in a decrease in allowable gross revenue in the disaster year in the spaces provided below.			
Crop:	Crop / Type:	Intended Use:	Documentation:

FSA-521-CR (xx-xx-xxxx)

Page 1 of 5

FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

B Example of FSA-521-CR (Continued)

1. Producer's Name:	2. Application Number:
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SECTION E – BENCHMARK YEAR REVENUE			
9. Benchmark Year selected for the Disaster Year selected in Item 3:	2018 <input type="checkbox"/>	2019 <input type="checkbox"/>	Adjusted <input type="checkbox"/>
10. Enter amount of Benchmark Revenue certified by the producer for Benchmark Year selected in Item 9:			
<p>Calculate Benchmark Year Revenue based on the producer's supporting documentation by completing the following instructions:</p> <p><i>If "2018" or "2019" was selected in Item 9, then complete Items 11 through Item 19 using the producer's supporting documentation to calculate Total Allowable Gross Revenue and the Value of DAFP approved crops from the Benchmark Year, then complete Item 38, and Item 39.</i></p> <p><i>If "Adjusted" was selected in Item 9 and producer is a new producer in 2020 or 2021 that did not have any allowable gross revenue in 2018 or 2019, then complete Items 20 through Item 35 using the producer's supporting documentation to calculate <u>Expected Allowable Disaster Year Revenue</u>, then complete Item 36, Item 38, and Item 39.</i></p> <p><i>If "Adjusted" was selected in Item 9 and producer had a decrease in operation capacity between the Benchmark Year selected in Item 9 and the Disaster Year selected in Item 3, then complete Items 11 through Item 19 using the producer's supporting documentation to calculate Total Allowable Gross Revenue and the Value of DAFP approved crops from the Benchmark Year, complete Items 20 through Item 35 using the producer's supporting documentation to calculate <u>Expected Decreases in Revenue</u>, then complete Items 37 through Item 39.</i></p> <p><i>If "Adjusted" was selected in Item 9 and producer had an increase in operation capacity between the Benchmark Year selected in Item 9 and the Disaster Year selected in Item 3, then complete Items 11 through Item 19 using the producer's supporting documentation to calculate Total Allowable Gross Revenue and the Value of DAFP approved crops from the Benchmark Year, complete Items 20 through Item 35 using the producer's supporting documentation to calculate <u>Expected Increases in Revenue</u>, then complete Item 36, Item 38, and Item 39.</i></p>			
Allowable Gross Revenue Items and Value of DAFP Approved Crops	Documentation	Amount	
11. Enter amount of allowable gross revenue from sales of eligible crops purchased for resale that had a change in characteristic due to the time held, such as a plant purchased at a size of 2 inches and sold as an 18-inch plant after 4 months; and CCC loan proceeds for eligible crops if elected to be treated as income in a prior year less the tax basis in year of repayment:			
12. Enter amount of allowable gross revenue from sales of eligible crops grown in the United States and its Territories by the applicant; also include sales of eligible crops grown by the applicant resulting from value added through post-production activities that could have been reported on Schedule F; and also include sales of aquatic species that are grown as food for human or livestock consumption, for industrial or biomass uses, as fish raised as feed for fish that are consumed by humans, as ornamental fish propagated and reared in an aquatic medium:			
13. Enter amount of allowable gross revenue from the amount of cooperative distributions directly related to the sale of eligible crops produced by the applicant such as per-unit allocations paid to patrons for gross grain sales:			
14. Enter amount of allowable gross revenue from benefits for eligible crops for the following agricultural programs: ARC/PLC, BCAP, LDP, MLG repayment of CCC loans less than the original amount, MFP, and STRP:			
15. Enter amount of allowable gross revenue from CCC loans for eligible crops 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; and forfeited CCC loans for eligible crops:			
16. Enter amount of allowable gross revenue from crop insurance proceeds for eligible crops less administrative fees and premiums; benefits for eligible crops under the following federal crop disaster payments: NAP payments less administrative fees and premiums, 2017 WHIP payments, 2018/2019 WHIP+ payments, QLA payments, OFSLP payments, ELAP payments specific to aquaculture, payments received through grant agreements with FSA for losses of eligible crops, grants from the Department of Commerce, NOAA, and State program funds for the direct loss of eligible crops or the loss of revenue for eligible crops:			
17. Enter amount of other allowable gross revenue directly related to the production of eligible crops that the IRS requires the applicant to report, such as but not limited to commodity specific income received from state or local governments:			
18. Enter amount of the value of DAFP approved crops that do not have revenue from sales:			
19. Total Actual Allowable Benchmark Year Revenue (sum amounts in far right column for Items 11 through Item 18):			

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FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

B Example of FSA-521-CR (Continued)

1. Producer's Name:		2. Application Number:	
Expected Revenue from Eligible Value-Added Products			
20. Product:		21. Expected Revenue	
22. Total Expected Revenue from Eligible Value-Added Products (sum amounts in column for Item 21):			
23. Documentation:			
Expected Revenue from Eligible Yield-Based Crops And Commodities			
24. Crop/Commodity	25. Expected Acres	26. Expected Yield Per Acre	27. Unit of Measure
30. Total Expected Revenue from Eligible Yield-Based Crops/Commodities (sum amounts in column for Item 29):			
31. Documentation:			
Expected Revenue from Eligible Inventory-Based Crops and Commodities			
32. Crop/Commodity:			33. Expected Revenue
34. Total Expected Revenue from Eligible Inventory-Based Crops/Commodities (sum amounts in column for Item 33):			
35. Documentation:			
36. Total Adjustments for New Producers or Increases in Operation Capacity (sum Item 22, Item 30, and Item 34):			
37. Total Adjustments for Decreases in Operation Capacity (sum Item 22, Item 30, and Item 34):			
38. Total Calculated Benchmark Revenue (sum Item 19 and Item 36; then subtract Item 37):			
39. Difference Between Certified Benchmark Revenue Amount and Reviewer's Calculated Benchmark Revenue Amount (subtract Item 10 by Item 38; any amount other than \$0 is considered a discrepancy):			

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FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

B Example of FSA-521-CR (Continued)

1. Producer's Name:	2. Application Number:
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SECTION F – DISASTER YEAR REVENUE		
40. Enter amount of Disaster Year Revenue certified by the producer for Disaster Year selected in Item 3:		
<i>Complete Items 41 through Item 49 using the producer's supporting documentation to calculate Total Allowable Gross Revenue for the Disaster Year selected in Item 3, then complete Item 50.</i>		
Allowable Gross Revenue Items and Value of DAFP Approved Crops	Documentation	Amount
41. Enter amount of allowable gross revenue from sales of eligible crops purchased for resale that had a change in characteristic due to the time held, such as a plant purchased at a size of 2 inches and sold as an 18-inch plant after 4 months; and CCC loan proceeds for eligible crops if elected to be treated as income in a prior year less the tax basis in year of repayment:		
42. Enter amount of allowable gross revenue from sales of eligible crops grown in the United States and its Territories by the applicant; also include sales of eligible crops grown by the applicant resulting from value-added through post-production activities that would have been reported on Schedule F; and also include sales of aquatic species that are grown as food for human or livestock consumption, for industrial or biomass uses, as fish raised as feed for fish that are consumed by humans, as ornamental fish propagated and reared in an aquatic medium:		
43. Enter amount of allowable gross revenue from cooperative distributions directly related to the sale of eligible crops produced by the applicant such as: per-unit allocations paid to patrons for gross grain sales:		
44. Enter amount of allowable gross revenue from benefits for eligible crops for the following agricultural programs: ARC/PLC, BCAP, LDP, MLG - repayment of CCC loans less than the original amount, MFP, STRP, and ERP Phase 1 payments issued to another person or entity for the applicant's share of an eligible crop regardless of the year it would be reported to the IRS:		
45. Enter amount of allowable gross revenue from CCC loans for eligible crops 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; and forfeited CCC loans for eligible crops:		
46. Enter amount of allowable gross revenue from crop insurance proceeds for eligible crops less administrative fees and premiums; benefits for eligible crops under the following federal crop disaster payments: NAP payments less administrative fees and premiums, OFSLP payments, ELAP payments specific to aquaculture, payments received through grant agreements with FSA for losses of eligible crops, grants from the Department of Commerce, NOAA, and State program funds for the direct loss of eligible crops or the loss of revenue for eligible crops:		
47. Enter amount of other allowable gross revenue directly related to the production of eligible crops that the IRS requires the applicant to report, such as but not limited to commodity specific income received from state or local governments:		
48. Enter amount of the value of DAFP approved crops that did not have revenue from sales:		
49. Total Actual Allowable Disaster Year Revenue (sum amounts in far right column for Items 41 through Item 48):		
50. Difference Between Certified Disaster Year Revenue Amount and Reviewers Calculated Disaster Year Revenue Amount (subtract Item 40 by Item 49; any amount other than \$0 is considered a discrepancy):		
<p>(Area Left Blank Intentionally)</p>		

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FSA-521-CR, Emergency Relief Program (ERP) Phase 2 Compliance Review Worksheet

B Example of FSA-521-CR (Continued)

1. Producer's Name:		2. Application Number:	
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SECTION G – EXPECTED PERCENT OF REVENUE FROM SPECIALTY/ HIGH VALUE & OTHER CROPS	
51. Enter percent of Expected Revenue from Specialty and High Value Crops certified by the producer for Disaster Year selected in Item 3:	
52. Enter percent of Expected Revenue from Other Crops certified by the producer for Disaster Year selected in Item 3:	
53. Based on the producer's documentation, what is the producer's expected revenue amount from Specialty/High Value Crops for Disaster Year selected in Item 3?	
54. Based on the producer's documentation, what is the producer's expected revenue amount from Other Crops for Disaster Year selected in Item 3?	
55. Total Calculated Expected Revenue Amount for Disaster Year (sum Item 53 and Item 54):	
56. Calculated Percent of Expected Revenue from Specialty/High Value Crops for Disaster Year (Item 53 / Item 55):	
57. Calculated Percent of Expected Revenue from Other Crops for Disaster Year (Item 54 / Item 55):	
58. Documentation:	
59. Difference Between Certified percent of Expected Revenue from Specialty and High Value Crops and Reviewers Calculated percent of Expected Revenue from Specialty and High Value Crops (subtract Item 51 by Item 56; any amount other than 0% is considered a discrepancy:	
60. Difference Between Certified percent of Expected Revenue from Other Crops and Reviewers Calculated percent of Expected Revenue from Other Crops (subtract Item 52 by Item 57; any amount other than 0% is considered a discrepancy:	

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