

2015 Whole-Farm Revenue Protection Pilot Plan (WFRP)

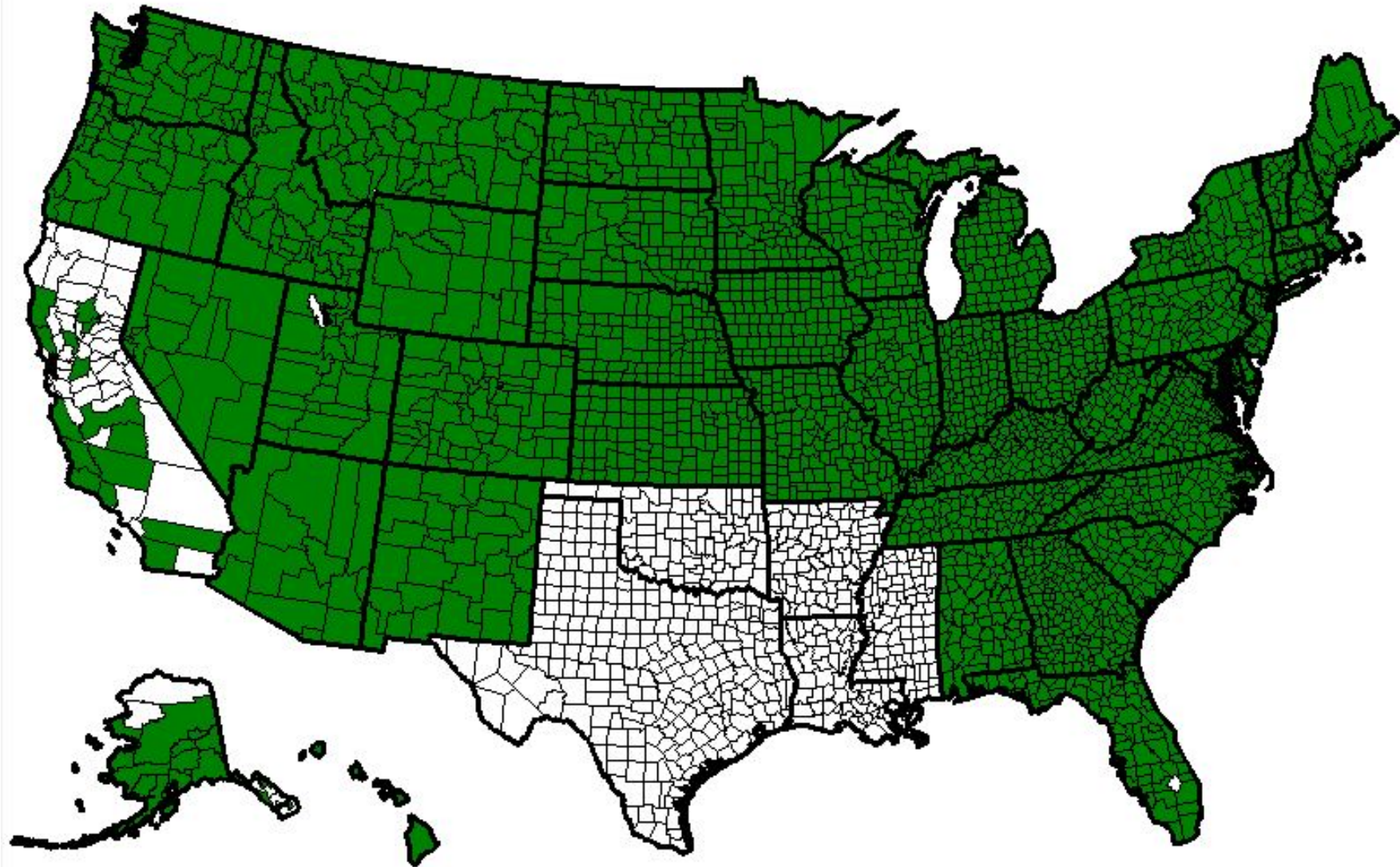


This presentation highlights features of the Risk Management Agency Programs and is not intended to be comprehensive. The information presented neither modifies or replaces terms and conditions of the WFRP policy and the county actuarial documents. Consult a crop insurance agent for further details.

What Is Whole-Farm Revenue (WFRP) Protection?

- WFRP - is a combination Adjusted Gross Revenue (AGR) and Adjusted Gross Revenue-Lite (AGR-Lite) policies, along with various modifications for improvement stemming from a contracted review and feedback from producer listening sessions.
- WFRP pilot plan of insurance provides producers with an improved whole-farm risk management product under one policy. WFRP coverage is available up to \$8.5 million for all commodities produced on the farm. Diversified, specialty and organic commodities (crops and livestock) can all be covered.
- WFRP is intended to replace coverage previously provided by the AGR and AGR-Lite plans of insurance, and to expand in the areas shown on the following map with nation availability as underwriting can be completed.

Whole Farm Revenue Protection Pilot Area



■ WFRP Pilot Area

California Counties Include : Butte, Fresno, Kern, Mendocino, Monterey, Riverside, San Diego, San Joaquin, San Luis Obispo, Santa Barbara, Sonoma, Tulare, Ventura, Yuba and Yolo.

Alaska except North Slope and Northwest Arctic Counties. States not yet included: Arkansas, Louisiana, Mississippi, Oklahoma and Texas.

COMPARISON	AGR-Lite	AGR	WFRP
Liability Limit	\$1 Million	\$6.5 Million	\$8.5 Million
Coverage Level	65 ,75, 80* *3 Commodities	65 ,75 , 80* *3 Commodities	50-85 in 5% increments 3 Commodities for 80 and 85% (no catastrophic level is available for WFRP)
One Commodity	No Restriction	No Restriction	No restriction unless only one commodity (using commodity count) and that commodity has an MPCII revenue product available.
Payment Rate	75, 90	75,90	None
Animal or Animal Product Limit	None	35 % of Expected Income	35% of expected revenue up to \$1 million (Max)
Nursery and Greenhouse Limit	None	None	35% of expected revenue up to \$1 million (Max)
Potato Requirement	Minimum of 2 Commodities (with calculation)	Minimum of 2 Commodities (with calculation)	Minimum of 2 Commodities (using the commodity count)
Replant Payments	None	None	Up to 20 percent of expected revenue for annual commodity with 20 acres or 20 percent of crop needing replant. Not allowed if also insured under MPCII with replant provisions.
Other Federal Crop Insurance- Underlying Policies	Optional	MPCII required if 50% of expected income from MPCII crops and allowed otherwise	MPCII coverage is optional and may be at any buy-up level. Farm is not eligible if catastrophic level MPCII policies are purchased.
Market readiness amounts in insured revenue	No	No	Yes
Expanding operations	No	No	Average allowable historic revenue increased by 10% if operation physically expanding and if approved by AIP. This allows for farm growth that may or may not trigger indexing.
Cancellation/Termination	31-Jan	31-Jan	Same as sales closing date for county. (2/28, 3/15)
Contract Change	31-Aug	31-Aug	31-Aug
Sales Closing Date	March 15 New Jan 31 Carryover	31-Jan	In Actuarial Documents-same as dates for spring crops for county: 2/28 and 3/15 depending on county
Rating Methodology	Same as AGR	Rates revenue variability of individual commodities.	Same as AGR
Premium Subsidy	Basic Levels	Basic Levels	Whole-Farm Level for 2 or more commodities Basic Level for 1 commodity (using the commodity count)

WFRP Basics

- A whole-farm insurance product that provides producers with risk management protection for all commodities on the farm under one insurance policy.
- Provides protection against loss of revenue that a producer expects to earn or will obtain from commodities produced or purchased for resale, including animals and animal products, during the insurance period.
- ***Commodity – Any agricultural product established or produced on your farm operation, except timber, forest, and forest products, animals for sport, show or pets.***

WFRP Basics (continued)

- Insures against loss of approved revenue due to unavoidable natural causes that occur during the insurance year.
- Insurance Year :
 - A calendar year if taxes are filed on a calendar year basis, or
 - A fiscal year if taxes are filed on a fiscal year basis.
 - Insurance year is designated by the calendar year in which the sales closing date occur.

WFRP Basics (continued)

- **Insured revenue is based on: Coverage level multiplied by the lower of:**
- **1.)** A completed Whole-Farm History Report (using five consecutive tax years information, excluding the lag year, immediately before the insurance year and adjusted according to the Policy).
- **OR**
- **2.)** The insured revenue from the production of commodities during the current insurance period as reported on the Farm Operation Report.

