

# Emergency Relief Program (ERP) for 2022

COMBEST, SELL & ASSOCIATES

The Farm Service Agency (FSA) will provide **disaster aid** through the Emergency Relief Program for 2022 to producers who sustained losses due to a qualifying natural disaster event during the 2022 calendar year through a **two-track system**.

- Track 1** is for producers who had a loss on their **Federal Crop Insurance** or **Noninsured Crop Disaster Assistance Program (NAP)**. Pre-filled applications will be sent for this approach.
- Track 2** is a revenue-based model that will use a **tax year option or an expected revenue option** as a benchmark compared to actual revenue for 2022.

**TRACK 1** will apply an ERP factor based on the percentage of coverage acquired through crop insurance.

Insured Crop ERP Factor		NAP Crop ERP Factor	
Coverage	ERP Factor	Coverage	ERP Factor
CAT	75%	CAT	75%
<55%	80%	50%	80%
55%	82.50%	55%	85%
60%	85%	60%	90%
65%	87.50%	65%	95%
70%	90%		
75%	92.50%		
80%	95%		

## Track 1 Payment Calculation:

Expected Value x ERP Factor  
– Actual Value  
– Indemnity Amount  
= Estimated ERP Payment (prior to adjustments)

Apply "Progressive Factor"

## "Progressive Payment Factor" (New Pay Limit by Another Name)

Range	Payment Range	"Progressive Payment Factor"	Eligible
1	Up to \$2,000	100%	\$2,000
2	\$2,001 - \$4,000	80%	\$1,600
3	\$4,001 - \$6,000	60%	\$1,200
4	\$6,001 - \$8,000	40%	\$800
5	\$8,001 - \$10,000	20%	\$400
6	Over \$10,000	10%	Remaining Balance

**Harm Done to Farm Families:** A farmer with a calculated loss of **\$100,000** in the 2020 ERP program would have received **\$75,000**, plus a refund of some portion of the crop insurance premium paid. For the 2022 ERP program, the same farmer with a **\$100,000** calculated loss will receive **\$11,250** after applying the "progressive factor" and the limitations on premium refunds.

**TRACK 2** will compare either Tax Year, or Expected Revenue documents for a benchmark year, in comparison to the disaster year.

- The new Expected Revenue option may be used by producers who determine the expected revenue is a better representation of a typical year on their operation.
- Producers will certify to the revenue they reasonably expected to receive absent any disaster condition and the actual disaster year revenue.
- ERP Factor for Track 2:** 90% for insured producers or 70% for uninsured producers (all crops must be insured for a 90% factor)

## Track 2 Payment Calculation:

Benchmark Year Revenue x ERP Factor  
– Disaster Year Revenue  
– ERP 2022 Track 1 payment  
= Estimated ERP Payment (prior to adjustments)



- For Track 1, only "underserved" producers (CCC-860) will receive a premium reimbursement applied to their payment.\*
- For Track 2, only "underserved" producers (CCC-860) will have a factor of 115% applied to their payment.

\* All farmers received this under the last ERP

**After factoring and reimbursements, all initial payments are subject to a 75% factor.**

## Payment Limits Per Year

\$125,000	per legal entity/individual
\$250,000	if more than 75% of income is derived from farming.
\$900,000	if specialty crop producer meeting the 75% rule