

PM-18-043: Whole-Farm Revenue Protection (WFRP) Pilot Plan of Insurance Modifications for the 2019 and Subsequent Policy Years

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Date

August 30, 2018

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ John Underwood for

Subject

Whole-Farm Revenue Protection (WFRP) Pilot Plan of Insurance Modifications for the 2019 and Subsequent Policy Years

Background

The Risk Management Agency (RMA) revised the Whole-Farm Revenue Protection (WFRP) plan of insurance for the 2019 and subsequent policy years. RMA consulted with stakeholders and based on their feedback, made the following modifications and clarifications to the WFRP policy:

Commodity Code Consolidation

- Added “commodity code” and “rate code” definitions, as well as modified the premium rate and diversification discount calculations, to allow for different premium rates for specific types/practices of a single commodity.
- Consolidated commodities with multiple commodity code entries on the actuarial documents into a single commodity code for purposes of calculating the producer’s diversification discount.

- Added a sub-category of “rate codes” to the actuarial documents to allow for premium rating of multiple types or practices of a single commodity.

Additional Policy Modifications and Clarifications

- Added definitions for “disinterested third-party” and “expected yield.”
- Clarified the provisions regarding the application county when it is determined not to be the primary source of expected revenue.
- Added language limiting the transfer of coverage when the insured operation is sold during the insurance period.
- Revised eligibility requirements for first year insureds with less than five years of tax records and qualified as a Beginning Farmer and Rancher in the previous year.
- Revised the conservation compliance provisions to match the Common Crop Insurance Policy, Basic Provisions (18-BR).
- Added language clarifying the use of expanding operations.
- Added instructions for handling beginning inventories during the claims process when the producer does not report stored commodities at the beginning of the insurance period.
- Revised Section 18 (Expected Value and Expected Yield):
 - Added a yield source hierarchy like the existing price source hierarchy (and associated modifications).
 - Added language authorizing correction of price or yield when expected revenue is inaccurate.
- Added instructions on handling commodities with no discernable expected value.
- Added allowance for 180-day deferral of claim finalization if commodities are in storage when the producer files taxes.
- Added language to Section 33 regarding recovery of certain fees and expenses during judicial review.

Action

By the close of business August 31, 2018, the following materials will be available on the RMA website (www.rma.usda.gov):

- Whole-Farm Revenue Protection Pilot Policy
- All Actuarial Information

The WFRP Pilot Handbook will be released by mid-October 2018. Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website www.rma.usda.gov.

DISPOSAL DATE:

December 31, 2019