United States Department of Agriculture

Federal Crop Insurance Corporation

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WHOLE-FARM REVENUE PROTECTION PILOT HANDBOOK

2025 and Succeeding Policy Years

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM PRODUCTION AND CONSERVATION
RISK MANAGEMENT AGENCY

TITLE: WHOLE-FARM REVENUE PROTECTION PILOT HANDBOOK	**NUMBER: FCIC-18160** **OPI: Product Management**
EFFECTIVE DATE: 2025 and Succeeding Policy Years	**ISSUE DATE: October 11, 2024**
SUBJECT: **Provides the procedures and instructions for the Whole-Farm Revenue Protection plan of insurance.**	**APPROVED:** ***/s/ John W. Underwood* for** **Deputy Administrator for Product Management**

REASON FOR ISSUANCE

This handbook provides procedures for underwriting and loss adjustment for the WFRP plan of insurance. This handbook replaces FCIC-18160, Whole-Farm Revenue Protection Pilot Handbook, dated October 23, 2023. This handbook is effective for the 2025 and succeeding policy years.

SUMMARY OF CHANGES

Listed below are the changes to the 2025 FCIC-18160 Whole-Farm Revenue Protection Pilot Handbook with significant content change. All changes, and additions are highlighted. Minor changes and corrections are not included in this listing. *** used throughout the handbook indicate where major deletions occurred.

Summary of Changes

Reference	Description of Change
Throughout	Updated to meet the new External Handbooks Standards; including renumbering where applicable, updating references, and several editorial edits.
Throughout	Updated policy year dates to coincide with the new year.
Subparagraph 41(5) & (6)	Updated language utilizing the newly defined term “revenue protection” to clarify what plans of insurance are considered for the purposes of eligibility.
Paragraph 42	Renamed, renumbered, and added language to clarify how native sod acres are to be treated.
Paragraph 47	Added new procedures for Micro Farm insureds that qualify as a BFR/VFR and the use of another person’s records.
Subparagraph 49(9)(i)	Updated the commodities in the Example FOR to match the scenario.
Subparagraph 95(1)(g)	Added new requirements for insureds that clarify when they must submit verifiable records that show actual cost of replanting.
Subparagraph 103A(3)	Revised language to clarify how the expected revenue is to be calculated for a commodity that is not planted due to an insurable COL.
Subparagraph 161B	Added new procedures for Micro Farm insureds that qualify as a BFR/VFR and the use of another person’s records.
Subparagraph 161B(3)(e)	Added language to clarify the number of years that may be included in the expected revenue average.
Exhibit 2	Added new definitions for the new terms “beginning of the insurance period” and “revenue protection.”
Exhibit 3D & E	Removed the terms Options and Elections as they are applicable to the program.
Exhibit 10 Item 14 & 20	Added clarifying procedure to determine the average yield.

WHOLE-FARM REVENUE PROTECTION PILOT HANDBOOK

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PART 1: GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose and Objective

This handbook provides information, procedures, and instructions for administering the WFRP program, including Micro Farm.

WFRP pilot provides protection against loss of revenue that the insured expects to earn or will obtain from commodities produced or purchased for resale during the insurance period.

All terms referenced in this handbook have the same meaning as defined in the WFRP policy or Micro Farm Provisions (if applicable).

B. Source of Authority

The WFRP pilot program is an RMA developed product approved by the FCIC Board of Directors under Section 522(c) of the Act. It is not codified in the CFR.

C. Title VI of the Civil Rights Act of 1964

The USDA prohibits discrimination against its customers. Title VI of the Civil Rights Act of 1964 provides that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Therefore, programs and activities that receive Federal financial assistance must operate in a non-discriminatory manner. Also, a recipient of RMA funding may not retaliate against any person because they opposed an unlawful practice or policy, or made charges, testified, or participated in a complaint under Title VI.

It is the AIPs' responsibility to ensure that standards, procedures, methods, and instructions, as authorized by FCIC in the sale and service of crop insurance policies, are implemented in a manner compliant with Title VI. Information regarding Title VI of the Civil Rights Act of 1964 and the program discrimination complaint process is available on the USDA public website at www.usda.gov/oascr. For more information on the RMA Non-Discrimination Statement see the DSSH.