- **Losses occur when:**
- The Allowable Revenue, (farm revenue the IRS requires to be reported on the farm tax records) from the production of commodities produced during the insurance year, falls below the Insured Revenue.

Produced - An insured commodity will be considered produced when it has matured to the extent that it is generally saleable at established markets, regardless of whether or not it is actually harvested by the end of the insurance period.

WFRP – Program Materials

➤ **Whole-Farm Revenue Protection Pilot Policy has sections for:**

Your Insurance Contract

Your Coverage

Loss Determinations

Administrative Provisions

Special Circumstances

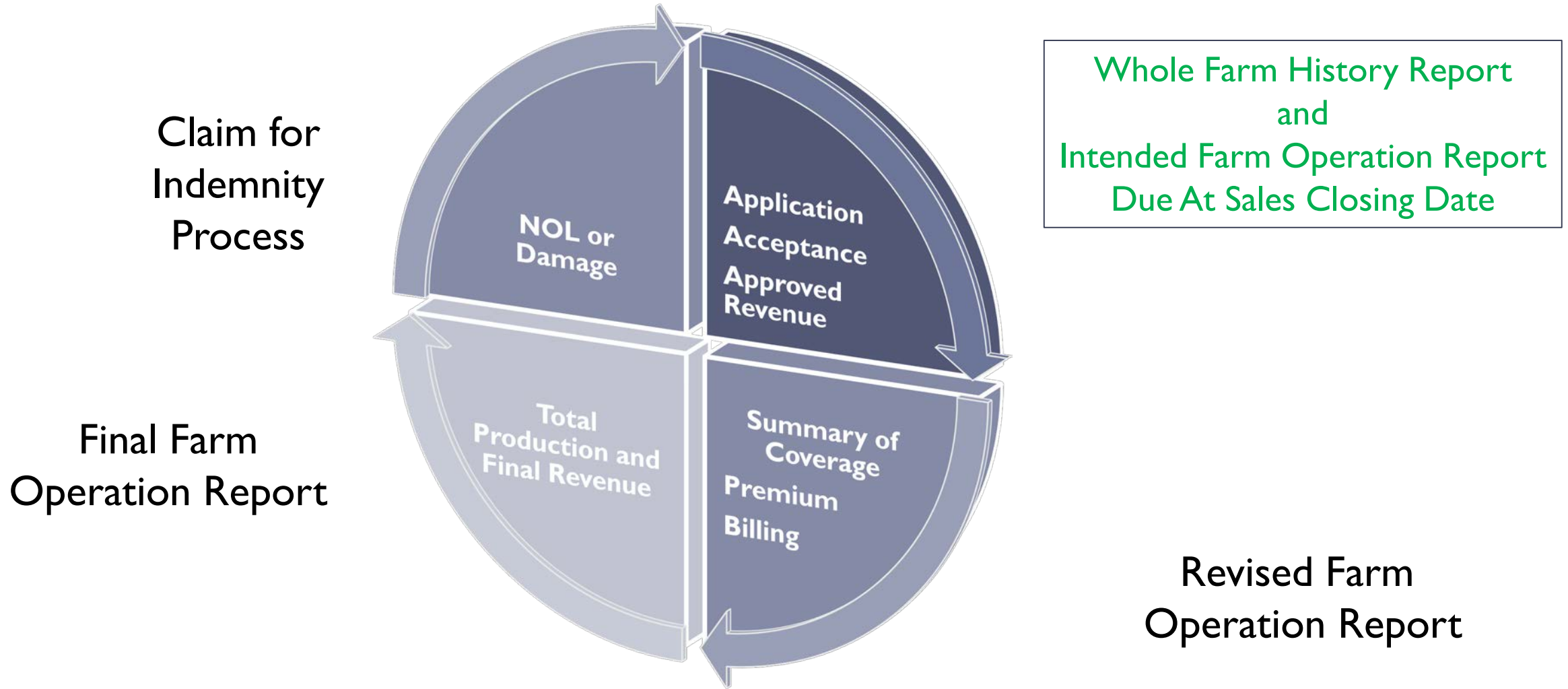
Definitions

➤ **FCIC 18160 Whole Farm Revenue Protection Pilot Handbook**

➤ **Actuarial Documents (includes commodity codes)**

➤ **Including Special Provisions**

WFRP Insurance Cycle



WFRP - Application

The producer must include the following information on the application:

- The coverage level;
- Social security number (SSN) if they are an individual. If they are an individual applicant operating as a business, they must provide an employer identification number (EIN) and must also provide their SSN;
- EIN if they are a person other than an individual; and
- The following for all persons who have a substantial beneficial interest in the operation:
 - The SSN for individuals; or
 - The EIN for persons other than individuals and the SSNs for all individuals that comprise the person with the EIN if such individuals also have a substantial beneficial interest in the operation;
 - Any child of the producer will not be considered to have an interest in them unless the child has a separate legal interest in them.

WFRP - Application (continued)

The producer must include the following information on their application:

- Whether their farm taxes are filed as a:
 - Calendar year;
 - Early fiscal filer (Begins before August 1); or
 - Late fiscal filer (Begins August 1 or later).
- Any other material information required on the application for this policy.
- The county listed on the application should be the county where the majority of the total expected revenue is produced.

WFRP - Application (continued)

- The producer must provide information to the company regarding insurance they obtained from any other insurance provider or from any FSA office on commodities covered by the policy.
 - The information provided must include the date such insurance was obtained.
- If the farm operation is vertically integrated, or the producer owns or has interest in related tax entities, they must clearly identify and explain the relationship between such entities at the time they file an application.
- ***NOTE: It is the AIPs responsibility to make sure a vertically integrated operation is identified and all policy and procedure is followed during the insurance year.***

WFRP - Application (continued)

Before accepting the application, AIPs must ensure the application:

- Is for a qualifying person with an interest in the revenue derived from the commodities to be insured;
- Contains all required information according to the WFRP policy;
- Is for the same person as the person that filed Federal income taxes with the IRS for the tax year; and
- Is signed by the person to be insured or an authorized representative of that person.

The application must be rejected if all requirements for acceptance are not met. The original application and a letter explaining why the application was rejected must be sent to the applicant.

Qualifying Person Criteria

- ▶ Be a U.S. citizen or resident;
- ▶ Be eligible to receive federal benefits;
- ▶ File a Schedule F tax form or Substitute Schedule F to the IRS covering 100 percent of the farm operation;
- ▶ The entity must have tax returns for each year (5 consecutive years) of the revenue and expense history and farm operation as the insured person for the insurance year (check policy for exceptions);
- ▶ If you inherit, purchase or lease another person's farm operation, you may use the other person's tax returns if certain requirements are met; and
- ▶ Be engaged in the business of farming and derive revenue from the production of commodities.

Qualifying Person Criteria- Farm Ineligibility

The Farm is Ineligible for WFRP if:

- Insured revenue is greater than \$8.5 million
- Expected revenue from animals / animal products is greater than \$1 million or 35% of total expected revenue; or
- Expected revenue from nursery / greenhouse is greater than \$1 million or 35% of total expected revenue
- The entity raises potatoes and does not qualify as having two commodities (commodity count calculation)*
 - * *This limit is a legislated requirement under section 508(a)(3)(C) of the Act*

Qualifying Person Criteria (continued)

The Farm is Ineligible if:

- The entity has only one commodity and revenue protection is available for that commodity (ARH or Revenue Protection Insurance Plans)
- The entity purchases CAT coverage for another policy offered under the authority of the Act for any commodity on the farm operation unless allowed by the Special Provisions
- The entity derives more than 50 percent of allowable revenue from commodities purchased for resale.
- The entity derives less than 50 percent of expected revenue for the insurance year from the pilot counties

Documentation needed by Sales Closing Date

Along with the Application the producer will provide:

- IRS Tax Form 1040 Schedule F (or applicable) or
- Other farm tax forms and WFRP Substitute Schedule F
- The farm plan for the insurance year (what and how much will be produced)

Forms and Worksheets:

- Allowable Expenses Worksheet
- Allowable Revenue Worksheet
- Whole Farm History Report
- Farm Operation Report (Intended section)
- Beginning Inventory Report (if applicable)
- Accounts Receivable and Payable Report (if applicable)
- Market Animal and Nursery Inventory/Accounting Worksheet (if applicable)

Tax Form Schedule F (Form 1040)

SCHEDULE F (Form 1040) <small>Department of the Treasury Internal Revenue Service (99)</small>	Profit or Loss From Farming ▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B. ▶ See Instructions for Schedule F (Form 1040).	OMB No. 1545-0074 2009 Attachment Sequence No. 14
SCHEDULE F (Form 1040) <small>Department of the Treasury Internal Revenue Service (99)</small>	Profit or Loss From Farming ▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B. ▶ See Instructions for Schedule F (Form 1040).	OMB No. 1545-0074 2010 Attachment Sequence No. 14
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Whole-farm history period - The five consecutive tax years prior to the tax year immediately before the insurance year.

