

## **PM-16-045**

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Date

August 30, 2016

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Thomas W. Worth, Acting Deputy Administrator /s/ Thomas W. Worth

Subject

Whole-Farm Revenue Protection (WFRP) Pilot Plan of Insurance Modifications

## **Background**

The Risk Management Agency (RMA) is revising the Whole-Farm Revenue Protection (WFRP) plan of insurance for the 2017 crop year. RMA consulted with various program participants and based on their feedback, has made the following modifications and clarifications to the 2017 WFRP policy:

- Moved the definitions section to the beginning of the policy and added definitions for: Controlled Substance, Diversification Discount, Intended Commodity, Noninsured Crop Assistance Program, Perennial Commodity, and Qualifying Revenue Threshold.
- Simplified the Commodity Count Calculation by breaking it into two steps and identifying the qualifying commodity threshold.
- Clarified the Catastrophic (CAT) provision to indicate ineligibility for WFRP if producer has any CAT policy for any insured commodity, even if not planted.
- Clarified that breeding animals are not insurable.
- Provided clarifications on criteria that need to be considered when determining expected prices.

- Condensed the consequences of voided policies into a new section of the policy.
- Specified how Commodity Credit Corporation (CCC) loans are treated with regard to allowable revenue.
- Simplified the policy for perennial crop growers to allow the insured to submit both the Intended and Revised Farm Operation Report on or before the applicable sales closing date since perennial acreage is unlikely to change (revisions can still be made as necessary).
- Added two new sections in the Special Circumstances portion of the policy to consolidate information about Marketing Contracts and Expanded Operations.
- Clarified that if a producer is growing a Federally prohibited controlled substance, the operation is not eligible for WFRP.
- Made several changes and provided examples to clarify items that AIP's had questions about during the past year.

## Action

By the close of business today, the following materials will be available on the RMA Web site ([www.rma.usda.gov](http://www.rma.usda.gov)):

- Whole-Farm Revenue Protection Pilot Policy
- Whole-Farm Revenue Protection Fact Sheet
- Whole-Farm Revenue Protection Lender Fact Sheet
- Whole-Farm Revenue Protection Frequently Asked Questions
- All Actuarial Information
- Training materials including:
  - A brief introductory presentation on WFRP
- Recordkeeping aids for direct market producers including:
  - Recordkeeping Aid for Direct Marketers with Price Information; and
  - Basic Recordkeeping Aid for Direct Marketed Commodities

The WFRP Pilot Handbook will be released by late October 2016. Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA Web site: [www.rma.usda.gov](http://www.rma.usda.gov).

### **DISPOSAL DATE:**

July 31, 2017