



# **Emergency Relief Program (ERP)**



# Emergency Relief Program

The background of the slide is a photograph of a flooded agricultural field. The water is dark and still, reflecting the overcast, grey sky. In the foreground and middle ground, there are patches of brown, waterlogged soil and some sparse, brown vegetation. In the distance, there is a line of green trees and a small section of a green cornfield. A large, white, rounded rectangular shape is superimposed over the center of the image, containing the word "OVERVIEW" in blue, bold, sans-serif capital letters.

## OVERVIEW



# Authority

## Statutory

- The Extending Government Funding and Delivering Emergency Assistance Act, September 30, 2021 (Pub. L. 117-43)

# Assistance

ERP provides assistance to producers with crop, tree, bush, and vine losses:

- As a consequence of qualifying droughts, wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze, including polar vortex, smoke exposure, excessive moisture, and related conditions
- Due to damaging weather events occurring in calendar years 2020 or 2021
- For crop years 2020, 2021, or 2022

# Phase 1

ERP assistance will be administered in a two-phased approach.

## **Phase 1** will:

- use a streamlined application process with prefilled application forms.
- provide payments on losses using data that is already on file with FSA or RMA as a result of the producer previously receiving a NAP payment or a crop insurance indemnity under certain crop insurance policies.



# Phase 2

**Phase 2** will provide assistance through a more traditional application process and will be available for:

- shallow losses
- quality losses
- producers without crop insurance or NAP coverage
- producers that did not receive Phase 1 payments, or elected not to participate in Phase 1



# Signup

Phase	Signup
Phase 1 for eligible producers with insured crops that received a crop insurance indemnity	Currently Open
Phase 1 for eligible producers with NAP covered crops that received certain NAP payments	TBD
Phase 2	TBD

# PHASE 1 OVERVIEW



# Process

- Utilizes existing RMA and NAP data as the basis for calculating initial ERP payments
- Payments are based on producer certification

# Eligible Producers

Phase 1 is limited to eligible producers that:

- Suffered crop, tree, bush, and vine **production losses**, in whole or in part, due to qualifying disaster events or related conditions in calendar years 2020 and 2021

**and**

- Received crop insurance indemnities for certain crop insurance policies or NAP payments for those losses

# Process

- prefilled FSA-520 ERP applications and a letter with instructions was mailed to primary policyholders that received a crop insurance indemnity in 2020 and 2021
- Applications for eligible producers that received a NAP payment will be mailed at a later date

# Process

Continued,

- Producers will complete and submit applications
- FSA will load elections, shares, and signature dates in the ERP software
- Payments are processed after all eligibility forms have been received and FSA representative has signed and certified the payment



# Producer Certification

Phase 1 payments are based on producer certification. Producers electing to receive Phase 1 payments **must**:

- certify that the calculated RMA indemnity or NAP payment received was due, in whole or in part, to a loss of production caused by a qualifying disaster event or related condition occurring in calendar years 2020 and/or 2021
- agree to purchase crop insurance or NAP as applicable for the next 2 available crop years



# ELIGIBILITY



# Eligible Loss

ERP benefits may be provided for losses to 2020, 2021, or 2022 crops, trees, bushes, and vines depending on the coverage period for the crop in effect on the date of the disaster.

However, to be eligible, the qualifying disaster event must have occurred in calendar years 2020 and/or 2021.

## Qualifying Disaster Events

- **Qualifying Drought**
- Derecho
- **Excessive Heat**
- **Excessive Moisture**
- Flooding
- Freeze, including polar vortex
- Hurricanes (must be named)
- **Smoke exposure**
- **Wildfire**
- Winter storm



# Related Disaster Event Condition

Qualifying Disaster Event	Related Condition
Derecho	Excessive Wind
Flooding	Silt or debris that occurred as a direct or proximate result of flooding
Hurricane	Excessive wind, storm surges, tornado, tropical storm, tropical depression
Winter Storm	Excessive wind, blizzard

# Qualifying Loss

The loss must be due, in whole or in part, to a qualifying disaster event or related condition occurring in calendar years 2020 or 2021.



# Year of Loss

## **Example:**

The 2022 crop insurance coverage begins when the 2021 grapes are harvested. The grape vines suffered losses due to a wildfire December 2021. Because crop-year 2022 insurance was in effect on the date of the wildfire, and because the loss was caused by an event in calendar year 2021, the 2022 crop is eligible for ERP benefits.