Allowable Revenue and Expense Worksheets

Use the farm tax forms for the year of insurance to calculate allowable revenue and allowable expenses for the insurance year on the Allowable Revenue Worksheet and the Allowable Expense Worksheet.

WFRP only covers revenue from commodities produced within the tax year.

Produced - An insured commodity will be considered produced when it has matured to the extent that it is generally saleable at established markets, regardless of whether or not it is actually harvested by the end of the insurance period.

WFRP – Allowable Revenue

➤ Allowable Revenue (5 year history):

- Farm revenue from the production of commodities produced by the farm operation, or purchased for further growth and development by the farm operation, that the IRS requires to be reported.
- Allowable revenue for WFRP purposes is limited to specific revenue items and can be found in the policy under section 10.
- Certain revenue items are excluded, these can also be found in the policy under section 10.

Allowable Revenue Worksheet

Allowable Revenue Worksheet				
1. Producer Information: I.M. Insured Person Type: Individual Box 1 <u>Anytown</u> , USA, 11111 Phone: 999.999.9999		2. Policy Number: XXXXXXX		3. State/County: Xxx/ <u>xxxx</u>
		4. Tax Year: 2015		
5. Adjustment Codes: A = Schedule F income specifically excluded B = Cost of post-production operations C = Co-op distributions not directly related		G = Net gain from commodity hedges H = Not directly related to production I Other		
6. Schedule F Part I Revenue	7. Schedule F Line Number	8. Amount on Schedule F	9. Revenue Adjustment Amount and Code	10. Allowable Revenue Per Item
a. Sales of animals and other resale items, less the cost or other basis of such items	1c	\$0	0	\$0
b. Sales of livestock, produce, grains, and other products you raised	2	\$4,668,100	0	\$4,668,100
c. Cooperative distributions	3b	\$20,843	\$20,843(C)	\$0
d. Agricultural program payments	4b	\$0	\$0	\$0
e. Commodity Credit Corporation (CCC) loans				

WFRP - Allowable Expenses

- Allowable Expenses (5 year history):
 - Farm specific expenses that are allowed by this policy including applicable adjustments and reported to the IRS for the production of commodities.
 - Allowable expenses for WFRP purposes is limited to specific expense items and can be found in the policy under section 11.
 - Allowable expenses specifically exclude any expenses associated with post-production operations, or commodities in which there is not an insurable interest.
 - *Remember, after recording expenses and indexing, they really don't play a role in the policy unless the insured has a loss.*

Allowable Expense Worksheet

Allowable Expenses Worksheet				
1. Producer Information: I.M. Insured Person Type: Individual Box 1 <u>Anytown, USA, 11111</u> Phone: 999.999.9999		2. Policy Number: XXXXXX		5. Adjustment Codes: A = Schedule F expenses specifically excluded B = Cost of post-production operations H = Not directly related to production I = Other
		3. State/County: <u>Xxx/xxxx</u>		
		4. Tax Year: 2015		
6. Schedule F Part II Expenses	7. Schedule F Line Number	8. Amount on Schedule F	9. Expense Adjustment Amount and Code	10. Allowable Expense Per Item
Car and truck Expenses	10		0	
Chemicals	11	\$256,689	0	\$256,689
Conservation expenses	12		0	
Custom hire	13	\$274,322	0	\$274,322
Depreciation and section 179 expense	14			0
Employee benefit programs other than on line 23	15	0	0	0
Feed	16		0	0
Fertilizers and lime	17	\$516,365	0	\$516,365
Freight and trucking	18	\$472,885	0	\$472,885
Gasoline, fuel, and oil	19	\$290,497	0	\$290,497
Insurance (other than health)	20	\$208,385	0	\$208,385
Interest: Mortgage and Other	21	\$214,500	\$214,500 (A)	0
Labor hired	22	\$583,784	0	\$583,784

WFRP-Whole-Farm History Report

- Report showing 5 historic years of:
 - Allowable revenue
 - Use Allowable Revenue Worksheet for each year
 - Allowable expenses
 - Use Allowable Expense Worksheet for each year
- The following calculations are made for both Revenue and Expenses:
 - Average, Indexed, and Expanded Operation
- The higher of the Average, Indexed or Expanded Operation calculation becomes the Whole-Farm Historic Average and is carried over to the Farm Operation Report

Whole-Farm History Report

Whole-Farm History Report		
1. Producer Information: I.M. Insured Person Type: Individual Anytown, USA, 11111 Phone: 999.999.9999 SSN: xxx.xx.xxxx		2. Agency Information: Agent Code: XX I.M. Agent Policy: xxxx Anytown, USA 11111 Phone: 111.111.1111
3. Insurance Year: 2015	4. IRS Accounting Method:	5. State/County: XXX/XXX
6. Tax Year	7. Allowable Revenue	8. Allowable Expenses
2009	\$6,245,000	\$4,371,500
2010	\$6,325,000	\$4,225,000
2011	\$6,450,200	\$4,360,000
2012	\$6,990,000	\$4,893,000
2013	\$6,695,000	\$4,686,500
9. Total	\$32,705,200	\$22,536,000
10. Simple Average	\$6,541,040	\$4,507,200
11. Indexed	\$7,051,242 ($\$6,541,040 \times 1.078$)	\$4,876,790 ($\$4,507,200 \times 1.082$)
12. Expanded Operation (10 Percent)	\$7,195,144 ($\$6,541,040 \times 1.10$)	\$4,957,920 ($\$4,507,200 \times 1.10$)
13. Whole-Farm Historic Average (higher of item 10, 11 or 12)	\$7,195,144	\$4,957,920

WFRP – Whole-Farm History- Indexing Qualifications

- ▶ If the allowable revenue in either of the two most recent tax years in the producer's whole-farm history period is greater than their average allowable revenue for the whole-farm history period, use the following indexing calculation to account for growth in the farm operation:
 1. Divide each tax year's allowable revenue by the preceding tax year's allowable revenue. (Round to three decimal places, cap at 1.200, and cup at .800). These are the four index factors that measure the amount of growth in the operation.
 2. Sum the results of (1), cup at 1.00
 3. Divide the result of (2) by 4 to calculate the average index factor;
 4. Multiply the result of (3) by itself four times to get the revenue trend factor;
 5. Multiply the result of (4) by the average allowable revenue to calculate the indexed average revenue.

$$\text{\$6,541,040} = 5 \text{ year average} \times 1.078 \text{ index factor} = \text{\$7,051,242} = \text{Indexed Revenue}$$

WFRP – Whole-Farm History -Expanding Operations

If the operation is:

- Physically expanding (such as added land, increase of animals produced or purchased, or an addition of a greenhouse) with an increase for the insurance year that leads to expected revenue of at least 10 percent over the simple average allowable revenue, and
- The insurance company approves the farm as an expanding operation
- Average Allowable Revenue may be increased 10 % by multiplying the Average Allowable Revenue by 1.10.

