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Hemp Crop Insurance Coverage Available for 2020

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WASHINGTON, August 27, 2019 — Certain industrial hemp growers will be able to obtain insurance coverage under the Whole-Farm Revenue Protection (WFRP) program for crop year 2020. USDA's Risk Management Agency (RMA) today announced coverage for hemp grown for fiber, flower or seeds, which will be available to producers who are in areas covered by USDA-approved hemp plans or who are part of approved state or university research pilot programs.

"Numerous producers are anxious for a way to protect their hemp crops from natural disasters," said RMA Administrator Martin Barbre. "The WFRP policy will provide a safety net for them. We expect to be able to offer additional hemp coverage options as USDA continues implementing the 2018 Farm Bill."

Producers can obtain WFRP coverage for hemp now if they are part of a Section 7606 state or university research pilot as authorized by the 2014 Farm Bill. Other producers cannot obtain coverage until a USDA-approved plan is in place.

WFRP allows coverage of all revenue for commodities produced on a farm up to a total insured revenue of \$8.5 million. It is popular for specialty crops, organic commodities and non-traditional crops.

The 2018 Farm Bill amended the Controlled Substances Act to address how industrial hemp is to be defined and regulated at the federal level, and those

modifications cleared the way for the Federal Crop Insurance Corporation to offer policies for it. The Farm Bill defines hemp as containing 0.3 percent or less tetrahydrocannabinol (THC) on a dry weight basis.

Policy Requirements

RMA has started addressing the changes by offering hemp coverage under WFRP for the 2020 crop year. To be eligible, among other requirements, a hemp producer must comply with applicable state, tribal or federal regulations for hemp production and have a contract for the purchase of the insured industrial hemp.

WFRP provisions state that hemp having THC above the compliance level will not constitute an insurable cause of loss. Additionally, hemp will not qualify for replant payments under WFRP.

Hemp Plans

USDA's Agricultural Marketing Service (AMS) is formulating regulations that will include specific details for both a USDA plan for the production of hemp and a process for submission of state, territorial or tribal plans to USDA. AMS is developing the regulation now, which is anticipated to post to the *Federal Register* later this year.

Once rulemaking is complete, RMA, the Farm Service Agency (FSA), the Natural Resources Conservation Service and other USDA agencies will share eligibility information on their programs, which include safety net, conservation, farm loan and disaster assistance programs. This includes FSA looking at additional coverage options through its Noninsured Crop Disaster Assistance Program and through RMA-administered crop insurance.

More Information

For more information on the Hemp Production Program, visit the AMS [Hemp Production webpage](#) and these [questions and answers](#).

For more information on WFRP coverage, visit the [Hemp and Farm Bill Programs webpage](#) on farmers.gov. RMA will publish a bulletin with additional information for

approved insurance providers on Aug. 30.

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