D. Related Handbooks

The following table provides handbooks related to this handbook.

D. Related Handbooks (Continued)

Handbook	Relation/Purpose
DSSH	This handbook provides the official FCIC-approved form standards for use in the sale and service of any eligible Federal crop insurance policy; required statements and disclosures; and the standards for submission and review of non-reinsured supplemental policies in accordance with the SRA.
CIH	This handbook provides the official FCIC-approved underwriting standards for policies administered by AIPs for the General Administrative Regulations, Common Crop Insurance Policy Basic Provisions, and Area Risk Protection Regulations.
GSH	This handbook provides the official FCIC-approved standards for policies administered by AIPs under the General Administrative Regulations, Common Crop Insurance Policy Regulations Basic Provisions, including the Catastrophic Risk Protection Endorsement; the Area Risk Protection Insurance Regulations Basic Provisions; the Stacked Income Protection Plan of Insurance; the Rainfall Index Plan; and the Whole-Farm Revenue Protection Pilot Policy.

E. Duration of Handbook

The WFRP pilot will continue until cancelled by FCIC or no rate is filed.

F. Procedural Questions

(1) Questions regarding WFRP procedures in this handbook are to be directed:

(a) to the AIP; then, if not resolved,

(b) through appropriate channels within the AIP to the applicable RMA RO; then if not resolved,

(c) through appropriate channels within the AIP to RMA's PASD by e-mail at rma.wfrp@usda.gov.

Note: RMA will not attempt to instruct agents or insureds of the AIP.

(2) If a perceived error is identified, notify RMA by e-mail at rma.wfrp@usda.gov. Clearly identify the error and provide a proposed correction.

2 Responsibilities

A. RMA Responsibilities

RMA will:

(1) establish and maintain the policy, procedure, and instructions for administering the WFRP program; and

A. RMA Responsibilities (Continued)

(2) provide guidance and clarification, as needed, regarding the policy, procedure, and instructions for the WFRP program.

B. AIP Responsibilities

AIPs must:

(1) offer WFRP to all persons;

(2) provide persons insured under the WFRP policy a copy of the WFRP policy and the Micro Farm Provisions (if applicable);

(3) comply with and implement the standards, procedures, instructions, and requirements in the WFRP policy and the Micro Farm Provisions (if applicable), this handbook, and other documents issued by RMA;

(4) report any program issues or concerns regarding the WFRP to RMA, Director of PASD;

(5) instruct the insured of their responsibilities in accordance with the WFRP policy, Micro Farm Provisions (if applicable), and Subparagraph 2D;

(6) prior to acceptance, ensure the application is accurate and complete;

(7) ensure all documentation, determinations, and calculations are completed as provided in the WFRP policy, Micro Farm Provisions (if applicable), and this handbook;

(8) notify insured of changes following the AIP underwriting reviews;

(9) update revenue databases for carryover insureds;

(10) for policies being transferred, an assuming AIP must:

(a) verify the revenue history;

(b) notify the insured their premium and loss experience will be transferred;

(c) notify the insured their revenue history will be verified and transferred;

(d) notify the insured of policy termination if they are indebted to the ceding AIP; and

(e) notify the ceding AIP when it has accepted the transferred policy.

(11) if necessary, make farm visits to determine beginning and ending inventories, such as bin or storage facility measurements, and pre-acceptance inspections;

(12) ensure all forms and reports required under the WFRP policy or the Micro Farm Provisions (if applicable) are properly signed and dated by the insured;

B. AIP Responsibilities (Continued)

(13) complete all quality control reviews and audits according to the SRA, Appendix IV; and

(14) flag the policy for review when yields or expected values on the FOR are questionable.