\$6,541,040	= 5 year average
X <u>1.10</u>	<u>Expanded Operation factor</u>
\$7,195,144	= Expanded Operation Revenue

Step I WFRP –Complete the Whole-Farm History

Determine 5 - year Whole-Farm Historic Average farm revenue

Determine 2015 expected crop revenue

Determine Approved Revenue

Decide what percentage of Approved Revenue to guarantee

Actual 2015 Insured Revenue Determined

Taxes Filed / Possible Claim

Loss Paid

2009 = 6,245,000

2010 = 6,325,000

2011 = 6,450,200

2012 = 6,990,000

2013 = 6,695,000

6,541,040 = 5 Year average farm revenue

Calculate the Indexed Average Allowable Revenue

\$6,541,040 = 5 year average

X 1.078 index factor

\$7,051,242 = Indexed revenue

Step I: Complete the Whole Farm History (con't)

Determine 5 - year Whole-Farm Historic Average farm revenue

Determine 2015 expected crop revenue

Determine Approved Revenue

Decide what percentage of Approved Revenue to guarantee

Actual 2015 Insured Revenue Determined

Taxes Filed / Possible Claim

Loss Paid

Calculating the Expanded Operation Average Allowable Revenue-if insurance company approves expanding operation

Expanded Operation

$$\$6,541,040 = 5\text{- year avg.} \times 1.10 = \$7,195,144$$

OR

Indexed Whole-Farm Historic Average

$$\$6,541,040 \times 1.078 = \$7,051,242$$

The Higher of the Average, Indexed, or Expanded Operation Revenue is the Whole-Farm Historic Average Revenue

In this case: \$7,195,144

Farm Operation Report

- ▶ **Intended Farm Operation Report** -The Sales Closing Date.
- ▶ **Revised Farm Operation Report** –By July 15 for calendar or an early fiscal year filer. Late fiscal filers, the last day of the month in which the fiscal year begins, but no later than October 31, without company consent.
- ▶ **After the Revised Farm Operation Report Date** -The insured must notify the company within 30 days if they make changes to the commodities grown on their farm after the Revised Farm Operation Report is completed and the company may revise the premium amount based on these changes, except those resulting from a covered cause of loss.
- ▶ **Final Farm Operation Report** -Production and revenue information. Must be provided at the earliest of: The time an indemnity is claimed or by the sales closing date for the following year; if the commodity is not sold, expected values can be used.

Intended - Farm Operation Report

FARM OPERATION REPORT												
1. Insurance Year: 2015		2. Producer Information: I.M. Insured Person Type: Individual Anytown, USA, 11111 Phone: 999.999.9999 SSN: xxx.xx.xxxx				3. Agency Information: Agent Code: XX I.M. Agent Policy: xxxx Anytown, USA 11111 Phone: 111.111.1111			4. State/County: XXXX/XXXX		5. Other Insurance: Corn Policy xxxx	
Intended								Revised			Final	
6. Commodity Name/Code	7. Method of Establishment	8. Yield	9. Expected Value	10. Expected Revenue (8x9)	11A. Intended Quantity	11B. Cost/Basis and/or Value	11C. Total Expected Revenue (10x11A) – 11B	12A. Actual Quantity	12B. Actual Cost/Basis and/or Value	12C. Total Expected Revenue (8 x 9 x 12A) – 12B	13A. Final Total Production	13B. Final Revenue
Sweet Corn	Acres	10 T	\$105/T	\$1,050/acre	250		\$262,500					
Apples (0054) (Fuji)	Acres	1105 boxes	\$13.40/box	\$14,807/acre	120 acres		\$1,776,840					
Apples (0054) Granny Smith	Acres	1105 boxes	\$10.35/box	\$11,437/acre	50 acres		\$571,838					
Potatoes (0084)	Acres	620 cwt	\$7.00/cwt	\$4,340/acre	620 acres		\$2,690,800					
Hay (other)	Acres	6T/acre	\$280/T	\$1,680/acre	480 acres		\$806,400					
Alfalfa	Acres	8T/acre	\$250/T	\$2,000/acre	240 acres		\$480,000					
14. Total At SCD							\$6,588,378					
15. Total												
16. Total Expected Revenue @ SCD (Total of Item 14 and 15 @ SCD)							\$6,588,378					
17. Whole-Farm Historic Average Revenue (Item 13 of WFHR)							\$7,195,144					
18. Total Expected Revenue @ Revised Reporting Date (Item 15)												
19. Approved Revenue (Lesser of item 16 and 17 @ SCD or item 17 and 18 @ RRD)						19a	\$6,588,378		19b			
20. Approved Expenses						20a	\$4,507,200		20b			
21. Narrative, Expected Values, and Report of Changes: Potato acres decreased to 500 at revised time												
22. Integrated/Post-production Operations: () YES or (x) NO See Special Circumstances in Section 6.												

Insurance Period

Insurance period - The tax year which is the insurance year.

- **Insurance year** - A calendar year if taxes are filed on a calendar year basis, or a fiscal year if taxes are filed on a fiscal year basis. The insurance year is designated by the calendar year in which the sales closing date occurs.
- **Tax year** - The annual accounting period for the farm operation defined by the period used for tax purposes. The tax years are (1) a calendar year or (2) a fiscal year.
- **Fiscal year** - A period of the 12 consecutive months used for accounting and tax purposes, and ending on the last day of the twelfth month as long as the twelfth month is not December. Begins after January 31 of the insurance year and ends on the last day of the twelfth month.

Insurance Year

- **Early Fiscal Filer**-An insured with a fiscal year that begins prior to August 1 of the insurance year.
- **Late Fiscal Filer**-An insured with a fiscal year that begins August 1 or later in the insurance year.
- **Lag year** - The tax year immediately preceding the insurance year.

WFRP – When Insurance Attaches

- ▶ For the first year the producer obtains coverage under this policy, the coverage will begin the later of;
 - ▶ The beginning of the insurance year; or
 - ▶ 10 days after the company's acceptance of the application.
- ▶ Following the year of application, coverage is provided against loss of revenue due to causes of loss (specified in the policy) that occurs during the current or previous insurance year, and market based fluctuation that causes a loss in revenue for the current insurance year in accordance with the policy.

WFRP -What is covered?

- WFRP provides protection against loss of approved revenue due to unavoidable natural causes that occur during the insurance period.
- Insurance period - The tax year which is the insurance year.
- Insurance year:
 - A calendar year if taxes are filed on a calendar year basis, or
 - A fiscal year if taxes are filed on a fiscal year basis.
 - The insurance year is designated by the calendar year in which the sales closing date occurs.

WFRP-What is not covered?

- Negligence, mismanagement, wrongdoing
- An act by any person that affects the revenue on the farm operation including but not limited to chemical drift, or fire caused by anything other than a naturally occurring event;
- Failure to follow recognized good farming practices for each insured commodity
- Water contained by any government, public, private dam or reservoir
- Damage to machinery or equipment;
- Failure to carry out good irrigation practices
- Failure or breakdown of irrigation equipment or facilities; or the inability to prepare the land for irrigation using the established irrigation method unless the failure, breakdown or inability is due to an unavoidable natural cause
- Theft and Vandalism

WFRP-What is not covered? (continued)

- Inability to market the commodities due to quarantine, boycott or refusal of anyone to accept commodities
- Lack of labor
- Failure of buyer to pay for commodities
- Failure to follow the requirements contained in any processor contract;
- Abandonment;
- Failure to obtain a price for any commodity that is reflective of the local market value; r
- Deterioration of commodities in storage that reduces the quality or value of the commodity, unless such deterioration is due to unavoidable natural causes that occurred during the insurance period.
- Note: Decline in local market price will be presumed to be from unavoidable natural causes unless the Company or FCIC is able to specifically identify a man-made cause that resulted in a measurable change in the price. In the case of such occurrence, the portion of the loss caused by the man-made event will not be covered.

WFRP –Commodity Count Calculation

The following calculation will determine the commodity count:

- Formula: Divide 1.0 by the number of commodities (separate commodity codes) on Farm Report x 0.333 x the expected revenue =
- **$1/5 \times 0.333 \times \$6,588,378 = \$441,421$**
- Determine how many commodities have expected revenue equal to or greater than \$441,421
- Commodities with the same commodity code will be combined before this calculation is done.

Intended							
6. Commodity Name/Code	7. Method of Establishment	8. Yield	9. Expected Value	10. Expected Revenue (8x9)	11A. Intended Quantity	11B. Cost/Basis and/or Value	11C. Total Expected Revenue (10x11A) – 11B
Sweet Corn	Acres	10 T	\$105/T	\$1,050/acre	250		\$262,500
Apples (0054) (Fuji)	Acres	1105 boxes	\$13.40/box	\$14,807/acre	120 acres		\$1,776,840
Apples (0054) Granny Smith	Acres	1105 boxes	\$10.35/box	\$11,437/acre	50 acres		\$571,838
Potatoes (0084)	Acres	620 cwt	\$7.00/cwt	\$4,340/acre	620 acres		\$2,690,800
Hay (other)	Acres	6T/acre	\$280/T	\$1,680/acre	480 acres		\$806,400
Alfalfa	Acres	8T/acre	\$250/T	\$2,000/acre	240 acres		\$480,000
14. Total At SCD							\$6,588,378

WFRP - Commodity Count Calculation (continued)

- Sum expected commodities with revenue amounts equal to or greater than \$441,421 and subtract from Total Expected Revenue;
- $\$2,348,678 + \$2,690,800 + \$806,400 + 480,000 = \$6,325,878$;
- $\$6,588,378 - \$6,325,878 = \$262,500$;
- Divide \$262,500 by \$441,421 to determine additional commodities to county (use whole numbers);
- No additional commodities count
- ***4 commodities count***

