Whole-Farm Revenue Protection (WFRP) - Dairy Farms

Whole-Farm Revenue Protection (WFRP) insurance provides coverage against the loss of revenue that you expect to earn, or will obtain from commodities you produce or purchase for resale during the insurance period under one insurance policy. The WFRP policy includes:

- A range of coverage levels from 50-85 percent to fit the needs of farming and ranching operations;
- Coverage for all commodities on the farm except timber, forest and forest products, and animals for sport, show or pets;
- Premium discounts based on the amount of farm revenue diversification, such as a farm that obtains revenue from milk, steers, replacement heifers, and hay compared to one that obtains revenue only from corn;
- Whole-Farm premium subsidy levels for farms with more than one commodity and meeting diversification requirements;
- Replant coverage for annual crops;
- The ability to consider market readiness costs as part of the insured revenue and expenses; and
- Provisions to adjust the insurance guarantee for expanding operations.

For more information see a crop insurance agent at Agent Locator Page.

Policy and program information can be found at RMA Insurance Plans.

Is WFRP insurance available for dairy farms?

Yes. The WFRP insurance product provides insurance protection for all of the farm’s revenue under one policy.

What farm revenue is covered?

The amount of farm revenue you can protect with WFRP insurance is the lower of the revenue expected for the current year (entered on a farm plan) or your five-year historic income from your farm taxes, adjusted for growth. This represents an insurable revenue amount that can reasonably be expected to be produced on your farm during the insurance year. All commodities produced by the farm are covered under WFRP except timber, forest, and forest products, and animals for sport, show or pets. It is important to understand that WFRP is covering revenue produced during the insurance year. For example: If a calf weighs 800 pounds at the beginning of the year and will be sold at 1200 pounds during the insurance year, the value of production will be the additional 400 pounds gained. Inventory adjustments are used to remove production produced during previous years and to add revenue for production that hasn’t been harvested or sold yet.

Is revenue from milk, replacement animals, calf sales, or planned culling covered?

Yes, these are covered as well as any other commodities that are grown and sold on the farm except timber, forest, and forest products, and animals for sport, show or pets.

I grow crops on my farm to feed to my dairy herd. Will the feed I grow for my dairy cattle be insurable under WFRP?

No, only commodities that will be sold for revenue will be included in the insurance protection offered by WFRP.

What if my operation has been expanding?

There are two ways the WFRP policy looks at growing operations. The first is an indexing procedure that looks to see if the allowable income from either of the last two years is higher than the five (5) year average allowable income. If so, the

historic income is increased based on how much the farm has grown over the five historic years. The second way the WFRP policy looks at farm growth depends on records provided by the insured to show that physical changes have occurred on the farm that support an expanded operation increase of up to 35 percent more than the 5-year average allowable income. For example, if a dairy added 30 cows to the number being milked, this physical change to the dairy would increase expected revenue and would be considered to be expansion. Increases in coverage based on expansion are subject to Approved Insurance Provider (AIP) approval. Only those operations that meet one of these two conditions will be allowed to have adjustments in the guarantee as an expanding operation.

Are there limits to what farms can be insured under WFRP?

Yes, if any of the following limits are exceeded, the farm will not qualify for WFRP:

- The farm’s total coverage (approved revenue multiplied by the selected coverage level) must be $8.5 million or less at the sales closing date;
- The expected revenue from animals and animal products on the farm may be $1 million or less at sales closing date;
- The expected revenue from nursery and greenhouse products on the farm may be $1 million or less at sales closing date;
- The farm must have a commodity count of two (2) or more commodities if the farm has potatoes; or
- Farms that have a commodity that is insurable under Revenue Protection, Revenue Protection with the Harvest Price Exclusion, or the Actual Revenue History plan of insurance must meet the diversification requirements of having at least two (2) commodities on the farm in order to qualify for WFRP insurance.

Is there a limited amount of insurance available for farms with animal based agriculture?

Policies with animals and animal products such as milk are sold on a first come, first served basis and once the available expense monies have been used up, no additional farms with livestock can be insured.