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USDA Introduces New Insurance Policy for Farmers Who Sell Locally

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WASHINGTON, Oct. 6, 2021 – The U.S. Department of Agriculture (USDA) is rolling out a new insurance option specifically for agricultural producers with small farms who sell locally. The new Micro Farm policy simplifies record keeping and covers post-production costs like washing and value-added products.

USDA's Risk Management Agency (RMA) created this new policy based on research directed by the 2018 Farm Bill, and it includes feedback from producers who grow for their local communities. The policy will be available beginning with the 2022 crop year.

"We are excited to offer this new coverage for producers who work to provide their communities with fresh and healthy food," said RMA Acting Administrator Richard Flournoy. "USDA is focused on supporting local and regional food systems, and this new crop insurance policy is designed with this important sector of agriculture in mind."

The new policy is offered through Whole-Farm Revenue Protection (WFRP) and it has distinct provisions that can provide more access to the program, including:

- No expense or individual commodity reporting needed, simplifying the recordkeeping requirements for producers
- Revenue from post-production costs, such as washing and packaging commodities and value-added products, are considered allowable revenue

The Micro Farm policy is available to producers who have a farm operation that earns an average allowable revenue of \$100,000 or less, or for carryover insureds,

an average allowable revenue of \$125,000 or less. RMA's research showed that 85% of producers who sell locally reported they made less than \$75,000 in gross sales. [See the full report.](#)

The Micro Farm policy builds on other RMA efforts to better serve specialty and organic crop growers. This includes WFRP, which provides coverage for producers with larger operations that may not be eligible for Micro Farm. RMA recently made [improvements to WFRP](#) as part of a broader set of [new policies and expanded policies](#) to assist specialty crop and organic producers.

The Federal Crop Insurance Corporation approved the Micro Farm policy in late September, and additional details will be provided later this fall.

More Information Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the [RMA Agent Locator](#). Learn more about crop insurance and the modern farm safety net at [rma.usda.gov](#).

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit [www.usda.gov](#).

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