# Eligible Producer

**Eligible Producer:** Persons or legal entities that are entitled to an ownership share and are at risk in the crop production and marketing associated with the crops on the farm.

# Eligible Producer

**Eligible Producer** is a:

- US Citizen
- Resident alien, also known as “lawful alien”
- Partnership consisting solely of citizens of the U.S. or resident aliens
- Corporation, Limited Liability Company, or other organizational structure organized under State law consisting solely of citizens of the U.S. or resident aliens.
- Indian Tribe or Tribal Organization

# Ineligible Producer

## Ineligible Producers include...

- persons or legal entities who did not have a reported ownership interest in any of the designated commodities
- persons and legal entities that have been suspended or debarred or otherwise excluded from participating in Federal programs
- persons and legal entities that do not meet payment limitation, payment eligibility or HELC/WC requirements.
- Producers determined ineligible for NAP or crop insurance, applicable to the year for which the determination is made.

# Eligible Phase 1 Crops

## Eligible Phase 1 Crops include...

- crops for which Federal crop insurance is available
- crops eligible for NAP according to 1-NAP (Rev. 2), unless identified as ineligible in subparagraph 53A.

**Note:** Eligible crops include crops that were planted or prevented from being planted.



# Ineligible Phase 1 Crops

## Ineligible Phase 1 Crops include ...

- Crops for which federal crop insurance or NAP is not available
- Crops intended for grazing
- Volunteer crops
- Experimental crops



# Eligible Phase 1 Trees, Bushes, and Vines

## Eligible Phase 1 Trees Bushes and Vines are

Perennial trees, bushes, and vines grown for the commercial production of an annual crop intended for human consumption.



# Linkage

As a condition of payment eligibility, producers must obtain crop insurance or NAP coverage, as applicable and if available, for the crop, tree, bush or vine.

Crop insurance or NAP coverage must be obtained for the next 2 available crop years, not to exceed 2026.

# Linkage Years

Depending on the date a producer receives an ERP payment, and the applicable application/sales closing date for the crop, the next 2 available crop years may be any of the following:

- 2023 and 2024
- 2024 and 2025
- 2025 and 2026



# Linkage Years

## **Example:**

Producer A received ERP benefits for 2021 wheat losses and received an ERP payment in June of 2022. The sales closing date to purchase insurance for the 2023 crop year in the producer's State is September 30, 2022. Based on the date Producer A received ERP benefits, and the sales closing date for the crop, the next 2 available crop years for Producer A are 2023 and 2024.



# Coverage Levels

Coverage must be obtained at:

- 60/100 or higher for insured crops
- Basic 50/55 (CAT) level or higher for NAP crops



# Linkage

The linkage requirement applies to the producer's interest in the crop, tree, bush, or vine in the county that received benefits.

IF the crop was...	THEN coverage must have been obtained...
an insured crop	in the <b>physical location county</b> of the crop, tree, bush, or vine that received benefits
a NAP-covered crop	in the <b>administrative county</b> of the crop, tree, bush, or vine that received benefits

# Linkage Not Required

Linkage is not required if an applicant:

- quits farming or an applicant entity completely dissolves.
- does not plant the crop in 1 or more of the required linkage years.

**Note:** This applies only for the year the crop was not planted.

# Linkage Not Required

- An applicant received a payment for a tree, bush, or vine that is not insurable in the required linkage years.
- Insurance or NAP coverage is no longer available for the crop, tree, bush, or vine.



# Failure to Meet Linkage

A participant not meeting linkage requirements must repay the amount of the ERP payment for the crop not meeting linkage, plus applicable interest.