Intended							
6. Commodity Name/Code	7. Method of Establishment	8. Yield	9. Expected Value	10. Expected Revenue (8x9)	11A. Intended Quantity	11B. Cost/Basis and/or Value	11C. Total Expected Revenue (10x11A) – 11B
Sweet Corn	Acres	10 T	\$105/T	\$1,050/acre	250		\$262,500
Apples (0054) (Fuji)	Acres	1105 boxes	\$13.40/box	\$14,807/acre	120 acres		\$1,776,840
Apples (0054) Granny Smith	Acres	1105 boxes	\$10.35/box	\$11,437/acre	50 acres		\$571,838
Potatoes (0084)	Acres	620 cwt	\$7.00/cwt	\$4,340/acre	620 acres		\$2,690,800
Hay (other)	Acres	6T/acre	\$280/T	\$1,680/acre	480 acres		\$806,400
Alfalfa	Acres	8T/acre	\$250/T	\$2,000/acre	240 acres		\$480,000
14. Total At SCD							\$6,588,378

WFRP - Expected Values

- Expected Value for each commodity is the value the producer expects to receive for commodities listed on the Farm Operation Report and must be consistent with the Expected Value Guidelines in the policy.
- Expected values must be realistic and consistent with available local market information, supported by verifiable records and take into account current local markets, cycles and trends.
- The source for each expected value on the Expected Values section of the Farm Operation Report must be provided.

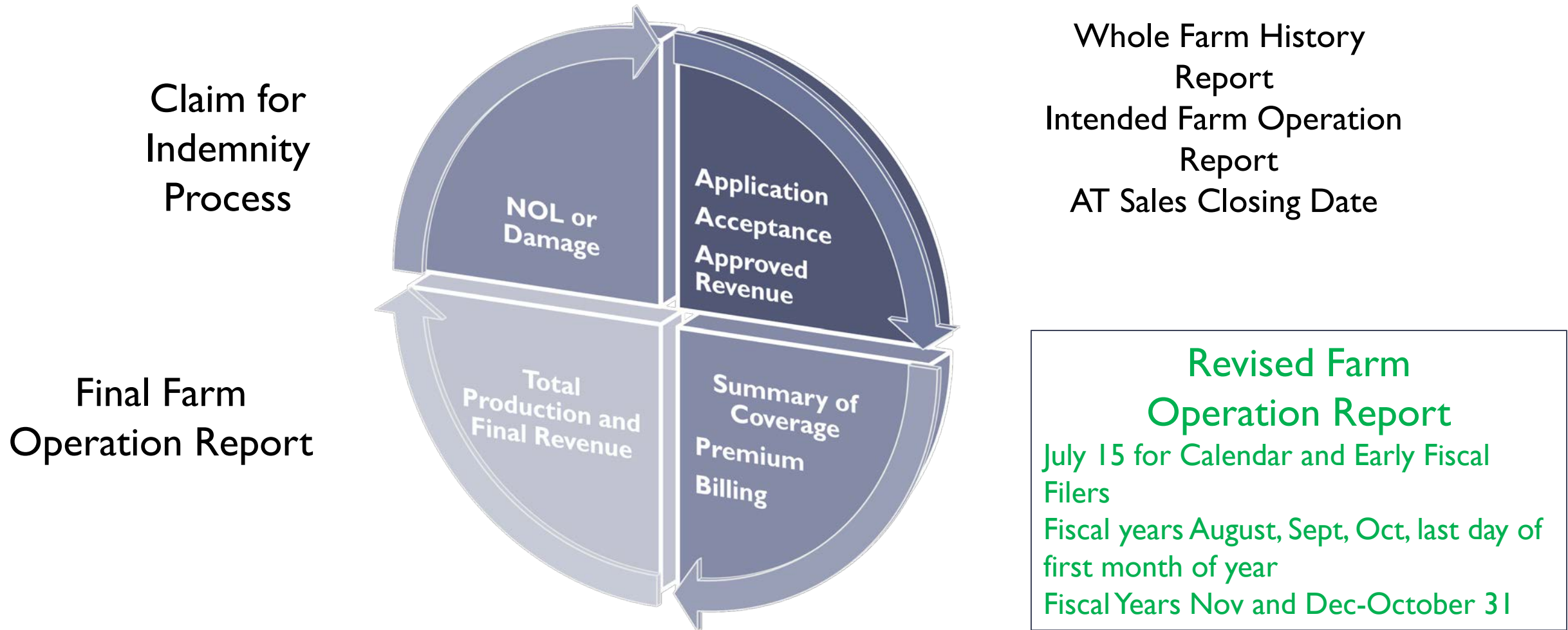
WFRP Expected Values Should...

- Reflect the expected sale price by markets where the crop is normally sold as of...
 - The time the Intended Farm Operation Report is submitted; or
 - The time the Revised Farm Operation Report is submitted for commodities that are different than those submitted on the Intended Farm Operation Report; or
 - The date of planting for revisions made after the Revised Farm Operation Report date and allowed by the insurance company; and
 - Insureds should report each commodity with a different value on a different line. Companies will report these to RMA rolled up into one line per commodity code (summed or averaged as applicable)

WFRP -Expected Values Are Based On The Following Priority

- Expected Value – the price of the commodity the insured can expect to receive when the commodity is harvested and based on the following priority order:
 1. Price in the marketing contract.
 2. Price received if the commodity was sold.
 3. The local average market price you can expect to receive, obtained from the most applicable source and approved by us;
 - A. Season average prices reported by the Agricultural Marketing Service, Market News Reports,
 - B. National Agriculture Statistics Service and Economic Research Service.
 - C. FCIC published price for the area where you normally sell the commodity.
 - D. Season average price received for the three most recent years
 - E. Current local average bid price in the area where you normally sell the commodity
 - F. Average price offered by at least two commercial buyers, one selected by you, and one selected by us
 - G. Prices from a reliable third party such as a commodity broker, crush district, packer/processor or marketing cooperative and that we approve.

WFRP Insurance Cycle



Revised Farm Operation Report

- If the Revised Farm Operation Report shows the insured has exceeded the Qualifying Person Criteria policy limits and the farm:
 - Exceeds the \$8.5 M insured revenue limit-insurance will be capped at \$8.5 million and all revenue produced will be considered revenue to count;
 - Exceeds either the \$1 million or 35 percent limitation on animals and animal products or greenhouse/nursery, the amount shown under either will be capped at the limit and all revenue produced will be considered revenue-to-count;
 - Does not have the minimum two commodity requirement for farms with potatoes the policy will be void and no coverage provided.
 - Commodity count calculation needs to be verified, if the commodity count changed, the coverage levels need to be recalculated.

Revised -Farm Operation Report

FARM OPERATION REPORT													
1. Insurance Year: 2015		2. Producer Information: I.M. Insured Person Type: Individual Anytown, USA, 11111 Phone: 999.999.9999 SSN: xxx.xx.xxxx				3. Agency Information: I.M. Agent Anytown, USA 11111 Phone: 111.111.1111			Agent Code: XX Policy: xxxx		4. State/County: XXXX/XXXX		5. Other Insurance: Corn Policy xxxx
Intended								Revised			Final		
6. Commodity Name/Code	7. Method of Establishment	8. Yield	9. Expected Value	10. Expected Revenue (8x9)	11A. Intended Quantity	11B. Cost/Basis and/or Value	11C. Total Expected Revenue (10x11A) – 11B	12A. Actual Quantity	12B. Actual Cost/Basis and/or Value	12C. Total Expected Revenue (8 x 9 x 12A) – 12B	13A. Final Total Production	13B. Final Revenue	
Sweet Corn	Acres	10 T	\$105/T	\$1,050/acre	250		\$262,500	250 ac		\$262,500			
Apples (0054) (Fuji)	Acres	1105 boxes	\$13.40/box	\$14,807/acre	120 acres		\$1,776,840	120 ac		\$1,776,840			
Apples (0054) Granny Smith	Acres	1105 boxes	\$10.35/box	\$11,437/acre	50 acres		\$571,838	50 ac		\$571,838			
Potatoes (0084)	Acres	620 cwt	\$7.00/cwt	\$4,340/acre	620 acres		\$2,690,800	500 ac		\$2,170,000			
Hay (other)	Acres	6T/acre	\$280/T	\$1,680/acre	480 acres		\$806,400	480 ac		\$806,400			
Alfalfa	Acres	8T/acre	\$250/T	\$2,000/acre	240 acres		\$480,000	240 ac		\$480,000			
14. Total At SCD							\$6,588,378						
15. Total										\$6,067,578			
16. Total Expected Revenue @ SCD (Total of Item 14 and 15 @ SCD)							\$6,588,378						
17. Whole-Farm Historic Average Revenue (Item 13 of WFHR)							\$7,195,144						
18. Total Expected Revenue @ Revised Reporting Date (Item 15)										\$6,067,578			
19. Approved Revenue (Lesser of item 16 and 17 @ SCD or item 17 and 18 @ RRD)							19a \$6,588,378			19b \$6,067,578			
20. Approved Expenses							20a \$4,507,200			20b \$4,182,682			
21. Narrative, Expected Values, and Report of Change: Potato acres decreased to 500 at revised time													
22. Integrated/Post-production Operations: () YES or (x) NO See Special Circumstances in Section 6.													