C. Agent Responsibilities

Agents must:

(1) understand the qualification requirements for the program and explain all program participation requirements and deadlines to applicants and insureds;

(2) be able to explain the WFRP program to applicants and insureds;

(3) determine the correct allowable revenue for each year in the whole-farm history period using associated tax returns, applicable worksheets, and supporting documentation;

(4) review all reports for completeness and accuracy, and insure all applicable signatures and dates are provided;

(5) obtain all records and documentation required for program participation;

(6) provide all applicable forms and records to the AIP; and

(7) refer requests to the AIP for farm visits to determine beginning and ending inventories, such as bin or storage facility measurements, and pre-acceptance inspections.

D. Insured's Responsibilities

The AIP must advise the insureds to:

(1) Provide complete farm tax records for each year in the five year whole-farm history period unless fewer years are required. Refer to Subparagraph 21(1)(c)(vi) and (vii).

(2) Show additional tax records if necessary so the AIP can verify that farm taxes were filed. For example, if the farm operation includes a disregarded entity under IRS rules, the AIP may request other tax records to verify the entity information under which the entity's taxes were filed.

(3) Provide the necessary information to complete their IFOR for the insurance period. Information from other federal crop insurance plans of insurance the insured has may also be required by the AIP to use in underwriting the WFRP policy. This may include actual production histories and acreages.

(4) Provide any applicable organic documentation requested by the AIP. Refer to Paragraph 141.

2 Responsibilities (Continued)

D. Insured's Responsibilities (Continued)

(5) Provide information about any changes to the farm operation to the AIP during the year. Refer to Subparagraph 48(6).

(6) Provide the necessary information to complete their RFOR for the insurance period.

(7) Provide all necessary notices in a timely manner to the AIP.

(8) Complete the final production report on the FFOR by the earlier of the time a claim is submitted or the SCD of the subsequent policy year.

(9) Comply with all the terms and conditions of the WFRP policy and the Micro Farm Provisions (if applicable).

(10) Provide completed Schedule F or Substitute Schedule F form along with the original farm tax forms and verifiable and/or direct marketing sales records for consideration by the AIP for insurance, if an insured has short tax years in the farm history and wants to insure under WFRP.

(11) Provide any records or information requested by the AIP for underwriting or loss adjustment of the policy.

(12) Provide information to the AIP regarding insurance obtained from any other AIP or from any FSA office (e.g., NAP) on commodities covered by WFRP. The information provided must include the date such insurance was obtained.

Note: If the insured fails to timely submit any required information, or the AIP is unable to verify the information that was submitted, the AIP will deny any indemnity, or replant payment and the insured will still be required to pay the premium due.

3 Access to Commodities and Records

A. Record Retention

(1) Insureds are required to retain complete verifiable records and direct marketing sales records for three years after the later of the:

(a) end of the insurance period; or

(b) date of final payment of the indemnity.

Note: The record retention period applies to the records for the insurance period and all years in the whole-farm history period for the insurance period.

A. Record Retention (Continued)

Example 1: The whole-farm history period for a calendar or early fiscal year filer for the 2025 policy year is 2019, 2020, 2021, 2022, and 2023 (2024 is a lag year and is not included in the 2025 whole-farm history period). Verifiable records for 2019 through 2023, all years in the whole-farm history period, and for 2025 must be maintained for three years after the insurance period for 2025 ends or the date of final payment of indemnity for the 2025 policy year, whichever is later.

Example 2: The whole-farm history period for a late fiscal year filer for the 2025 policy year are tax years 2018, 2019, 2020, 2021, and 2022 (tax year 2023 is a lag year and is not included in the 2025 whole-farm history period). Verifiable records for 2018 through 2022, all years in the whole-farm history period, and for 2025 (tax year 2024) must be maintained for three years after the insurance period for policy year 2025 ends or the date of final payment of indemnity for the 2025 policy year, whichever is later.

Example 3: The whole-farm history period for an insured that elects Micro Farm and is a calendar or early fiscal year filer for the 2025 policy year with three years of tax records is 2022, 2023, and 2024. Verifiable records for 2022 through 2024, all years in the whole-farm history period, and for 2025 must be maintained for three years after the insurance period for 2025 ends or the date of the final payment of indemnity, whichever is later.