# RMA PHASE 1





# RMA Eligible Producers

Eligible producers on the ERP application include:

- Primary policy holders with an FSA record
- Producers with an FSA record that are listed as SBI to a primary policy holder for one of the following RMA entity types:
  - Individual operating as a business
  - Spousal/married
  - Landlord/tenant
  - Revocable Trust
  - Transfer of Right to Indemnity

# SBI Shares

- Producer can assign shares to SBI
- Not required
- Primary policy holder is responsible for identifying SBI shares
- If share is assigned, SBI must sign
- Process is intended to allow SBIs who are listed as a separate share at FSA to participate in Phase 1

# RMA Eligible Producers (Continued)

## RMA Exemptions:

- SBI file is limited to entity types that might meet RMA exemption list
  - Spouse
  - Landlord/Tenant
  - Revocable Trust
  - Transfer of Right to Indemnity
  - Individual operating as a business



# Eligible Policies

Plan Code	Plan Name
01	Yield Protection
02	Revenue Protection
03	Revenue Protection – Harvest Price Exclusion
04	Area Yield Protection
05	Area Revenue Protection
06	Area Revenue Protection with Harvest Price Exclusion
13	Rainfall Index
21	Production and Revenue History Yield Protection
22	Production and Revenue History Plus
23	Production and Revenue History Revenue
35	STAX
36	STAX – Harvest Price Exclusion
40	Tree Based Dollar Amount of Insurance
41	Pecan Revenue
43	Aquaculture Dollar Plan
47	Actual Revenue History
50	Dollar Amount of Insurance
51	Fixed Dollar Amount of Insurance
55	Yield Based Dollar Amount of Insurance
76	Whole Farm Revenue Protection
90	Actual Production History



# Eligible Supplemental Policies

Plan Code	Plan Name
16	Margin Protection
17	Margin Protection with Harvest Price Option
31	SCO – Yield
32	SCO – Revenue
33	SCO – Revenue with Harvest Price Exclusion
35	STAX
36	STAX – Harvest Price Exclusion
37	HIP-WI (Hurricane - Wind Index)

# PHASE 1 APPLICATION



# Applying for ERP Phase 1

## Application Distribution

**FSA and RMA producers who are eligible to apply for ERP Phase 1**

- Pre-filled applications will be mailed to eligible producers
  - First – RMA data only
  - Second – NAP data (to be completed at a later date)
- Separate application for each crop year

**Producers cannot alter the pre-filled data included on the FSA-520 ERP Phase 1 Application**





# Phase 1 Application

Form Approved – OMB No. 0560-0309  
OMB Expiration Date: 11/30/2022

<b>FSA-520</b> (05-23-22)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Farm Service Agency	1. Crop Year	2. Application Number
		3. Recording State Name/Code	4. Recording County Name/Code
		5A. Name and Address of Recording County FSA Office <i>(Include City, State and Zip Code)</i>	
		5B. Recording County FSA Office Telephone No. <i>(Include Area Code)</i>	
<b>EMERGENCY RELIEF PROGRAM (ERP) PHASE 1 APPLICATION</b>			
<b>NOTE:</b>	The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is the Extending Government Funding and Delivering Emergency Assistance Act (Pub. L. 117-43). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, and Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary; however, failure to furnish the requested information will result in a determination of ineligibility for program benefits. Payments may be made under the program to which the form applies only to the extent permitted by applicable authorities.		
	<i>Public Burden Statement (Paperwork Reduction Act): Public reporting burden for this collection is estimated to average 15 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection of information, unless it displays a valid OMB control number. RETURN THIS COMPLETED FORM TO YOUR RECORDING COUNTY FSA OFFICE.</i>		





# Phase 1 Application (Cont.)

## PART A – PRODUCER AGREEMENT

The Farm Service Agency (FSA) will make payments under ERP Phase 1 to producers who meet the requirements of the program. The following information is needed in order for FSA to determine that the producer is eligible to receive ERP Phase 1 assistance. By submitting this application, the producer agrees:

1. To comply with the Notice of Funds Availability published by FSA. A copy of this document may be found at: <https://www.fsa.usda.gov/programs-and-services/emergency-relief/index>
2. To provide to FSA any additional information requested by FSA to verify that information provided on this form is accurate. Producer is required to retain documentation in support of their application for 3 years after the date of approval. All information provided to FSA for program eligibility and payment calculation purposes, including certification that a producer suffered an eligible loss due to a qualifying disaster event, is subject to spot check.
3. To comply with payment attribution and payment eligibility provisions by submitting the following forms within 60 days, if not already on file with FSA:
  - AD-2047, Customer Data Worksheet
  - CCC-902, Farm Operating Plan for Payment Eligibility
  - CCC-901, Member Information for Legal Entities (if applicable)
  - AD-1026, Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification
  - FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs (if applicable)
  - CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification (if applicable).

