

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



FCIC-18160 (11-2017)
FCIC-18160-1 (07-2018)

WHOLE-FARM REVENUE PROTECTION PILOT HANDBOOK

2018 and Succeeding Policy Years

**RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133**

TITLE: WHOLE-FARM REVENUE PROTECTION PILOT HANDBOOK	NUMBER: FCIC-18160 FCIC-18160-1
EFFECTIVE DATE: 2018 Succeeding Policy Years	ISSUE DATE: July 24, 2018
SUBJECT: Provides the procedures and instructions for the Whole-Farm Revenue Protection program.	OPI: Product Administration and Standards Division
	APPROVED: <i>/s/ Richard M. Flourney</i> Deputy Administrator for Product Management

REASONS FOR ISSUANCE

Changes: See changes or additions in text which have been highlighted. Three stars (***) identify where information has been removed.

1. Paragraph 106 – Revised procedure to account for the true cost of market animal and nursery commodities purchased for resale to realize a gain in a previous year(s) and carried forward to a subsequent year for revenue-to-count purposes at claim time.
2. Exhibit 16 Item 29 – Revised procedure to account for the true cost of market animal and nursery commodities purchased for resale to realize a gain in a previous year(s) and carried forward to a subsequent year for revenue-to-count purposes at claim time.

WHOLE-FARM REVENUE PROTECTION PILOT HANDBOOK

CONTROL CHART

Whole-Farm Revenue Protection Pilot Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Remove	1-6		71-72	16	163-164	11-2017	FCIC-18160
Insert	1-2		71-72	16	163-164	07-2018	FCIC-18160-1
Current Index	1-2	1-4	1-70			07-2018	FCIC-18160-1
			71-72			11-2017	FCIC-18160
			73-90			07-2018	FCIC-18160-1
				1-16	91-162	11-2017	FCIC-18160
				16	163-164	07-2018	FCIC-18160-1
			16-20	165-178	11-2017	FCIC-18160	

FILING INSTRUCTIONS:

The handbook pages listed in the Control Chart above under the “Insert” heading replace such pages in the 2018 Whole-Farm Revenue Protection Pilot Handbook, FCIC-18160 (11-2017). This handbook is effective for the 2018 and succeeding policy years and is not retroactive to any 2017 or prior policy year determinations.

106 Revenue-to-Count (Continued)

The following table provides the steps for calculating revenue-to-count.

Step	Action	Applicable Procedure Reference
1	Determine insured's allowable revenue for the policy year.	Paragraph 44
2	Adjust the allowable revenue determined in step one, if applicable.	Paragraph 103
3	Adjust the allowable revenue determined in step two by adding or subtracting, as applicable, required adjustments for accounts receivable.	Subparagraph 101B
4	Adjust the allowable revenue determined in step three by adding or subtracting, as applicable, required adjustments on Inventory Report for commodities not held to realize a gain.	Subparagraph 101C
5	Adjust the allowable revenue determined in step four by adding or subtracting, as applicable, required adjustments on the Market Animals and Nursery Inventory Report for commodities held to realize a gain.	Paragraphs 143 and 144 for animals and nursery commodities
6	Add all values assigned for uninsured causes of loss to the allowable revenue determined in step five.	Paragraph 44
7	Add the value assigned to abandoned acreage/commodities to the allowable revenue determined in step six.	Paragraph 44
8	Add any net gain from commodity hedging and speculation, not less than zero, to the allowable revenue determined in step seven.	Paragraph 44
9	<p>Add the total of any indemnity received from an insurance policy covering insured commodities authorized under the Act and any other Federal program payments to the allowable revenue determined in step eight.</p> <p>Exceptions: Do not include:</p> <ol style="list-style-type: none"> 1. ARC/PLC payments; 2. NAP payments; 3. Replant payments; or 4. indemnities paid by another policy for damage or loss to a commodity that is not covered by WFRP such as timber, animals for show, pasture or rangeland insured under the Rainfall Index or Vegetation Index policies, or commodities or portions of commodities produced for feed for use on the insured's operation. 	Paragraph 44
10	Add any indemnities from insurance policies not authorized under the Act that exceed the deductible (adjusted for expenses, if applicable).	Paragraph 123
11.	Add the actual cost, when purchased, for those commodities listed in the beginning inventory on the Marketing Animal and Nursery Inventory Report that were purchased in previous year(s).	

A. Claim for Indemnity

- (1) A claim for indemnity declaring the amount of loss must be submitted to the AIP no later than 60 days after the earlier of the date the:
 - (a) insured filed their taxes with the IRS; or
 - (b) original date the insured's farm tax forms for the policy year must be provided to the IRS, as specified by the IRS, except as provided in 2(b) below.

- (2) The insured must:
 - (a) Complete and file their farm taxes with the IRS before they submit a claim for indemnity; and
 - (b) File their farm taxes on or before the first day of the 7th month after the end of the insurance period unless they have requested a Federal tax return filing extension.

If the insured has requested a Federal tax return filing extension:

- (i) submit a claim for indemnity declaring the amount of loss no later than 60 days after the earlier of the date the:
 - (A) insured filed their taxes with the IRS; or
 - (B) final extended tax due date;

- (ii) provide a copy of their request for an extension, Federal tax return showing the date it was signed, or proof of mailing showing the date the return was filed; and

- (iii) file their taxes on or before the final extended tax due date.

The AIPs may require the insured to request IRS send the AIP verification of the date insured's return was filed.

B. Changes to Filed Federal Taxes

Any change to filed Federal tax returns within three years after a claim was settled may require an adjustment to the amount of indemnity paid.

The AIP must correct the insured's indemnity, approved revenue, and WFRP database when a change is made to the insured's filed Federal tax returns that results in a five percent or greater change to the insured's approved revenue or revenue-to-count for the applicable policy year.

Changes made to filed Federal tax returns include changes made because of amended returns or IRS audits.

Claim for Indemnity Form (Continued)**A. Required Elements Description (continued)**

Item	Required Elements	Description
14.	Expense Percentage (12/13)	Percentage amount used to determine the percentage amount of reduction in approved revenue, if applicable. Divide the allowable expenses for the policy year (item 12) by the approved expenses for the policy year (item 13). Enter as a three-decimal place number. See paragraph 103.
15.	Expense Reduction Percentage	Percentage amount used to determine the percentage amount of reduction in approved revenue, if applicable. If the result of item 14 is equal to or greater than .700, enter 1.000. If the result of item 14 is less than .700, subtract the result of step 14 from .700. The result must not be less than zero. See paragraph 103.
16.	Expense Reduction Factor	Percentage amount used to reduce the Approve Revenue, if applicable. If item 15 equals 1.000, enter 1.000. Otherwise enter the result of subtracting the item 15 from 1.000.
17.	Approved Revenue	Approved revenue for the policy year. Enter amount from item 19b on the Farm Operation Report.
18.	Approved Revenue Adjusted for Expenses Not Incurred	Approved Revenue adjusted for expenses not incurred. Multiply item 16 by item 17. Round to the nearest whole dollar.
19.	Coverage Level	Coverage level elected by insured.
20.	Insured Revenue	The amount of revenue insured under WFRP. Enter result of item 18 by item 19. Round to nearest whole dollar.
21.	Other Indemnities	The total of all indemnities received from insurance policies not authorized by the Act.
22.	Deductible	The amount of revenue not insured by the WFRP policy. Enter the result of subtracting approved revenue times coverage level from the approved revenue. Item 17 - (item 17 x coverage level).
23.	Deductible Adjusted for Expenses not Incurred (22 x 16)	The amount of revenue not insured by the WFRP policy adjusted for expenses not incurred, if applicable. Enter the result of multiplying item 22 by item 16.
24.	RTC Adjustment	The amount of indemnities from insurance policies not authorized by the Act in excess of the deductible to be included as revenue to count. If item 23 is equal to or greater than item 21, enter "0." If item 23 is less than item 21, enter the result of subtracting item 23 from item 21.
25.	Allowable Revenue for Policy Year	Allowable revenue for the policy year. Enter the amount from item 12 on Allowable Revenue Worksheet for the policy year. See paragraphs 44 and 45.
26.	Inventory Adjustment	Total dollar amount of adjustments made for policy year for inventoried commodities from Inventory Report. Enter the amount from item 19 on the Inventory Report. This amount may be positive or negative.

Claim for Indemnity Form (Continued)

A. Required Elements Description (continued)

Item	Required Elements	Description
27.	Accounts Receivable Adjustment	Total dollar amount of adjustments made for policy year for accounts receivable on Accounts Receivable, Payable, and Prepaid Expenses Report. Enter the amount from item 10 on the Accounts Receivable, Payable, and Prepaid Expenses Report. This amount may be positive or negative.
28.	Market Animal and Nursery Adjustment	Total dollar amount of adjustments made for the policy year for animals and nursery commodities on the Market Animal and Nursery Inventory Report. Enter the amount from item 20 on the Market Animal and Nursery Inventory Report. This amount may be positive or negative.
29.	All other Adjustments	<p>Total dollar amount of adjustments made for policy year for all adjustments (do not include adjustments from items 26-28). Adjustment include but are not limited to:</p> <ul style="list-style-type: none"> (1) value assigned for uninsured cause of loss; (2) value assigned for abandoned acreage/commodities; (3) indemnities from other crop insurance policies and any other Federal program payments; (4) net gains from commodity hedging; and (5) the amount in item 24 (indemnities from other insurance policies not authorized under the Act that exceed the deductible.) <p>Exceptions: Do not include:</p> <ul style="list-style-type: none"> 1. ARC/PLC payments; 2. NAP payments; 3. Replant payments; or 4. indemnities paid by another policy for damage or loss to a commodity that is not covered by WFRP such as timber, animals for show, pasture or rangeland insured under the Rainfall Index or Vegetation Index policies, or commodities or portions of commodities produced for feed for use on the insured's operation. <p>(6) the actual cost, when purchased, for those commodities listed in the beginning inventory on the Marketing Animal and Nursery Inventory Report that were purchased in previous year(s).</p> <p>All other adjustments must be documented in the Narrative or on a Special Report and attached to the Claim for Indemnity Form</p>