Federal Crop Insurance Overview: Whole-Farm Revenue Protection (WFRP)
What does WFRP cover?

- Revenue from all commodities produced on the farm:
  - Including Hemp
  - 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

- Replant costs (with approval)
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
What are the features of WFRP?

• Historic revenue is adjusted by:
  - Farm expansion
    ▪ Automatic indexing process accounts for farm growth historically (Insured may opt out of indexing)
    ▪ Expanding operations provision allows for up to 35% growth over historic average, for most operations, with insurance company approval
    • For expanding operations due solely to certified organic production, the limit on growth is the higher of 35% or $500,000
  - History Smoothing Options
    ▪ Revenue Substitution
    ▪ Revenue Exclusion
    ▪ 90% Cup on Approved Revenue
What are the features of WFRP?

• Costs for market readiness operations may be left in the approved revenue
  – Minimum required to remove commodity from the field and make market ready
  – On farm, in-field, or close proximity to field
  – No added value costs may be included

• Other Federal crop insurance policies covering individual commodities may be purchased
  – 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 Subsidy: Percentage of Total Premium Paid by Government

<table>
<thead>
<tr>
<th>Coverage Level</th>
<th>50%</th>
<th>55%</th>
<th>60%</th>
<th>65%</th>
<th>70%</th>
<th>75%</th>
<th>80%</th>
<th>85%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Subsidy</td>
<td>67%</td>
<td>64%</td>
<td>64%</td>
<td>59%</td>
<td>59%</td>
<td>55%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Qualifying Commodity Count: 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whole-Farm Subsidy</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Qualifying Commodity Count: 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whole-Farm Subsidy</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>71%</td>
<td>56%</td>
</tr>
<tr>
<td>Qualifying Commodity Count: 3 or more</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Where is WFRP Available?

• The entire United States…every county!

• The first crop insurance product available nationwide
WFRP limits for qualification:

- Covers up to $8.5 million of revenue
  - Coverage limited to $2 million in expected revenue from animals and animal products, excluding aquaculture commodities
  - Coverage limited to $2 million in expected revenue from greenhouse/nursery, excluding aquaculture commodities
  - Products also insurable under nursery policy
  - Doesn’t include items such as produce grown in hoop houses

<table>
<thead>
<tr>
<th>Coverage Level</th>
<th>Commodity Count (Minimum Required)</th>
<th>Maximum Farm Approved Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>3</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>80</td>
<td>3</td>
<td>$10,625,000</td>
</tr>
<tr>
<td>75</td>
<td>1</td>
<td>$11,333,333</td>
</tr>
<tr>
<td>70</td>
<td>1</td>
<td>$12,142,857</td>
</tr>
<tr>
<td>65</td>
<td>1</td>
<td>$13,067,923</td>
</tr>
<tr>
<td>60</td>
<td>1</td>
<td>$14,166,167</td>
</tr>
<tr>
<td>55</td>
<td>1</td>
<td>$15,454,545</td>
</tr>
<tr>
<td>50</td>
<td>1</td>
<td>$17,000,000</td>
</tr>
</tbody>
</table>
What types 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
How is the amount of insured revenue determined?

WFRP insured revenue is the lower of:

- Current year’s expected revenue (determined on the farm plan) at the selected coverage level, or
- The adjusted historic revenue at the selected coverage level
Does diversification matter for WFRP?

Yes!

The number of commodities produced are counted toward the diversification requirement within WFRP

- 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 matter for WFRP?

Yes!

The diversification measure determines eligibility for:

• WFRP
  – Potato farms must have 2 commodities
  – Commodities insurable with other revenue coverage must have 2 commodities
• 80 & 85% coverage levels
  – Requires 3 commodities
Does diversification on the 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 two or more commodities
Other facts to understand about WFRP:

- WFRP covers revenue “produced” in the insurance period
  - 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. (i.e., Calves worth $800 at beginning of the year and to be sold at $2,000, the value insured will be $1,200)
  - Inventories and Accounts Receivable are used to determine the “produced” amounts
Other facts to understand about WFRP:

• Prices and yields used to value commodities to be grown must meet the expected value and yields guidelines in the policy
  – The values must be what producers can reasonably expect to receive in the local area for the commodity
    • Based, to the extent possible, on third party sources
    • Marketing contracts used at the time they become effective within policy limitations
  – The yields must be what the producers can reasonably expect to produce under normal growing conditions
    • Based, to the extent possible, on the farm operation’s production history or other third party sources
What causes a loss payment under WFRP?

- Natural causes of loss and decline in market price during the insurance period
- Taxes must be filed for the policy year before any claim can be made
- When revenue-to-count for the policy year is lower than insured revenue, a loss payment will be made
What information is required?

• Five years of farm tax forms
  – For 2022, requires tax forms from 2016-2020 (calendar & early fiscal year filers) 2015-2019 (late fiscal year filers)
  • Exceptions: Veteran/Beginning Farmers or Ranchers (VFR/BFR) or applicants that qualified as a VFR/BFR in the previous year, qualifying persons not required to file a US Tax Return (i.e., Tribal Entities), and producers that were physically unable to farm one year

• Type of tax filer
  – Calendar year tax filer
  – Early Fiscal year filer (Feb – Aug); and
  – Late Fiscal year tax filer (Sept – Dec)
What information is required?

• Information about what will be produced on the farm during the insurance period
  – Used to complete the Intended Farm Operation Report

• Other information as applicable, such as:
  – Supporting records, organic certification, inventory, or accounts receivable information
The WFRP Farm Operation Report

MPCI
- Intended Acreage Report
- Acreage Report
- Production Report

WFRP
- Intended Farm Operation Report
- Revised Farm Operation Report
- Final Farm Operation Report

WFRP Perennial
- IFOR & RFOR
- FFOR
What is the timeline for WFRP?

• Sales begin upon release of actuarial materials
• Last day to purchase: Sales Closing Date
  – Late fiscal year filers (all counties) – Nov 20
  – County specific date - Jan 31, Feb 28, or Mar 15
  – Intended Farm Operation Report is completed
• Revised Farm Operation Report Due
  – Jul 15 for all insureds
What is the timeline for WFRP?

• Billing date
  – Aug 15 for all insureds

• Final Farm Operation Report completed earlier of:
  – Time of loss determination; or
  – Next Policy Year’s Sales Closing Date
    ▪ If not completed-limited to 65% coverage the next year
How do producers buy WFRP protection?

Purchase through a Crop Insurance Agent:
The agent locator tool on RMA’s website:
www.rma.usda.gov/informationtools/agentlocator
Questions?

www.rma.usda.gov