USDA United States Department of Agriculture

Risk Management Agency Fact Sheet

Washington National Office — Washington,DC

Revised September 2021

Whole-Farm Revenue Protection Guidance for Lenders

Whole-Farm Revenue Protection

Whole-Farm Revenue Protection (WFRP) is a federally- reinsured insurance product that provides a risk management safety net for all commodities on the farm under one insurance policy. This insurance plan is tailored for any farm with up to $8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.

Availability

WFRP is available in all counties in all 50 states.

Insurance Period

Coverage is provided for the duration of the producer's tax year (the insurance period). The insurance period is a calendar year if taxes are filed by calendar year, or a fiscal year if taxes are filed by fiscal year.

Coverage

WFRP protects farms against the loss of farm revenue the farm earns or expects to earn from:

- Commodities, including Industrial Hemp, produced during the insurance period, whether they are sold or not;
- Commodities purchased for resale during the insurance period; and
- All commodities on the farm except timber, forest, and forest products; and animals for sport, show, or pets.

The policy also provides replant coverage:

- For annual crops, except Industrial Hemp and those covered by another Federal crop insurance policy;
- Equal to the cost of replanting up to a maximum of 20 percent of the expected revenue multiplied by coverage level; and
- When 20 percent or 20 acres of the crop needs to be replanted.

The approved revenue amount is the lower of the expected revenue or the allowable whole-farm historic average revenue. Coverage levels range from 50 percent to 85 percent. Catastrophic Risk Protection (CAT) coverage is not available.

Farm diversification is calculated to determine:

- If the farm has the diversification needed to qualify for the 80 and 85 percent coverage levels (there is a three-commodity requirement);
- The amount of premium rate discount to account for the lower risk due to farm diversification; and
- The subsidy amount:
  - Farms with two or more commodities receive whole-farm subsidy.
  - Farms with one commodity receive a basic subsidy.

WFRP insurance can be purchased alone or with other buy- up level

Producer Eligibility

Eligibility for WFRP coverage requires the producer to:

- Be eligible to receive Federal benefits;
- Be a U.S. citizen or resident;
- File either a Schedule F tax form or other farm tax form that can be converted to a Substitute Schedule F for a specified number of years (see information producers provide below);
- Have no more than $8.5 million in insured revenue, which is the farm revenue allowed to be insured under the policy multiplied by the coverage level producers select (see table on page 1)
  - Coverage of expected revenue from animals and animal products, excluding aquaculture commodities, is limited to $2 million;
  - Coverage of expected revenue from greenhouse and nursery, excluding aquaculture commodities, is limited to $2 million;
- Have no more than 50 percent of total revenue from commodities purchased for resale;
- Have 'buy-up' coverage levels on any Federal crop insurance plans purchased.
- Meet the diversification requirements of the policy by having two or more commodities, if the farm has a commodity that has revenue protection or actual revenue history insurance available; and
- Meet the diversification requirements of the policy by having two or more commodities, if there are potatoes on the farm.

Producer Information Required

Producers must provide the following documents, similar to what would (additional coverage) Federal crop insurance policies. When WFRP is purchased with another Federal crop insurance policy, the WFRP premium is reduced due to the coverage provided by the other policy. If the producer has other Federal crop insurance policies at catastrophic coverage levels they do not qualify for WFRP.

WFRP ‘insured revenue’ is the total amount of insurance coverage provided by this policy. The crop insurance agent and approved insurance provider determine the farm’s ‘approved revenue’ using the following information:

- Whole-Farm History Report;
- Farm Operation Report;
- Information regarding growth of the farm; and
- The coverage level (50-85 percent) multiplied by the approved revenue is the insured revenue amount.

Coverage Level	Commodity Count (Minimum Required)	Maximum F
85	3	
80	3	
75	1	
70	1	
65	1	
60	1	
55	1	
50	1	

The Commodity Count in the table above is a measure of the farm’s diversification, determined by the policy. The calculation determines the minimum proportion of revenue a commodity must contribute to the farm to be considered a commodity for WFRP. A farm’s revenue would be evenly distributed if an equal percentage of revenue came from each commodity produced, for example, 25 percent from corn, 25 percent from soybeans, 25 percent from spinach, and 25 percent from carrots. The minimum proportion to be considered a countable commodity is one-third of that amount. In this example, for corn, soybeans, spinach, or carrots to each county, each commodity would have to make up at least 8.3 percent of the total revenue of the farm to count as a commodity under WFRP. Commodities with revenue below the minimum will be grouped together to recognize farm diversification (this will make the commodity count higher). The Maximum Farm Approved Revenue represents the maximum approved revenue for a farm to be eligible for WFRP given the $8.5 million maximum liability allowed.

be necessary for a farm loan, to a crop insurance agent to get Whole-Farm Revenue Protection insurance:

- Five consecutive years of Schedule F or other farm tax forms (it must be possible to complete a Substitute Schedule F form if the producer filed farm tax forms other than Schedule F). For the 2022 policy year, tax forms from 2016-2020 are required except:
  - If a producer qualifies as a Beginning or Veteran Farmer or Rancher (BFR/VFR) or qualified as a BFR/VFR in the previous year under our procedures, they may qualify with 3 consecutive years (4 years if qualified the previous year) of Schedule F or other farm tax forms if they also farmed during the past year (it must be possible to complete a Substitute Schedule F form if the producer filed farm tax forms other than Schedule F). For the 2022 policy year, tax forms from 2018-2020 (2017-2020 if qualified as a BFR/VFR the previous year) are required and the producer also must have farmed during 2021;
  - If a producer was physically unable to farm for 1 of the 5 required historic years but farmed the past year, they may qualify; or
  - If a producer is a tax exempt entity (such as a Tribal entity) and has acceptable third party records available that can be used to complete Substitute Schedule F tax forms for the 5 year history.
- Information supporting expansion if the producer wants the farm to be considered as an expanding operation due to the farm operation physically expanding last year or the coming year, including increased acres, added equipment such as a greenhouse, new varieties or planting patterns, or anything else that expands production capacity (other than just a change in price); and
- Any other supporting information required, including other signed tax forms, to show the farm tax forms are accurate and were filed with the IRS.

Growing Farm Operations

Operations that have been expanding over time may be allowed to increase their approved revenue amount based on an indexing procedure, or, if the producer can show that the operation has physically expanded (land, animals, facilities, or production capacity) so it has the potential to produce up to 35 percent more revenue than the historic average, the insurance company may approve the operation as an expanding operation to reflect that growth in the insurance guarantee. If the producer can show that the operation has physically expanded based solely on certified organic production, the Approved Insurance Provider may approve the operation as an expanding operation up to the higher of 35 percent or $500,000 more than the historic average.

Prices and Yields

Prices used to value commodities must be based on the guidelines for prices in the policy. Organic prices that meet the policy requirements are allowed for valuing organic commodities. Yields used for commodities must be established based on the guidelines for yields in the policy.

Market Readiness Operations and Post Production Costs

Federal crop insurance is generally allowed to cover commodities to the edge of the field. However, market readiness operations such as on-farm activities that occur in or near the field and are the minimum needed to remove the commodity from the field and make it market ready can be left in the allowable revenue and expenses. The cost from all other post production operations not considered market readiness operation must be removed from the allowable revenue and expenses, including activities that increase the value of a commodity such as canning, freezing, and processing activities.

Losses

Replant payments are made within 30 days of a replant claim, upon agreement to the amount by the Approved Insurance Provider and the producer.

Claims are settled after taxes are filed for the insurance year. A loss under the WFRP policy occurs when the WFRP revenue-to-count for the insured year falls below the WFRP insured revenue. Revenue-to- count for the insured year is:

- Revenue from the tax form for the insured year that is 'approved revenue' according to the policy;
- Adjusted by excluding inventory from commodities sold that were produced in previous years;
- Adjusted by including the value of commodities produced that have not yet been harvested or sold; and
- Any other adjustments required by the policy such as those from uninsured causes of loss.

If the farm operation does not have expenses during the insurance year of at least 70 percent of the "approved expenses" the insured revenue amount will be reduced by one percent for each percentage point the actual approved expenses are below 70 percent of the approved expenses.

Causes of Loss

WFRP provides protection against the loss of insured revenue due to an unavoidable natural cause of loss which occurs during the insurance period. WFRP will also provide carryover loss coverage if the producer is insured the following year. See the policy for a list of covered causes of loss.

When Claims are Made and Paid

Claims may be assigned to creditors, as determined by the producer. Claims can be made any time after farm tax forms are submitted to the Internal Revenue Service (IRS). However, they must be made no later than 60 days after the date a producer's farm tax forms are submitted to the IRS. Claim payments for a revenue loss under WFRP are paid within 30 days after the determination of a payment due as long as the producer is in compliance with the policy.

Important Dates

Sales Closing, Cancellation, Termination Dates

Calendar Year and Early Fiscal Year Filers.........
January 31, February 28, or March 15 (by county)
Late Fiscal Year Filers...................November 20

Revised Farm Operation Report Date

All Filers...July 15

Premium Subsidy

Farms with two or more commodities will receive a whole-farm premium subsidy as long as the minimum diversification requirements are met. Farms with one commodity will receive the basic level of premium subsidy.

Buying Whole-Farm Revenue Protection

Whole-Farm Revenue Protection is available for sale from a crop insurance agent by the sales closing date shown for each county and tax filer type in the actuarial documents at webapp.rma.usda.gov/apps/actuarialinformationbrowser/. A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/en/Information-Tools/Agent-Locator-Page.

National Office

USDA/RMA/Stop 0801/Room 2004-South
1400 Independence Ave. SW
Washington, DC 20250

Email: FPAC.BC.Press@usda.gov

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent