



# Whole Farm Revenue Protection

Federal Crop Insurance Corporation Pilot Insurance Program

Risk Management Agency



# What does WFRP cover?



- Revenue from all commodities produced on the farm:
  - Including animals and animal products
  - Commodities purchased for resale (up to 50% of total)
  - Excluding timber, forest, forest products, and animals for sport, show or pets

# What does WFRP cover?

- Replant costs for annual commodities
  - Actual cost up to a maximum of 20% of expected revenue for the crop
  - Record of replant costs required
  - Insurance company has approval authority
  - Payable After loss of 20% of the crop or 20 acres





## What are the features of WFRP?

- Coverage levels 50-85%
  - 5% increments
  - Diversification of 3 commodities (commodity count) required for 80% and 85%
  - No catastrophic level of WFRP available
- Historic revenue is adjusted to reflect farm expansion
  - Automatic indexing process accounts for farm growth historically
  - Expanding operations provision allows for 10% growth over historic average with insurance company approval

# What are the features of WFRP?

- Costs for market readiness operations may be left in the approved revenue
  - Minimum required to make commodity market ready
  - On farm, in-field or close proximity to field
  - No added value costs may be included
- You may also purchase other Federal crop insurance policies covering individual commodities
  - Must be at buy-up coverage levels
  - Any indemnities from these policies will count as revenue earned under WFRP



# What are the features of WFRP?

- All farm revenue is insured together under one policy
  - Individual commodity losses are not considered, it is the overall farm revenue that determines losses
- Premium subsidy is available and depends on farm diversification
  - Farms with 2 or more commodities (commodity count) receive whole-farm premium subsidy
  - Farms with 1 commodity receive basic premium subsidy





# WFRP Premium Subsidy

**WFRP Subsidy: Percentage of Total Premium Paid by Government**

Coverage Level	50%	55%	60%	65%	70%	75%	80%	85%
<b>Basic Subsidy-Qualifying Commodity Count: 1</b>	67%	64%	64%	59%	59%	55%	N/A	N/A
<b>Whole-Farm Subsidy-Qualifying Commodity Count: 2</b>	80%	80%	80%	80%	80%	80%	N/A	N/A
<b>Whole-Farm Subsidy-Qualifying Commodity Count: 3 or more</b>	80%	80%	80%	80%	80%	80%	71%	56%



# What kinds of farms can benefit from WFRP?

- Well-suited for:
  - Highly diverse farms
  - Farms with specialty commodities
  - Farms selling to direct markets, specialty markets, regional or local markets, and farm-identity preserved markets
- Available to all farms or ranches that qualify
- There are some limits for qualification