The application will not be considered complete until all producers that have a share of the ERP Phase 1 payment have completed all required items and signed in item 24. Failure of an individual, entity, or member of an entity to timely submit all information required may result in no payment or a reduced payment.

4. That for the purpose of certifications in items 15 and 23, a qualifying loss means that the calculated crop insurance indemnity or NAP payment that I received was due, in whole or in part, to a crop production loss or a loss of trees, bushes, and vines caused by a qualifying disaster event. For ERP, qualifying disaster event means: wildfires, hurricanes (including excessive wind, storm surges, tornados, tropical storms, and tropical depressions that occurred as a direct result of a hurricane), floods (including silt and debris that occurred as a direct and proximate result of flooding), derechos (including excessive wind that occurred as a direct result of a derecho), excessive heat, winter storms (including excessive wind and blizzards that occurred as a direct result of a winter storm), freeze (including a polar vortex), smoke exposure, excessive moisture, and qualifying drought, and related conditions, occurring in calendar years 2020 and 2021. Related conditions mean damaging weather and adverse natural occurrences that occurred concurrently with and as a direct result of a specified qualifying disaster event. "Qualifying drought" means an area within the county in which the loss occurred was rated by the U.S. Drought Monitor as having a drought intensity of D2 (severe drought) for eight consecutive weeks or D3 (extreme drought) or higher for any period of time during the applicable calendar years. A list of counties that experienced a qualifying drought in calendar years 2020 and 2021 is available through local FSA service centers and at <https://www.fsa.usda.gov/programs-and-services/emergency-relief/index>.

DATE STAMPED



# Phase 1 Application (Cont.)

## PART A – PRODUCER AGREEMENT, Continued from Page 1

The Extending Government Funding and Delivering Emergency Assistance Act requires producers to obtain crop insurance or NAP coverage for the next two available crop years to be eligible for an ERP payment. By signing this form, the producer agrees to **have read and comply with the crop insurance and NAP coverage requirement as stated below for each crop for which "Yes" is checked in items 14 and 22.** This agreement does not supersede or modify any previous requirements to purchase crop insurance or NAP coverage under any other law or program.

I understand that I have applied for a payment under ERP on at least one **insurable crop and/or NAP eligible crop**. In return for receiving a payment under ERP, I agree to purchase crop insurance or NAP, as may be applicable for the crop, at a coverage level equal to or greater than 60 percent for insurable crops; or at the catastrophic level or higher for NAP crops, for the next two available crop years. Availability will be determined from the date I receive an ERP payment and may vary depending on the timing and availability of crop insurance or NAP for particular crops. The final crop year to purchase crop insurance or NAP coverage to meet the second year of coverage for this requirement is the 2026 crop year. I understand that I am also required to pay any service fees, administrative fees, and premiums associated with such coverage. I acknowledge that I must refund my ERP payment if I fail to meet this requirement.

If I am required to meet this requirement for a crop for which an individual crop insurance policy is not available and I am ineligible for a NAP payment for the applicable year(s) because I exceed the average Adjusted Gross Income (AGI) limitation, then I must meet this requirement by either:

- obtaining NAP coverage and paying the applicable NAP service fee as required above, regardless of my ineligibility for NAP payment; or
- purchasing Whole-Farm Revenue Protection (WFRP) crop insurance coverage, if eligible,

If I receive a Phase 1 payment that was calculated based on an indemnity under a PRF, Annual Forage, or WFRP policy, I understand that I must purchase the same type of policy or a combination of individual policies for the crops that had covered losses under ERP to meet this linkage requirement.

## PART B – PRODUCER INFORMATION

6. Producer's Name, Address (City, State and Zip Code) and Phone Number (Include Area code)

## PART C – INSURED CROP INFORMATION



# Phase 1 Application (Cont.)

PART C – INSURED CROP INFORMATION								
7. Physical State/County Code	8. Pay Unit	9. Crop	10. Gross Indemnity	11. Estimated ERP Payment (Prior to adjustments)	12. Primary Policyholder and SBI's	13. Share	14. In return for receiving an ERP payment on this crop, I agree to purchase crop insurance or NAP as provided in Part A.	15. I certify that I had a qualifying loss as defined in Part A.
							Yes No	Yes No
							Yes No	
							Yes No	



# Phase 1 Application (Cont.)

PART D – NAP CROP INFORMATION							
16. Admin State/County Code	17. Unit	18. Crop	19. Pay Group	20. NAP Payment	21. Estimated ERP Payment (Prior to adjustments)	22. In return for receiving an ERP payment on this crop, I agree to purchase crop insurance or NAP as provided in Part A.	23. I certify that I had a qualifying loss as defined in Part A.
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Yes No	Yes No



# Phase 1 Application (Cont.)

## PART E – PRODUCER CERTIFICATIONS

I certify that all information on this application, whether entered by me or by someone else on my behalf, is true and correct. I understand that if any information is determined to be in error, the application may be denied, and such errors may result in a determination of ineligibility in whole or in part.