Step 2-Complete the Farm Operation Report

Determine 5 - year Whole-Farm Historic Average farm revenue

Determine 2015 expected crop revenue

Determine Approved Revenue

Decide what percentage of Approved Revenue to guarantee

Actual 2015 Insured Revenue Determined

Taxes Filed / Possible Claim

Loss Paid

Revised Farm Operation Report by July 15

Sweet Corn	250	ac	10	ton	\$ 105.00	\$262,500
Fuji Apples	120	ac	1105	box	\$ 13.40	\$1,776,840
Granny Apples	50	ac	1105	box	\$ 10.35	\$571,838
Potatoes	620	ac	500	cwt	\$ 7.00	\$2,170,000
Hay (Other)	480	ac	6	ton	\$ 280	\$806,400
Alfalfa	240	ac	8	ton	\$ 250	\$480,000
						\$6,067,578

Step 3-Determine Approved Revenue

Determine 5 - year Whole-Farm
Historic Average farm revenue

Determine 2015 expected crop
revenue

Determine Approved Revenue

Decide what percentage of
Approved Revenue to guarantee

Actual 2015 Insured Revenue
Determined

Taxes Filed / Possible Claim

Loss Paid

Approved Revenue is determined on the
Farm Operation Report and is the **lower** of:

(1) Expected Revenue Revised Farm
Operation Report @ July 15 (\$6,067,578)
or,

(2) The Whole-Farm Historic Average
Revenue (\$7,195,144)

Approved Revenue = 6,067,578

Step 4-Determine the Insured Revenue

Determine 5 - year Whole-Farm Historic Average farm revenue

Determine 2015 expected crop revenue

Determine Approved Revenue

Decide what percentage of Approved Revenue to guarantee

Actual 2015 Insured Revenue Determined

Taxes Filed / Possible Claim

Loss Paid

\$6,067,578	Approved Revenue
x <u>85%*</u>	Coverage level (deductible)
5,157,441	Insured Revenue (Asset protection)

*Provided commodity count calculation determined 3 or more commodities

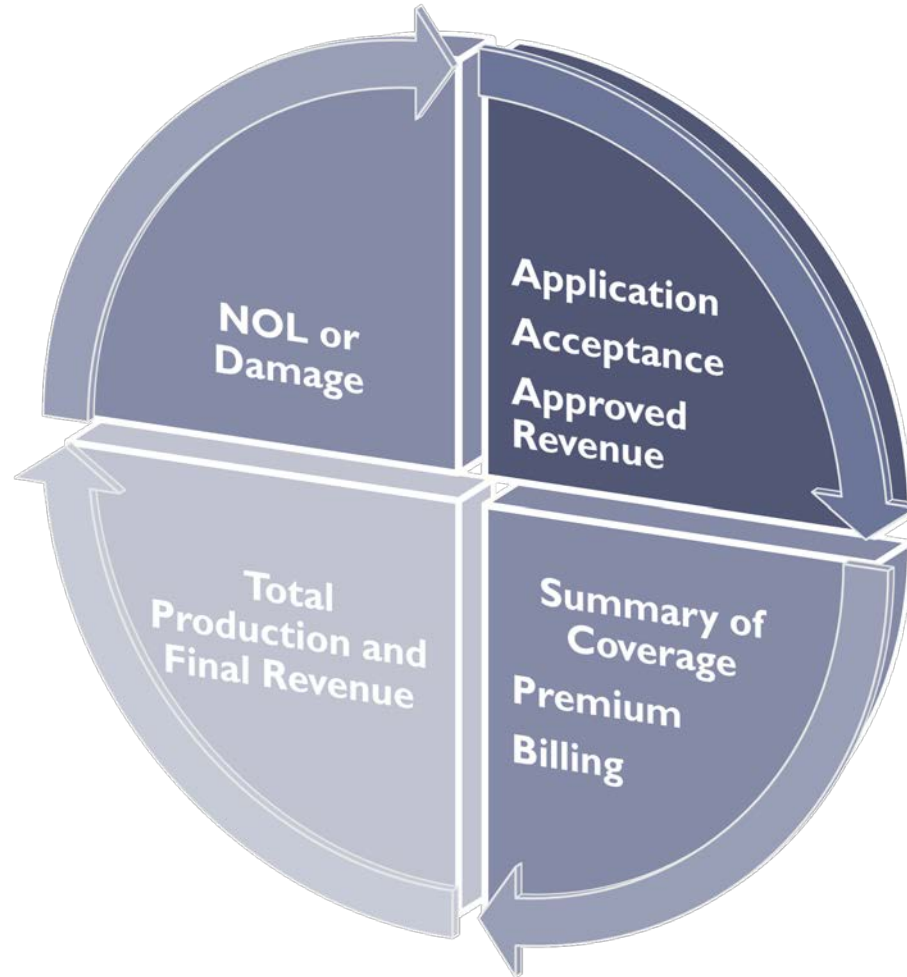
(maximum amount of loss payable)

Premium Calculation, Subsidy, and Billing

- The farm level premium rate depends on the:
 - County(s);
 - Commodities grown;
 - Percentage of revenue from each commodity grown;
 - Commodity Count- The more diversified the farm is the lower the farm level premium rate.
- Premium is calculated by:
 - Multiplying the Insured Revenue by the Farm Level Premium Rate;
 - Subsidy – Determined by the commodity count calculation:
 - Whole-Farm Level for 2 or more commodities;
 - Basic Level for 1 commodity.
- Billing Dates:
- August 15 for calendar or early fiscal filers, December 1 for late fiscal filers.

WFRP Insurance Cycle

Claim for
Indemnity
Process



Whole Farm History
Report
Intended Farm Operation
Report
AT Sales Closing Date

Revised Farm
Operation Report
July 15 for Calendar and Early Fiscal
Filers
Fiscal years August, Sept, Oct, last day of
first month of year
Fiscal Years Nov and Dec-October 31

Final Farm Operation
Report
Earlier of Claim Time
or Sales Closing Date
for Following Year

End of the Year-Complete the Final Farm Operation Report

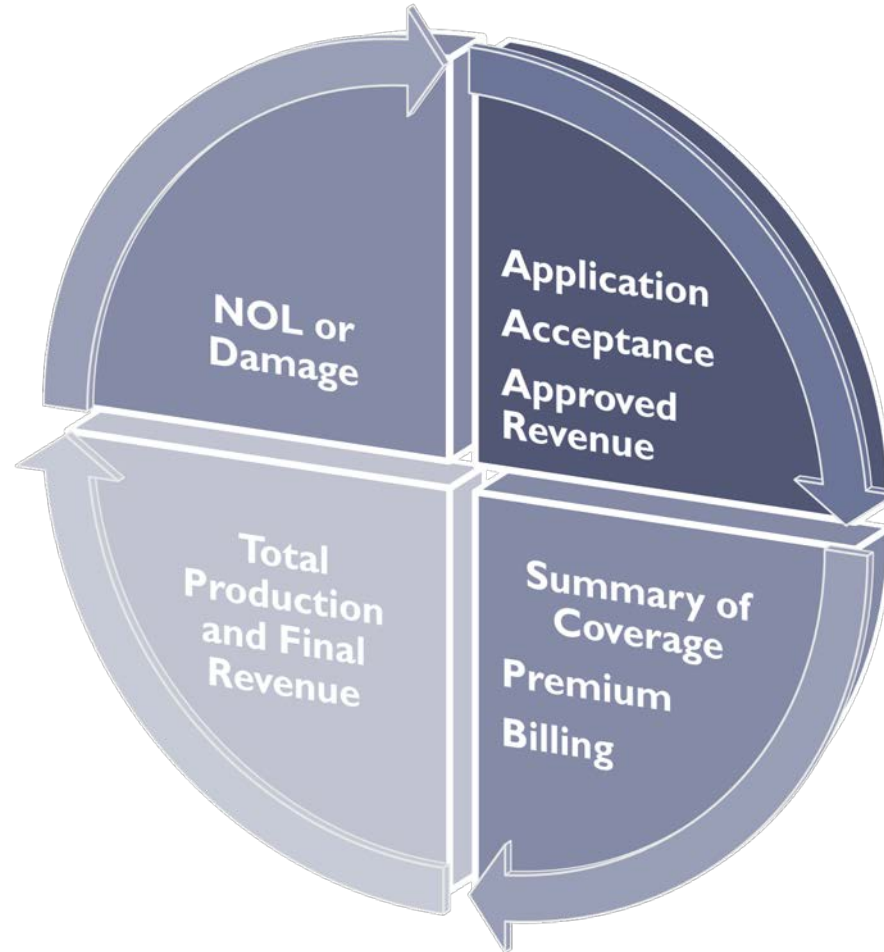
- The Final section of the Farm Operation Report is completed the earlier of:
 - By the following years sales closing date
 - When a claim is filed
 - For fiscal year filers whose year does not end until after the next years sales closing date-60 days following the end of the fiscal year.

