

MGR-19-004: Beginning Farmer or Rancher Definition under Whole-Farm Revenue Protection for the 2019 and Succeeding Policy Years

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Date

March 12, 2019

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Martin R. Barbre, Administrator /s/ Martin R. Barbre

Subject

Beginning Farmer or Rancher Definition under Whole-Farm Revenue Protection for the 2019 and Succeeding Policy Years

Background

The Agricultural Improvement Act of 2018 (Farm Bill) enacted on December 20, 2018, altered the definition of Beginning Farmer or Rancher (BFR) for the purposes of the Whole-Farm Revenue Protection (WFRP) plan of insurance.

The WFRP Pilot Policy currently defines a BFR as:

A farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years.

Section 11122(3) of the Farm Bill, modified the definition of a BFR for the purposes of the WFRP plan of insurance as follows:

“(F) BEGINNING FARMER OR RANCHER DEFINED.—Notwithstanding section 502(b)(3), with respect to plans described under this paragraph, the term ‘beginning farmer or rancher’ means a farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 10 crop years.”;

Action

The following definition of BFR applies to all WFRP policyholders or new policyholders with sales closing dates after December 20, 2018:

A farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 10 crop years

This new definition is applicable to any use of the term BFR within the 2019 WFRP Pilot Policy (19-0076) and Handbook (FCIC - 18160) for sales closing dates after December 20, 2018. The definition will also be applicable to the procedures within the 2019 General Standards Handbook used to determine BFR eligibility for the purposes of WFRP.

Additionally, the statements required as a part of Exhibit 19 in the 2019 Document and Supplemental Standards Handbook (FCIC 24040) for the BFR Application, item 4A, should read as follows:

“As provided by me on this form, I certify that I have not had an interest in any crop(s) or livestock for more than 5 crop years (10 years for WFRP) ...,”

I understand that any inaccurate certification or BFR benefits beyond 5 crop years (10 years for WFRP) ...

Approved Insurance Providers should work with their current policyholders and potential policyholders in determining their eligibility for BFR benefits based on the new definition. Policyholders must identify themselves and provide verification no later than July 15, 2019, to receive the BFR benefit under WFRP for the 2019 policy year.

DISPOSAL DATE:

Until rescinded