

Background and Timeline:

- 12/29/22 - Congress passed the \$3.7B disaster relief package for '22 crops and livestock. Only \$2.0B of these funds have been disbursed (\$470M livestock ELRP) due to complex and discriminatory rules devised by USDA.
- 10/31/23 - FSA issued its new ERP rules. Track 1 was built off crop insurance data (similar to ERP '20/'21 but with new wrinkles and complications). \$1.48B has been disbursed to date; Track 2 applications began at the same time. [We provided a guide sheet here.](#)
- 6/7/24 - In the case of "Strickland v. USDA" a federal court granted preliminary injunctive (PI) relief against the use of "race and gender-based preferences" by USDA. While the PI was granted to cease discriminatory treatment, the Judge declared ERP'22 payments (including those that would cure the fault) could continue while other portions of the lawsuit are heard.
- 6/12/24 - FSA sent notice to State and County offices to suspend all payments on ERP while USDA considered how to comply with the Judge's order.
- 7/15/24 - USDA announced a **final application deadline** for ERP '22 - **8/14/24** to assess the number and size of remaining claims.

Recommendation: Even if you qualified for Track 1, you may also qualify for Track 2. If you think Track 2 may not be worth the time right now (due to the progressive factor, complications, etc.), the ground could shift in the future due to legal challenges. Therefore, if you read the guidance below and think you may qualify, **we recommend you file an application with your local FSA office before the 8/14/24 deadline.**

ERP Track 2 - The Basics

- ERP '22 Track 2 establishes farm-level benchmark "**Expected Revenue**" for covered crops and establishes guidelines for calculating "**Disaster Year Revenue**" for '22 - Track 2 compares and pays a portion of the difference where there is a calculated loss.
- There are 2 methods - the "expected revenue option" and the "tax year option" using tax records such as schedule F or similar records. Expected revenue is more flexible and is outlined below. Details for each method may be found in the following FSA documents: [expected revenue](#); and [tax year option](#).
- Calculations must include all eligible crops on the farm. Note: crops intended for grazing are excluded from the calculation (grazing losses have been paid based on qualified livestock through ELRP); forage crops not intended for grazing do need to be included (and need to be insured to receive the 90% factor (*see below - 1 acre of uncovered crop acreage can reduce factor to 70%*)).

*Calculations allow for wide discretion by producers and FSA - **don't abuse it!** Please work with your local FSA office if questions arise to ensure you are in compliance, as all calculations must be verifiable upon request by FSA county committees.

Expected Revenue

Benchmark revenue must be based on realistic projections that can be supported by acceptable documentation of expected inventory, acres, yield, and unit price.

- APHs and the Crop Insurance price may be used.
- Sales contracts, purchase agreements, local market prices, etc., may also be used with acceptable documentation.
- See FSA expected revenue worksheet [here](#).

Expected Revenue or Value from Eligible Yield-Based Crops				
Crop	Expected Acres	Yield per acre (lb/bu)	Verifiable Price	Expected Revenue
Cotton	375	1025	\$1.03	\$395,906
Wheat - Grazing	215			N/A
Sorghum	200	45	\$6.74	\$60,660
Corn	400	185	\$6.77	\$500,980
BlackEye Peas	164	1,735	\$0.55	\$156,497
Benchmark Year Revenue				\$1,114,043

Use APH (pointing to Yield per acre)

Covered by ELRP (pointing to N/A)

Contract price > insurance price (pointing to \$0.55)

Disaster Year Revenue

Actual farm revenue for '22 includes: revenue from sales of all eligible crops; crop insurance/NAP indemnities (minus premiums and fees); revenue from ARC (no PLC payments for '22); net hedging revenue; the value of unsold crops in inventory; etc.

- For unsold crops from '22, scenarios may differ in determining price and value. Please work with your local FSA office for guidance.
- See FSA disaster year revenue worksheet [here](#).

Total Actual Disaster Year Revenue	
Value of Cotton	\$154,552
Value of Sorghum	\$36,121
Value of Corn	\$265,885
Contract Sale of BlackEye Peas	\$101,420
Revenue From Crop Insurance	\$92,350
ARC-Co Payments	\$31,285
Disaster Year Revenue	\$681,613

Track 2 Payment Calculation

The payment calculation is the same for the tax year option and expected revenue option. Benchmark Revenue is factored in (either 90% or 70%) and compared to Disaster Year Revenue. The difference is reduced by any Track 1 payments received; then the "Progressive Factor" is applied (see: [here](#)); finally, that result is factored by 75% to get the final payment.

- If all eligible crops have crop insurance or NAP - then 90%
- If even 1 acre of an eligible crop is not covered - then 70%

Track 2 Payment Calculation	
Benchmark Year Revenue	\$1,114,043
Benchmark Year Revenue x 90%	\$1,002,639
Minus Disaster Year Revenue	\$681,613
Minus Track 1 Payment	\$28,325
Revenue Loss	\$292,701
Progressive Factored Payment	\$34,270
Factored Gross Payment (75%)	\$25,703