Final -Farm Operation Report

FARM OPERATION REPORT												
1. Insurance Year: 2015		2. Producer Information: I.M. Insured Person Type: Individual Anytown, USA, 11111 Phone: 999.999.9999 SSN: xxx.xx.xxxx				3. Agency Information: Agent Code: XX I.M. Agent Policy: xxxx Anytown, USA 11111 Phone: 111.111.1111			4. State/County: XXXX/XXXX		5. Other Insurance: Corn Policy xxxx	
Intended								Revised			Final	
6. Commodity Name/Code	7. Method of Establishment	8. Yield	9. Expected Value	10. Expected Revenue (8x9)	11A. Intended Quantity	11B. Cost/Basis and/or Value	11C. Total Expected Revenue (10x11A) – 11B	12A. Actual Quantity	12B. Actual Cost/Basis and/or Value	12C. Total Expected Revenue (8 x 9 x 12A) – 12B	13A. Final Total Production	13B. Final Revenue
Sweet Corn	Acres	10 T	\$105/T	\$1,050/acre	250		\$262,500	250 ac		\$262,500	9.5t	\$249,375
Apples (0054) (Fuji)	Acres	1105 boxes	\$13.40/box	\$14,807/acre	120 acres		\$1,776,840	120 ac		\$1,776,840	1000 box	\$1,452,000
Apples (0054) Granny Smith	Acres	1105 boxes	\$10.35/box	\$11,437/acre	50 acres		\$571,838	50 ac		\$571,838	1050 box	\$519,750
Potatoes (0084)	Acres	620 cwt	\$7.00/cwt	\$4,340/acre	620 acres		\$2,690,800	500 ac		\$2,170,000	550 cwt	\$1,375,000
Hay (other)	Acres	6T/acre	\$280/T	\$1,680/acre	480 acres		\$806,400	480 ac		\$806,400	5.5t	\$699,600
Alfalfa	Acres	8T/acre	\$250/T	\$2,000/acre	240 acres		\$480,000	240 ac		\$480,000	7.5t	\$369,000
14. Total At SCD							\$6,588,378					
15. Total										\$6,067,578		\$4,664,725
16. Total Expected Revenue @ SCD (Total of Item 14 and 15 @ SCD)							\$6,588,378					
17. Whole-Farm Historic Average Revenue (Item 13 of WFHR)							\$7,195,144					
18. Total Expected Revenue @ Revised Reporting Date (Item 15)										\$6,067,578		
19. Approved Revenue (Lesser of item 16 and 17 @ SCD or item 17 and 18 @ RRD)							19a	\$6,588,378		19b	\$6,067,578	
20. Approved Expenses							20a	\$4,507,200		20b	\$4,182,682	
21. Narrative, Expected Values, and Report of Changes: Potato acres decreased to 500 at revised time												
22. Integrated/Post-production Operations: () YES or (x) NO See Special Circumstances in Section 6.												

WFRP Insurance Cycle

Claim for
Indemnity
Process



Whole Farm History
Report
Intended Farm Operation
Report
AT Sales Closing Date

Final Farm Operation
Report
Earlier of Claim Time
or Sales Closing Date
for Following Year

Revised Farm
Operation Report
July 15 for Calendar and Early Fiscal
Filers
Fiscal years August, Sept, Oct, last day of
first month of year
Fiscal Years Nov and Dec-October 31

WFRP - Claim for Indemnity

- Insured must provide a notice of loss within 72 hours of initial discovery that allowable revenue for the insurance year could fall below the insured revenue.
- The insured must submit a claim for indemnity declaring the amount of the loss not later than 60 days after the original date that the farm tax forms for the insurance year must be provided to the IRS, as specified by the IRS.
- Must complete and file farm taxes with the IRS before a claim for indemnity can be filed.
- The Company will not pay any indemnity if the insured does not file their farm tax forms on or before the first day of the seventh month after the end of the insurance year, unless the insured has requested a Federal tax filing extension.

WFRP - Claim for Indemnity

- ▶ If the insured requested a Federal tax filing extension:
 - ▶ They must provide to a copy of the request for an extension or a copy of their tax return
- ▶ Cannot pay WFRP losses until indemnities are received, as applicable, from all other policies that cover commodities insured under this policy.
- ▶ The Company will not pay any indemnity under this WFRP policy if the insured does not file their taxes on or before the final extended tax due date.

WFRP – Claim for Indemnity

Required Documentation to Complete a Claim:

Claim for Indemnity Report
Claim Year Tax Form 1040 Schedule F (or equivalent)
Final Farm Operation Report
Claim Year Allowable Expenses Worksheet
Claim Year Allowable Revenue Worksheet
Inventory and Accounts Receivable (if applicable)
Market Animal and Nursery Inventory (if applicable)
Replant Payment Worksheet (if applicable)

WFRP - Claim for Indemnity

- ▶ Upon the Company's request, the insured must:
 - ▶ Provide verifiable records that comprise a complete marketing record of any commodity on the farm operation; and
 - ▶ For any commodity that produced less actual revenue than expected revenue, must provide verifiable records sufficient to determine the loss of revenue was caused by perils covered under this policy; and
 - ▶ Submit to examination under oath (failure to answer all questions fully and completely, and provide all information we determine necessary for the adjustment of the claim, will result in our determination that no indemnity is due.)
- ▶ If the amount of loss cannot be accurately determined from the information submitted, no indemnity will be paid but premium will still be owed.

WFRP - Claim for Indemnity Steps

- (1) Determine allowable revenue from farm tax forms for the insurance year using the Allowable Revenue Worksheet:

Adjust revenue by making the following adjustments (adding or subtracting):

- ▶ The dollar amount of ending accounts receivable minus the dollar amount of beginning accounts receivable.
- ▶ For all commodities produced on the farm operation, the value of ending inventory less the value of the beginning inventory (the value of both the beginning and ending inventories will be the actual price received if the inventory is sold prior to the time the claim is finalized. If the inventory is not sold at the time the claim is finalized, the local market value on the first day of the month in which the claim is finalized will be used); and

WFRP - Claim for Indemnity Steps

- (2) Determine the allowable expenses from farm tax forms for the insurance year using the Allowable Expense Worksheet
- ▶ Determine allowable expenses for the insurance year on the Allowable Expense Worksheet:
 - ▶ Allowable expenses will be determined from information on the insured's farm tax forms for the insurance year; and
 - ▶ If the insured uses a cash accounting method and prepay expenses and supplies to a greater extent than they have in the past, or if losses in the insurance year prevent them from paying or prepaying for expenses and supplies to the extent they have in the past, the company will adjust the expenses using accrual accounting methods, including adjustments for beginning and ending accounts payable, if applicable.

WFRP - Claim for Indemnity Steps

To calculate the expense reduction factor we will:

- Divide allowable expenses by the approved expenses;
- If this result is equal to or larger than .70 , there is no expense reduction
- If the result is less than .70, subtract the result from .70 to determine the expense reduction factor.
- Multiply the result by the approved revenue to calculate the expense reduction dollar amount.

