

PM-20-059

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Date

August 27, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator

Subject

Whole-Farm Revenue Protection (WFRP) Pilot Plan of Insurance Modifications for the 2021 and Subsequent Policy Years

The Agricultural Improvement Act of 2018 (Farm Bill) enacted on December 20, 2018, includes language in Section 11122 to research ways to reduce paperwork and recordkeeping requirements for direct marketed commodities under the Whole-Farm Revenue Protection (WFRP) plan of insurance. As a result, RMA presented several changes to the Federal Crop Insurance Corporation Board of Directors (FCIC Board). In addition, RMA worked with stakeholders to identify other improvements to WFRP not related to the Farm Bill. On August 20, 2020, the FCIC Board approved the following changes to the 2021 WFRP plan of insurance: 1. Allow direct market producers to report two or more direct marketed commodities using a new combined direct marketing commodity code.

- Allow producers to report a combined expected revenue for all commodities within the combined commodity code.
- Provide a diversification factor equivalent of two commodities under the combined direct marketing commodity code.
- Determine expected revenue based on total revenue from the combined commodities and total acres planted to the combined commodities.

2. Other improvements:

- Allow current policy year's premium to only be offset with the current policy year's indemnity payment.
- Revise the expected yield three-year record requirement to a four-year record requirement.
- Exclude price decline as a carryover insured cause of loss.
- Clarify what tax forms may be requested by an approved insurance provider.
- Clarify the expanded operation factor calculation.

By the close of business August 28, 2020, the following materials will be available on the RMA website at www.rma.usda.gov:

- Whole-Farm Revenue Protection Pilot Policy;
- All Actuarial Information;

The WFRP Pilot Handbook will be released by mid-October 2020.

Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website: www.rma.usda.gov. DISPOSAL DATE: December 31, 2021