24A. Producer's/Primary Policyholder's Signature (By)	24B. Title/Relationship of Individual Signing in a Representative Capacity	24C. Date (MM-DD-YYYY)
24D. SBI Signature (By)	24E. Title/Relationship of Individual Signing in a Representative Capacity	24F. Date (MM-DD-YYYY)

## PART F – FSA REPRESENTATIVE CERTIFICATION

# Complete Application

**An application is considered complete once producer:**

- completes all required entries
- signs the application
- obtains applicable SBI signatures for those for which a share is identified on the FSA-520
- submits the FSA-520 application to an FSA Office.





# Additional Eligibility Forms

**Producers, including SBI's with a share in the crop on the application must also have the following forms on file with FSA by no later than 60 days following the ERP Phase 1 deadline (TBD):**

- AD-2047, Customer Data Worksheet (if applicable)
- CCC-902, Farm Operating Plan, for an individual or legal entity as provided in 7 CFR part 1400
- CCC-901, Member information, for Legal Entities (if applicable)
- AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC), for the producer and applicable affiliates



# Additional Eligibility Forms (Cont.)

**Producers requesting an increased payment rate or payment limitation, must submit the following:**

- **Form CCC-860**, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification (Historically underserved)
- **Form FSA-510**, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs, accompanied by a certification from a certified public accountant or attorney as to that person or legal entity's certification for a legal entity and all members of that entity, for each applicable program year



# RMA Phase 1 Payment

## How ERP Payments are Calculated:

- ERP Payments was calculated by RMA
- Data used in calculation is not provided to FSA
- Payments are calculated at the same level as indemnity
- Payment data is provided as “Pay Unit”



# ERP Factors

For Producers with Crop Insurance the following ERP Factors are applicable:

<b>Crop Insurance Coverage Level</b>	<b>ERP Factor (percent)</b>
Catastrophic coverage .....	75.0
More than catastrophic coverage but less than 55 percent.....	80.0
At least 55 percent but less than 60 percent.....	82.5
At least 60 percent but less than 65 percent.....	85.0
At least 65 percent but less than 70 percent.....	87.5
At least 70 percent but less than 75 percent.....	90.0
At least 75 percent but less than 80 percent.....	92.5
At least 80 percent.....	95.0



# ERP Factors

For Producers with NAP coverage the following ERP Factors are applicable:

<b>NAP Coverage Level</b>	<b>ERP Factor (percent)</b>
Catastrophic coverage .....	75.0
50 percent .....	80.0
55 percent .....	85.0
60 percent .....	90.0
65 percent .....	95.0



# Historically Underserved Producer (HUP) Factor

Producers who certify on a CCC-860:

- Beginning Farmer or Rancher
- Limited Resource Producer
- Socially Disadvantaged Farmer or Rancher, including gender
- Veteran Farmers or Ranchers (less than 10 years farming)

HUP factor will be 115%.

All other producers will be 100%



# RMA Phase 1 Payments

In general, RMA will calculate each producer's loss consistent with the loss procedures for the type of coverage purchased, replacing the "guarantee" calculation based on the producer's elected coverage levels with the ERP factor.

- The RMA Phase 1 payments will take into consideration the difference between the expected value of the crop and the actual value of the crop as a result of qualifying disaster events.
- The expected value is the pre-loss dollar value of the crop and unit at the time of loss, consistent with the type of coverage purchased.