- Complete an Inventory Report
- Complete an Accounts Payable and Receivable Report
- Transfer all applicable numbers to the Claim Form
- Make adjustments to the allowable revenue based on the instructions on the Claim Form

WFRP - Claim for Indemnity Steps

To calculate the revenue-to-count (continued):

- ▶ For all animals and other commodities purchased for resale, the amount calculated by:
 - (A) Determining the expected value of the ending inventory on the last day of the insurance year;
 - (B) Subtracting the cost basis of the commodities in the ending inventory from the result of (A);
 - (C) Determining the expected value of the beginning inventory on the first day of the insurance year;
 - (D) Subtracting the cost basis of the commodities in the beginning inventory from the result of (C); and
 - (E) Subtracting the result of (D) from the result of (B).
- (3) Adding to the result of (1) or (2), as applicable, any allowable revenue that is lost because commodities were damaged or destroyed by causes of loss not covered under this policy;
- (4) Adding to (3) the expected revenue of any commodity that is abandoned;

WFRP - Claim for Indemnity Steps

To calculate the revenue-to-count (continued):

- (5) Adding to the result of (4) any insurance indemnity received from an insurance policy covering commodity losses on the farm or for program payments from other programs such as disaster payments programs. The Non-insured Assistance Programs (NAP) are specifically not included in revenue-to-count because NAP payments may not be received if a WFRP indemnity is paid. For example, an insurance payment from a multiple peril policy for damage to any agricultural commodity would be included; and

- (6) Adding to the result of (5) any gain from commodity hedging.

WFRP - Claim for Indemnity Steps

- (7) Applying the expense reduction factor to the approved revenue and multiplying the result by the coverage level; and
- (8) Subtracting the revenue-to-count from that result.

WFRP only covers revenue from commodities produced within the tax year

Accrual Adjustment on Claims Using Tax Form

REMOVE	Commodities produced previous IY - sold
KEEP	Commodities produced during IY – sold
ADD	Commodities produced during IY – not sold

Insurance Year Tax Form



WFRP - Claim for Indemnity Example

For example:

- ▶ Approved expenses of \$100,000
- ▶ Allowable expenses for the insurance year of \$68,000.
- ▶ Approved revenue is \$130,000 and elected a coverage level of 75 percent.
- ▶ Insured revenue is \$97,500.
- ▶ Revenue to count is \$25,000.
- ▶ Indemnity is calculated as follows:
 - ▶ Allowable expenses of \$68,000 fall below 70 percent of the approved expenses of \$100,000.
 - ▶ $\$68,000/\$100,000 = 68$ percent of approved expenses.
 - ▶ $70 \text{ percent} - 68 \text{ percent} = .02$ expense reduction factor
 - ▶ $130,000 * .02 = \$2,600$ expense reduction dollar
 - ▶ The expense reduction dollar amount is subtracted from the approved revenue
 - ▶ $\$130,000 \text{ minus } \$2,600 = \$127,400 * 75 \text{ percent coverage level} = \$95,550$ insured revenue
 - ▶ $\$95,550 \text{ minus } \$25,000 \text{ revenue to count} = \$70,550$ indemnity paid

Claim for Indemnity Report

CLAIM FOR INDEMNITY REPORT									
1. Insurance Year: 2015	2. State/County: MI / Bay	5. Insured Information: I.M. Insured Box 1 Anytown, USA, 11111 Phone: 999.999.9999 xxx.xx.xxxx			Person Type: Individual SSN:	6. Agency Information: Agent Code: XX I.M. Agent Box 2 Anytown, USA 11111 Phone: 111.111.1111	7. Companion Policy(s) NONE		
3. Policy Number: xxxxxxxxxx	4. Claim Number: xxxxxxx	8. Date of Damage: July 2015			9. Cause of Damage: Drought		10. Primary Cause (%): 100		11. Date(s) of Notice: 8/1/2015
CALCULATION OF CLAIM									
12. Allowable Expenses for Insurance Year	13. Approved Expenses	14. Expense Percentage (12/13)	15. Expense Reduction Factor	16. Approved Revenue	17. Expense Reduction Dollar Amount (15 x 16)	18. Approved Revenue Adjusted for Expenses (16 – 17)	19. Coverage Level	20. Insured Revenue (18 x 19)	
\$4,311,156	\$4,182,682	1.03	0	\$6,067,578	0	\$6,067,578	85%	\$5,157,441	
21. Allowable Revenue for Insurance Year	22. Inventory Adjustment	23. Accounts Receivable Adjustment	24. Market Animal and Nursery Adjustment	25. All Other Adjustments	26. Revenue-to-Count (21+22+23+24+25)	27. Revenue Loss (20 – 26)			
\$4,668,100	\$-3,375	0	0	0	\$4,664,725	\$492,716			
28. Narrative: Item 22 = inventory adjustment from previous year apple production									
29. Date Insurance Year IRS Federal Income Taxes Filed: 4/15/16			30. Similar Damage on Other Farms in the Area? YES			31. Assignment of Indemnity? NO			
32. Has the insured received a NAP payment from FSA? No									

WFRP - Claim for Indemnity – Amended Forms

If the farm tax forms used to determine the indemnity are amended before or up to three years after the claim is settled, or an IRS audit before or up to three years after the claim is settled indicates the amount of allowable revenue or allowable expenses on such forms was incorrect:

- ▶ The insured must notify the company and provide a copy of the amended farm tax forms or audit results; and
- ▶ The company will adjust the amount of any indemnity based on the information contained in the amended form, or the information found to be correct by the audit, if the amended forms result in a five percent or greater change in the approved revenue or revenue-to-count for the insurance year.

Replant Payment Eligibility Requirements

To be eligible for a replant payment:

- The damaged commodity must be an annual plant; and,
- Damage to the commodity must be due to an insured cause of loss; and,
- The company must agree it is practical to replant and give their consent to replant the commodity; and
- The acreage replanted must be at least 20 acres or 20 percent of the insured planted acreage, applied separately to each commodity to be planted; and.
- The producer must submit verifiable records showing their actual cost of replanting;
- The company may inspect the acreage prior to making the replant payment.

Replant Payment Eligibility Requirements (continued)

- The maximum amount of a replant payment will be the lesser of:
 - 20 percent of the expected revenue times the coverage level for the commodity as reported on the Farm Operation Report per acre; or
 - The actual costs of replanting per acre;
- No replant payment will be made if the company is unable to determine the producer's actual cost of replanting.
- No replanting payment will be made on acreage on which one replanting payment has been made for the crop year.
- No replant payment will be made for any commodity on the farm operation that is also insured by another policy issued under the authority of the Act if replant payments are also available under the other policy.

Step 5- Actual Farm Revenue for the Year

Determine 5 - year Whole-Farm Historic Average farm revenue

Determine 2015 expected crop revenue

Determine Approved Revenue

Decide what percentage of Approved Revenue to guarantee

Actual 2015 Insured Revenue Determined

Taxes Filed / Possible Claim

Loss Paid

Actual 2015 Revenue

Sweet Corn	250	ac	9.5	ton	\$ 105.00	\$249,375
Fuji Apples	120	ac	1000	box	\$ 12.10	\$1,452,000
Granny Apples	50	ac	1050	box	\$ 9.90	\$519,750
Potatoes	500	ac	550	cwt	\$ 5.00	\$1,375,000
Hay (Other)	480	ac	5.5	ton	\$ 265	\$699,600
Alfalfa	240	ac	7.5	ton	\$ 205	\$369,000
						\$4,664,725

Step 6 – Calculate any Indemnity

Determine 5 - year Whole-Farm Historic Average farm revenue

Determine 2015 expected crop revenue

Determine Approved Revenue

Decide what percentage of Approved Revenue to guarantee

Actual 2015 Insured Revenue Determined

Taxes Filed / Possible Claim

Loss Paid

\$6,067,578	Approved Revenue
x <u>85%</u>	Coverage level (deductible)
5,157,441	Insured Revenue (Asset protection)
- <u>4,664,725</u>	2015 Revenue to Count for insurance year
\$ 492,716	Revenue Loss (Indemnity payment)

WFRP Policy -Special Circumstances

- These special sections provide more information on topics that have special circumstances:

Policy Section 44 Organic Commodities

Policy Section 45 Post Production Operations and Added Value

Policy Section 46 Animals and Animal Products Requirements

Policy Section 47 Nursery and Greenhouse

WFRP -Conclusions

- Refer to WFRP Policy
- WFRP Pilot Handbook
- Email questions to: rma.WFRP@rma.usda.gov