PM-23-049: Whole-Farm Revenue Protection (WFRP) Pilot Plan of Insurance and Micro Farm Changes Effective for the 2024 and Succeeding Policy Years

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Date
August 31, 2023

To
All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

From
Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy

Subject
Whole-Farm Revenue Protection (WFRP) Pilot Plan of Insurance and Micro Farm Changes Effective for the 2024 and Succeeding Policy Years

Background

The Agricultural Improvement Act of 2018 (Farm Bill) included language to improve the effectiveness of WFRP. The Risk Management Agency (RMA) continues to solicit stakeholder recommendations. In response to feedback from local foods producers, grower organizations, and industry partners including approved insurance providers and agent organizations, RMA recommended changes to WFRP and Micro Farm to the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board).

On August 17, 2023, the Board approved the following changes to the WFRP plan of insurance and the Micro Farm program, applicable for the 2024 and succeeding policy years:

- Allow all eligible producers to qualify for 80% and 85% coverage levels under WFRP.
- Increase the subsidy for single commodity producers from the Basic Unit premium subsidy to the Enterprise Unit premium subsidy.
- Allow the purchase of other FCIC reinsured policies at the catastrophic (CAT) coverage level.
    - Previously, the purchase of CAT policies was not allowed under WFRP.
        - The CAT policies will not be considered primary insurance under WFRP for the purposes of premium calculations.
    - Provides insureds an option to opt-out of all FCIC reinsured policies from becoming primary insurance for the purposes of premium calculations and claim settlement.
- Revise the 180-day claim deferral for AIPs.
    - Move the date to start the 180-day deferral to the end of the insurance period.
        - Previously, the start date was the date a claim is submitted.
        - Allow for further deferral for commodities stored in a controlled atmosphere storage.
- Allow insureds to purchase other FCIC reinsured policies at any coverage level in conjunction with Micro Farm.
    - Liability from all FCIC reinsured policies will not be considered for the purposes of premium calculation under Micro Farm.
- Move the sales closing date for Micro Farm to 30 days after the county’s spring sales closing date.
- Allow expanding operation adjustments under Micro Farm
    - Only physical expansion (e.g., added acres) will be allowed for adjustment purposes.
- Add an option to Micro Farm that allows an insured to remove the lowest year of historic revenue for the purposes of calculating the expected value.
- Allow vertically integrated entities to be eligible for Micro Farm.

Action

The following materials will be available by close of business today on the RMA website at www.rma.usda.gov:

- Whole-Farm Revenue Protection Pilot Policy (24-0076)

- Micro Farm Policy (24-MF-WFRP)
- WFRP National Fact Sheet
- Micro Farm National Fact Sheet
- WFRP FAQ page
- Micro Farm FAQ Page

Approved insurance providers must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy.

Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website at www.rma.usda.gov/tools-reports/agent-locator page.

DISPOSAL DATE:
December 31, 2024