# RMA Phase 1 Payments

Each RMA Estimated payment has a specific method to get to the loss calculation of:

- ((Expected Value, multiplied by ERP Factor) minus Actual Value minus Salvage Value) multiplied by Unharvested/Prevented Planting Factor, minus
- Indemnity, minus
- Premiums and service fees paid by the producer, equals
- Estimated ERP Payment



# RMA Phase 1 Payments

The ERP Phase 1 payment, processed in the recording county will be:

- Estimated ERP Payment (Prior to Adjustments), multiplied by
- Share, multiplied by
- Historically Underserved Producer (HUP) Factor

**Note:** This amount will be factored by 75% due to funding limitations

# **PAYMENT LIMITATION**



# ERP Payment Limitation

- ERP has its own per person or legal entity payment limitation separate from other programs authorized by the Act.
- Separate payment limitations for each crop year, 2020, 2021, 2022.
- Separate payment limitations for specialty/high value crops and non-specialty crops.
  - \$125,000 for specialty/high value crops
  - \$125,000 for non-specialty crops



# ERP Payment Limitation

- **Specialty Crop**
  - fruits, tree nuts, vegetables, culinary herbs and spices, medicinal plants, and nursery, floriculture, and horticulture crops.
  - includes common specialty crops identified by the Agricultural Marketing Service at <https://www.ams.usda.gov/services/grants/scbgp/specialty-crop> and other crops as designated by the Deputy Administrator
- **Non-specialty Crop**
- **High Value Crops will be specifically identified in phase 2.**



# Payment Limitation Exception Form

OMB No. 0560-0307  
OMB Expiration Date: 10/31/2022

<b>FSA-510</b> 04-04-22)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Farm Service Agency	1. Return completed form to: (Name and address of FSA county office or USDA Service Center)	
<b>REQUEST FOR AN EXCEPTION TO THE \$125,000 PAYMENT LIMITATION FOR CERTAIN PROGRAMS</b>			
<b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a — as amended). The authority for requesting the information identified on this form is the Disaster Relief Supplemental Appropriations Act, 2002 (Extending Government Funding and Delivering Emergency Assistance Act) (Pub. L. 117-43) and regulations and Federal Register Notices of Funding Availability for applicable programs. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, tribal agencies, and nongovernment entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated).  <b>Public Burden Statement (Paperwork Reduction Act):</b> Public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.			
2. Name and Address of Individual or Legal Entity (Including Zip Code) (If general partnership or joint venture, complete only for each member)		3. Taxpayer Identification Number (TIN) (Social Security No., for Individual; or Employer Identification No., for Legal Entity)	
<b>PART A REQUIREMENTS FOR PAYMENT LIMITATION EXCEPTION FOR CERTAIN PROGRAMS</b>			
4. Disaster relief programs implemented pursuant to Public Law 117-43, Division B, Title I, are subject to a \$125,000 payment limitation per person or legal entity. An exception to the \$125,000 payment limitation is available but only if both of the following conditions are met: <ul style="list-style-type: none"> <li>• at least 75% of the individual's or legal entity's average adjusted gross income (AGI) for the 3 applicable taxable years was derived from farming, ranching or forestry operations.</li> <li>• a certification from a licensed CPA or an attorney is submitted to the FSA/USDA Service Center identified in item 1, attesting that at least 75% of the individual's or legal entity's average AGI for the 3 applicable taxable years was derived from farming, ranching, or forestry operations. The CPA and/or Attorney may meet this requirement by completing Part C below or providing a similar statement that is acceptable to FSA.</li> </ul> Based on the above statements, complete 4A and select the applicable box 4B or 4C below:			
4A. 20__ Enter the program year for which program benefits are requested. The period for calculation of the average farm AGI will be the three taxable years preceding the most immediately preceding complete taxable year for which benefits are requested. For example, the 3-year period for the calculation of the average farm AGI for 2022 would be the taxable years of 2020, 2019 and 2018.			
4B. <input type="checkbox"/> YES the individual or legal entity in item 2 meets both of the above conditions and is requesting the exception to the Payment Limitation; OR			
4C. <input type="checkbox"/> NO the individual or legal entity in item 2 does not meet one or both of the above conditions (Payment limitation is \$125,000)			
<b>PART B CERTIFICATION BY INDIVIDUAL OR ENTITY</b>			
By signing this form: <ul style="list-style-type: none"> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>- I certify, if applicable, that all information contained in any certification from a CPA or an attorney submitted to FSA as described in this FSA-510 is true and correct, and is consistent with the tax returns filed with the IRS for myself or the legal entity that is seeking participation in an applicable program;</li> <li>- I acknowledge that failure to provide the certification described in this FSA-510 to FSA will result in the application of a \$125,000 payment limitation;</li> <li>- I certify that I am authorized under applicable state law to sign this certification on behalf of the legal entity identified in Item 2 (for legal entity only).</li> </ul>			
5. Signature (By)	6. Title/Relationship of the Individual if Signing in a Representative Capacity for a Legal Entity	7. Date (MM-DD-YYYY)	
<b>PART C CERTIFICATION BY CERTIFIED PUBLIC ACCOUNTANT / ATTORNEY</b>			
By signing this form: <ul style="list-style-type: none"> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>- I certify the producer identified in Item 2 and TIN in Item 3 has met the minimum requirements to be eligible for the exception to the Payment Limitation as specified in Part A above.</li> </ul>			
8. Signature	9. Title (CPA/Attorney)	10. State/License Number	11. Date (MM-DD-YYYY)
DATE STAMPED			

FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs



# ERP Payment Limitation – Non-Specialty Crops

- \$125,000 per person or legal entity
- Applies for each of the program years, 2020, 2021 and 2022.
- An optional increase in payment limitation to \$250,000 per person or legal entity may be authorized.



# Payment Limitation, Non-Specialty

If the applicant is a/an	AND the application is for a	Then the Payment Limit is:
Individual	non-specialty crop and the <u>applicant has filed form FSA-510 certifying the average AGI is more than 75%</u> from farming, ranching, or forestry operations	\$250,000
Joint Operation -Members		\$250,000, for each eligible member
Legal Entity		\$250,000



# Payment Limitation, Non-Specialty

## **Example 3: Individual, Non-Specialty, Exception**

Mr. DeVille submits an ERP application for cotton and files an FSA-510 certifying more than 75% of his average AGI was derived from farming, ranching, or forestry operations.

**Mr. DeVille's payment limitation is \$250,000.**



# Payment Limitation, Non-Specialty

## **Example 4: Joint Operation, Non-Specialty, Exception**

A general partnership, has two first level members who are individuals. An ERP application is submitted for the partnership for wheat. Both members file an FSA-510 certifying more than 75% of their average AGI was derived from farming, ranching, or forestry operations.

**The payment limitation is \$250,000 for each member.**



# ERP Payment Limitation – Specialty Crops

- \$125,000 per person or legal entity
- Applies for each of the program years, 2020, 2021 and 2022.
- An optional increase in payment limitation to \$900,000 per person or legal entity may be authorized.





# Payment Limitation, Specialty

If the applicant is a/an	AND the application is for a	Then the Payment Limit is:
Individual	specialty or high-value crop and the applicant has <u>filed form FSA-510 certifying the average AGI is more than 75% from farming, ranching, or forestry operations</u>	\$900,000
Joint Operation -Member		\$900,000 for each eligible member
Legal Entity		\$900,000



# Payment Limitation, Specialty

## **Example 7: Individual, Specialty/High Value, Exception**

Mr. Rockett, an individual, submits an ERP application for Grapes. He files an FSA-510 certifying more than 75% of his average AGI was derived from farming, ranching, or forestry operations.

**Mr. Rockett's payment limitation is \$900,000.**



# Payment Limitation, Specialty

## **Example 8: Legal Entity, Specialty/High Value, Exception**

A corporation, submits an ERP application for peppers, fresh green beans and processed red pepper. The Corporation files an FSA-510 certifying more than 75% of the average AGI was derived from farming, ranching, or forestry operations.

**The corporation's payment limitation is \$900,000.**



# Payment Limitation Exception Form

FSA-510, Request for an Exception to the \$125,000  
Payment Limitation for Certain Programs

One Form = One Program Year



# Payment Limitation Exception Form

## FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs

OMB No. 0560-0307  
OMB Expiration Date: 10/31/2022

<p><b>FSA-510</b> 04-04-22)</p> <p><b>U.S. DEPARTMENT OF AGRICULTURE</b> Farm Service Agency</p> <p><b>REQUEST FOR AN EXCEPTION TO THE \$125,000 PAYMENT LIMITATION FOR CERTAIN PROGRAMS</b></p>	<p>1. Return completed form to: <i>(Name and address of FSA county office or USDA Service Center)</i></p> <div style="background-color: #e6f2ff; height: 100px;"></div>
<p><b>NOTE:</b> <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is the Disaster Relief Supplemental Appropriations Act, 2022 (Extending Government Funding and Delivering Emergency Assistance Act) (Pub. L. 117-43) and regulations and Federal Register Notices of Funding Availability for applicable programs. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, tribal agencies, and nongovernment entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated).</i></p> <p><b>Public Burden Statement (Paperwork Reduction Act):</b> <i>Public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></i></p>	