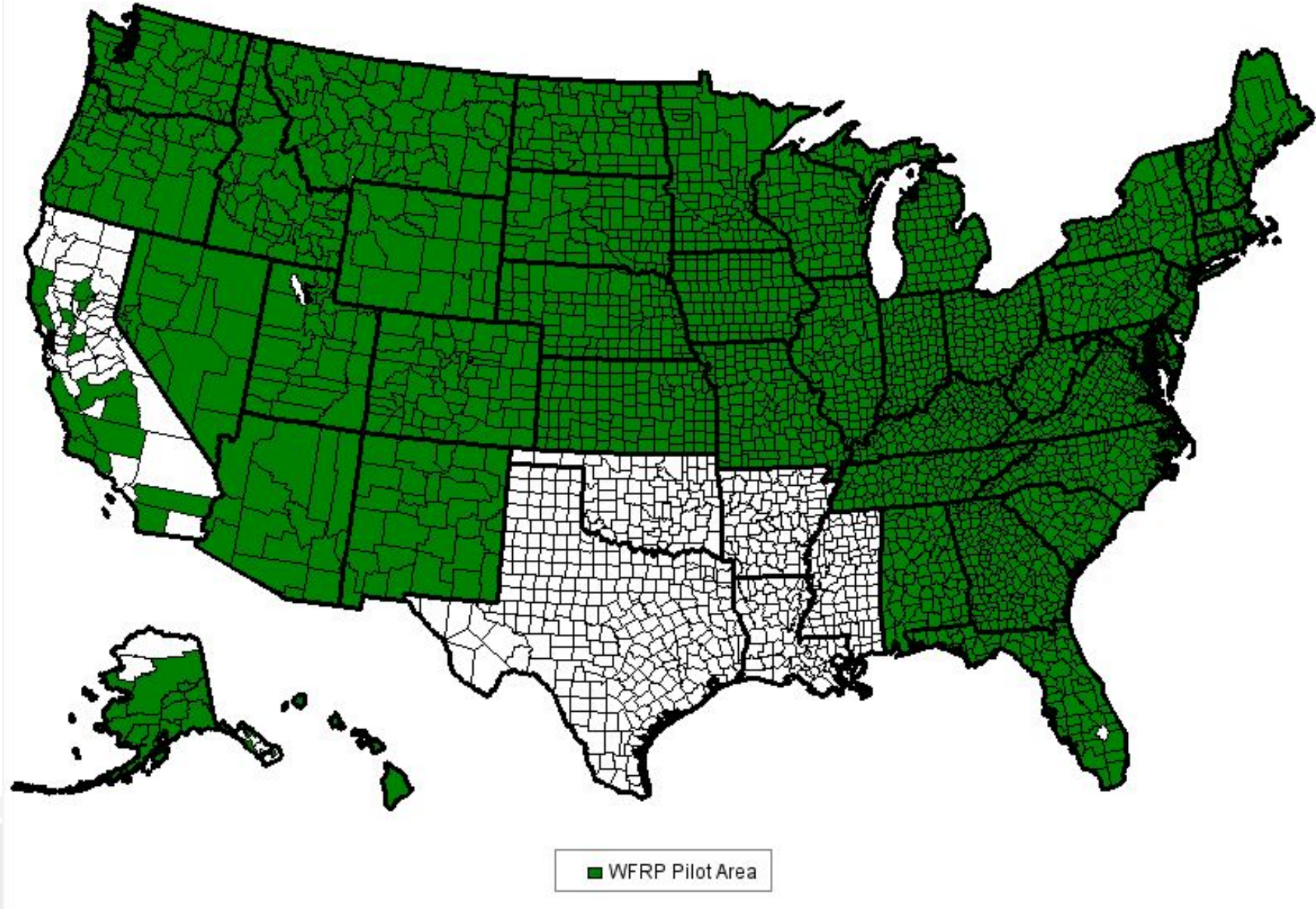


## WFRP limits for qualification:

Coverage Level	Commodity Count (Minimum Required)	Maximum Farm Approved Revenue
85	3	\$10,000,000
80	3	\$10,625,000
75	1	\$11,333,333
70	1	\$12,142,857
65	1	\$13,067,923
60	1	\$14,166,167
55	1	\$15,454,545
50	1	\$17,000,000

- Covers up to \$8.5 million of revenue
- Farm/ranch may have up to 35% of expected revenue from animals and animal products up to \$1 million
- Farm/ranch may have up to 35% of expected revenue from greenhouse/nursery up to \$1 million

# Where is WFRP Available?



# How is the amount of insured revenue determined?

- WFRP insured revenue is the lower of:
  - Your current year's expected revenue (determined by your farm plan) at the selected coverage level, or
  - Your historic revenue adjusted for growth at the selected coverage level



# Does diversification on my farm matter for WFRP? Yes!



- A diversification requirement is used to determine the number of commodities on your farm
  - Each commodity must provide a calculated percentage of the expected farm revenue to be counted
  - Commodities providing small amounts of revenue may be grouped to meet the qualification

# Does diversification on my farm matter for WFRP? Yes!



- The commodity count measured by the farm diversification determines:
  - Eligibility for WFRP
    - Potato farms must have 2 commodities
    - Commodities insurable with other revenue coverage must have 2 commodities
  - Eligibility for the 80 & 85% coverage levels
    - Requires 3 commodities

# Does diversification on my farm matter for WFRP? Yes!

- The diversification measure also determines:
  - The amount of the diversification discount to the premium rate
  - Whole-farm premium subsidy for farms with 2 or more commodities





## Other facts to understand about WFRP:

- WFRP covers revenue ‘produced’ in the insurance year
  - A commodity not harvested or sold will count as revenue
  - A commodity grown last year and sold this year will not be covered
  - For commodities that grow each year, like cattle, only the growth for the insurance year counts.
    - Example: Calves worth \$800 at beginning of the year and to be sold at \$2000, the value insured will be \$1200
  - Inventory and Accounts Receivable are used to get to the ‘produced’ amounts
- Prices used to value commodities to be grown must meet the expected value guidelines in the policy

# What causes a loss payment under WFRP?



- Natural causes of loss and decline in market price during the insurance year
- Taxes must be filed for the insurance year before any claim can be made (2015 insurance year requires 2015 year farm taxes to be filed)
- When revenue-to-count for the insurance year is lower than insured revenue, a loss payment will be made.



# What will my agent need from me?

- Five years of farm tax forms
  - For 2015, requires tax forms from 2009-2013
- Needs to know if you are a:
  - Calendar year tax filer
  - Fiscal year tax filer and what your fiscal year is
- Information about what you plan to produce on the farm during the insured year
  - Used to complete the Intended Farm Operation Report
- Other information as applicable
  - Such as supporting records, your organic certification, inventory or accounts receivable information





## What is the timeline for WFRP?

- Sales-begin upon release of actuarial materials
- Last day to purchase: Sales Closing Date
  - County specific date-Feb 28 or March 15
  - Intended Farm Operation Report is completed
- Revised Farm Operation Report Due (like an acreage report)
  - July 15 for Calendar and Early Fiscal Filers (Jan-July fiscal years)
  - By end of first 30 days of fiscal year for August, September, October fiscal years
  - By Oct 31 for November and December fiscal years



# What is the timeline for WFRP?

- Billing dates
  - August 15 for Calendar and Early Fiscal Filers (Jan-July fiscal years)
  - December 1 for Late Fiscal Filers (August-December fiscal years)
- Final Farm Operation Report completed earlier of:
  - Time of loss determination
  - By next year's Sales Closing Date
  - If not completed-limited to 65% coverage the next year

# How do I buy WFRP protection?



- Purchase through a Crop Insurance Agent:
  - The agent locator tool on RMA's website:  
<http://www.rma.usda.gov/tools/agent.html>

# Questions?

[www.rma.usda.gov](http://www.rma.usda.gov)

