

EMERGENCY RELIEF PROGRAM (ERP) 2022 TRACK 2

Special Provision for DAFP Approved Crops that do not have Revenue from Sales

Overview

Producers who received a payment from the Emergency Relief Program (ERP) Phase 2 and who selected 2022 as their representative revenue year for disaster year 2021, must use the Tax Year Option when applying for ERP 2022, Track 2. In certain situations, producers who are required to use the Tax Year Option will need a method for valuing crops that do not have revenue from sales that have been approved by the Deputy Administrator for Farm Programs (DAFP). ERP 2022, Track 2 provides a special provision for producers who are required to use the Tax Year Option, who also need a method for including the value of DAFP approved crops.

Producers who are required to use the Tax Year Option, must include the crop value in the calculation of allowable gross revenue for DAFP approved crops as listed below that were produced and did not generate revenue directly from sales:

- fresh apples, cherries, peaches, and plums that producers grow and process into cider and wine as part of their ordinary operation, and
- all eligible crops grown for feed, to be stored, and fed to livestock on the farm, regardless of how the crop was mechanically harvested (for example, barley, corn, soybeans for grain, as well as forage).

DAFP may approve additional crops, as requested

Note: Crops for grazing are still ineligible for ERP 2022 and cannot be included in allowable gross revenue.

For crops approved by DAFP, the value of the eligible crop will be based on the producer's actual production of the crop and a price for the crop based on the best available data. The value of the eligible crop must be based on the producer's actual production and the 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. Producers must use this same methodology for both the selected benchmark and disaster years. This provision does not cover crops that were sold by a producer.

Wine Grapes

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

Example:

John Doe Wines, LLC is a wine maker that grows PNO grapes to process into wine, they do not sell their grapes. In 2022, 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.

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 2022, Jane Doe Ranch produced 2,250 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 3,000 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.

Example:

Producer B grows a portion of his corn for grain to store and use as feed as part of his ordinary operation. Producer B does not have revenue from sales for this portion of the corn for grain to include

in allowable gross revenue and may include the crop value for the portion of the crop grown for feed in allowable gross revenue.

In 2022, Producer B produced 500 bushels of actual production for feed. He is using RMA pricing of \$3.88 per bushel to determine the crop value at \$1,940 for the disaster year. Producer B is using 2019 as the benchmark year. He had 800 bushels of actual production in 2019 and is using RMA pricing of \$4.00 per bushel to establish the crop value at \$3,200 for the benchmark year.

Fresh Apples, Cherries, Peaches, and Plums

Approved varieties of fruit grown and used by the same producer for cider and wine production.

Example:

Producer A grows peaches to process into cider as part of her ordinary operation. Producer A does not have revenue from selling the peaches to include in allowable gross revenue and may include the crop value in her allowable gross revenue.

In 2022, Producer A produced 200 bushels of actual production. She is using NASS pricing of \$25.00 per bushel to determine the crop value at \$5,000 for the disaster year. Producer A is using 2019 as her benchmark year. She had 350 bushels of actual production in 2019 and is using NASS pricing of \$33.00 per bushel to establish the crop value at \$11,550 for the benchmark year.

For More Information

For more information, view the ERP 2022 Track 2 Fact Sheet.

Request for additional crops not previously approved by DAFP may be sent to your local FSA Office.

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

