USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

Revenue-Based Disaster and Pandemic Assistance Programs

Myth Busters

Emergency Relief Program Phase Two (ERP)
Pandemic Assistance Revenue Program (PARP)

Introduction:

The deadline to apply for FSA's new revenue-based programs that provide assistance for revenue losses from 2020 and 2021 natural disasters or the COVID-19 pandemic is quickly approaching.

Both the Emergency Relief Program (ERP) Phase Two and the Pandemic Assistance Revenue Program (PARP) offer a holistic approach to disaster assistance and provide economic support for producers who bear the financial brunt of circumstances beyond their control.

Producers may be eligible for assistance through ERP Phase Two if they experienced revenue losses from eligible natural disasters in 2020 and 2021. Producers may be eligible for PARP if they experienced revenue losses in calendar year 2020 due to price loss or lack of market access.

With a June 2, 2023, deadline to apply for both programs, it's important to clear up confusion about how to apply and what documents are required for participation.

Now, let's do some myth busting!

MYTH 1 — ERP Payments

MYTH BUSTED!

THE MYTH:

"I cannot receive an ERP Phase Two payment if I received a payment under Phase One."

HERE'S THE TRUTH:

It's possible that producers can still receive ERP Phase Two benefits if they received an ERP Phase One payment. There is also a possibility that your Phase Two payment may be offset.

MYTH 2 ERP Phase Two is an Additional Payment

MYTH BUSTED!

THE MYTH:

"ERP Phase Two was intended to be an additional payment to those who received payment under Phase One."

HERE'S THE TRUTH:

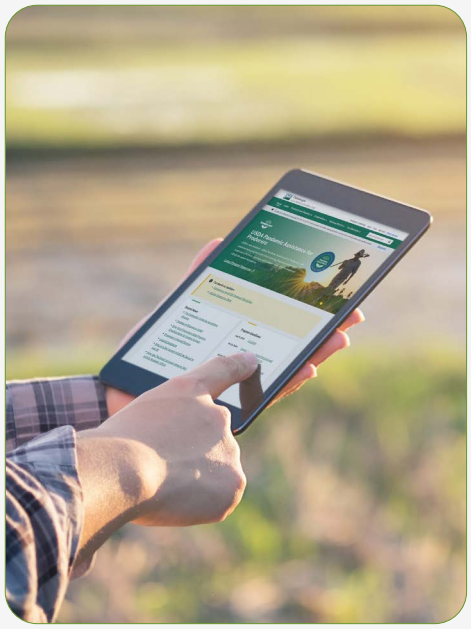
ERP Phase Two was never designed or intended to be an additional payment. Instead, it was intended to capture those producers who did not receive relief in Phase One.

MYTH 3 Tax Returns

MYTH BUSTED!

THE MYTH:

"I need to submit a completed tax return to FSA to apply for ERP Phase Two or PARP."



HERE'S THE TRUTH:

While these programs are based on revenue losses, producers do not need a tax return, completed or otherwise, to apply for assistance. In fact, we have an ERP Phase 2 tool on fsa.usda.gov/erp and PARP tool on farmers.gov/parp that walk you through the process step by step.

We understand that producers may have questions for their certified public accountant or tax preparer, who was likely hard to reach prior to the April 18 Internal Revenue Service tax deadline but we encourage producers to download the program decision tools and get started. Producers will probably discover that they already have, on hand, much of the information they need.

The following supporting materials will help:

- Schedule F (Form 1040); and
- Profit or Loss from Farming or similar tax documents for tax years 2018, 2019, 2020, 2021, and 2022 for ERP and for calendar years 2018, 2019, and 2020 for PARP.

The only reason producers *might* have to provide their tax returns to FSA is in the event of a spot check or a request from the FSA County Committee.

MYTH 4 Insurance

MYTH BUSTED!

THE MYTH:

"The required insurance coverage for two years will cost more than my projected payments."

HERE'S THE TRUTH:

While this is a possibility depending on a producer's projected payment amount, but producers won't know for sure until inquiring about one or both programs and determining which program might best address their losses.

For underserved producers, FSA recently made a change to the Noninsured Crop Disaster Assistance Program (NAP) that allows a producer's certification on Form CCC-860 Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification to serve as an application for basic NAP coverage for all eligible crops beginning with crop year 2022. These producers will have all NAP-related service fees for basic coverage waived, in addition to a 50% premium reduction for higher levels of coverage.

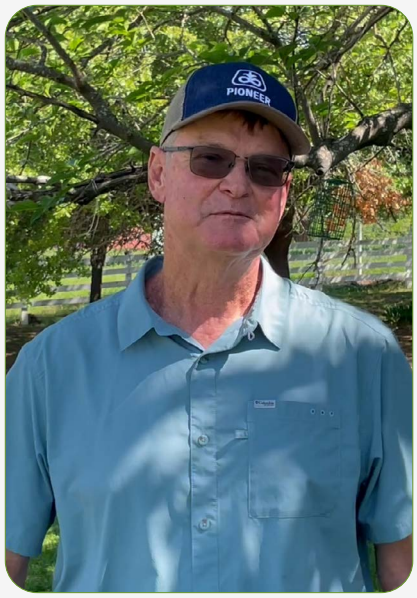
Crops that are not eligible for crop insurance or NAP are still eligible for ERP Phase Two, but producers must obtain Whole Farm Revenue Protection to meet linkage requirements.

MYTH 5 Application Process

MYTH BUSTED!

THE MYTH:

"The application process is complicated."



HERE'S THE TRUTH:

FSA worked extremely hard to reduce producer burden by streamlining the application process to allow producers to self-certify their losses. Let's hear what fellow producers are saying about the application process.

Ron Eubank, a farmer and rancher in Hill County, Texas, recently applied for ERP Phase Two and PARP. "I think there are a lot of misconceptions out there about this being very difficult," said Eubank. "It's not that difficult. If I can do it, anyone can do it."

Larry Degner, a fellow Hill County producer who participated in PARP agrees. "It has a lot of bad reviews because everybody thinks it's so complicated to do," said Degner. "It's a simple deal. You don't have to disclose a lot of information."

Visit https://youtu.be/I1Cyfbzosvc to view the full video testimonials directly from Ron Eubank and Larry Degner.

Producers interested in ERP Phase Two and PARP, should reach out to their local USDA Service Center or the FSA call center at 877-508-8364 to inquire and request assistance.

Stay connected and learn more about these new programs.

- Emergency Relief Website: fsa.usda.gov/programs-and-services/emergency-relief
- Pandemic Assistance Revenue Program Website: farmers.gov/parp
- ERP Phase Two and PARP Translated Resources: farmers.gov/translations
- Find Your Local Service Center: farmers.gov/service-center-locator
- Follow us on Twitter, Instagram and Facebook: @farmersgov