# Payment Limitation Exception Form

## FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs

<p>2. Name and Address of Individual or Legal Entity <i>(Including Zip Code)</i> <i>(If general partnership or joint venture, complete only for each member)</i></p> <p>Taste of the Southwest 1234 Desert Lane Any Town, State, 12345-6789</p>	<p>3. Taxpayer Identification Number (TIN) <i>(Social Security No., for Individual; or Employer Identification No., for Legal Entity)</i></p> <p>7777</p>
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# Payment Limitation Exception Form

## FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs

### PART A REQUIREMENTS FOR PAYMENT LIMITATION EXCEPTION FOR CERTAIN PROGRAMS

4. Disaster relief programs implemented pursuant to Public Law 117-43, Division B, Title I, are subject to a \$125,000 payment limitation per person or legal entity. An exception to the \$125,000 payment limitation is available but only if both of the following conditions are met:

- at least 75% of the individual's or legal entity's average adjusted gross income (AGI) for the 3 applicable taxable years was derived from farming, ranching or forestry operations.
- a certification from a licensed CPA or an attorney is submitted to the FSA/USDA Service Center identified in item 1, attesting that at least 75% of the individual's or legal entity's average AGI for the 3 applicable taxable years was derived from farming, ranching, or forestry operations. The CPA and/or Attorney may meet this requirement by completing Part C below or providing a similar statement that is acceptable to FSA.

Based on the above statements, complete 4A and select the applicable box 4B or 4C below:

4A.  **20** Enter the program year for which program benefits are requested. The period for calculation of the average farm AGI will be the three taxable years preceding the most immediately preceding complete taxable year for which benefits are requested. For example, the 3-year period for the calculation of the average farm AGI for 2022 would be the taxable years of 2020, 2019 and 2018.

4B.  **YES** the individual or legal entity in item 2 meets both of the above conditions and is *requesting the exception to the Payment Limitation*; **OR**


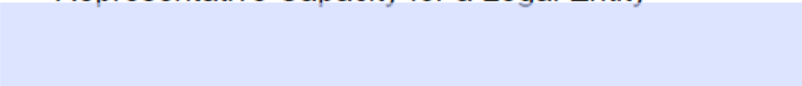

4C.  **NO** the individual or legal entity in item 2 does not meet one or both of the above conditions (*Payment limitation is \$125,000*)





# Payment Limitation Exception Form

## FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs

<b>PART B CERTIFICATION BY INDIVIDUAL OR ENTITY</b>		
By signing this form: <ul style="list-style-type: none"><li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li><li>- I certify, if applicable, that all information contained in any certification from a CPA or an attorney submitted to FSA as described in this FSA-510 is true and correct, and is consistent with the tax returns filed with the IRS for myself or the legal entity that is seeking participation in an applicable program;</li><li>- I acknowledge that failure to provide the certification described in this FSA-510 to FSA will result in the application of a \$125,000 payment limitation;</li><li>- I certify that I am authorized under applicable state law to sign this certification on behalf of the legal entity identified in Item 2 (for legal entity only).</li></ul>		
5. Signature (By) 	6. Title/Relationship of the Individual if Signing in a Representative Capacity for a Legal Entity 	7. Date (MM-DD-YYYY) 



# Payment Limitation Exception Form

## FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs

<b>PART C CERTIFICATION BY CERTIFIED PUBLIC ACCOUNTANT / ATTORNEY</b>			
<i>By signing this form:</i> <ul style="list-style-type: none"><li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li><li>- I certify the producer identified in Item 2 and TIN in Item 3 has met the minimum requirements to be eligible for the exception to the Payment Limitation as specified in Part A above.</li></ul>			
8. Signature	9. Title (CPA/Attorney)	10. State/License Number	11. Date (MM-DD-YYYY)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>



# Resources

ERP Public Facing Website:

<https://www.fsa.usda.gov/programs-and-services/emergency-relief/index>

# Questions