Example 4: The whole-farm history period for an insured that elects Micro Farm and is a late fiscal year filer for the 2025 policy year with three years of tax records is 2021, 2022, and 2023. Verifiable records for 2021 through 2023, all years in the whole-farm history period, and for 2025 (tax year 2024) must be maintained for three years after the insurance period for policy year 2025 ends or the date of final payment of indemnity for the 2025 policy year, whichever is later.

(2) The AIP or any employee of USDA, or any person acting for the AIP or USDA authorized to investigate or review any matter relating to FCIC reinsured policies may extend the record retention period beyond three years by notifying the insured of such extension in writing.

B. Accessing Records and Commodities

Within the record retention period, insureds must, upon request, provide complete verifiable records and/or direct marketing sales records to the AIP, any employee of USDA, or any person acting for the AIP or USDA authorized to investigate or review any matter relating to FCIC reinsured policies. Insureds must also, upon request, obtain records from any person who may have custody of such records, including but not limited to, FSA offices, banks, warehouses, gins, cooperatives, marketing associations, landlords, and accountants.

Records that may be accessed include, but are not limited to, records pertaining to the:

B. Accessing Records and Commodities (Continued)

(1) planting, replanting, inputs, production, harvest, storage, sale, shipment, and disposition of the insured commodities;

(2) insurable, insured, and uninsured acres;

(3) facilities;

(4) allowable revenue stated on farm tax forms and supporting documents;

(5) value of any post-production operations for insured commodities (if applicable);

(6) documentation supporting beginning and ending inventories, and accounts receivable;

(7) ownership, share, lease, contract agreement, or other agreements that are applicable to the insured commodities;

(8) expenses stated on the farm tax forms, including all forms and records supporting these figures; and

(9) mediation, arbitration, and litigation records related to the insured and insured commodities.

The AIP or any employee of USDA, or any person acting for the AIP or USDA, authorized to investigate or review any matter relating to FCIC reinsured policies may examine the insured commodities at any location where such commodities may be found or maintained. Such commodities may be examined as often as reasonably necessary during the record retention period.

C. Failure to Provide Records or Access

Failure to provide access to the insured commodities on the farm, maintain or provide any required records, authorize access to the records maintained by third parties, or assist in obtaining all such records will result in a determination that no indemnity is due for the policy year for which the failure occurred.

4 Document Origination

If original insurance documents are required by RMA but are unavailable, a photocopy, fax copy, carbon copy or electronic form with electronic authorized signature of an original insurance document may be used if certified by the AIP. The copy must be marked or stamped “Certified True Copy,” signed, and dated by the AIP’s authorized representative.

A certified true copy must be accompanied by a memorandum explaining why a copy is being submitted instead of the original document.

5 Duplicate WFRP Policies

Duplicate WFRP policies are not allowed. AIPs must use the PHTS to determine if more than one WFRP policy is in force for the same person. If more than one WFRP policy is in force for the same person, the policy with the earliest date of application will remain in force and all other WFRP policies will be canceled. The insured may be subject to the fraud provisions of the WFRP policy if the AIP determines duplicate WFRP policies exists and this was intentional.

RMA will edit to ensure that duplicate WFRP policies are not in force.

6 Tax Years

A person must calculate and report taxable revenue to the IRS on a tax year basis. The calendar year is the most common tax year used but some persons use a fiscal year as their tax year. IRS also allows a 52-53-week tax year, which is a fiscal year tax year that varies from 52-53 weeks and may not end on the last day of a month. For WFRP purposes a 52-53-week tax year is considered a 12-month fiscal year.

A person will not be considered a qualifying person for the policy year if the tax year corresponding to the insurance period will be a short tax year. If a person has any short tax years in their whole-farm history period or if their lag year is a short tax year, refer to Subparagraph 21(2)(a).

The person's tax year, calendar or fiscal, is used for WFRP accounting purposes. The WFRP policy year is designated by the calendar year that begins after the CCD (for late fiscal year filers, the policy year will differ from the tax year insured under this policy).

For accounting purposes, the terms beginning and ending inventories, and beginning and ending accounts receivable, are synonymous with the beginning and ending dates for the IRS tax year.

7 Accounting Methods

(1) Persons using the cash accounting method generally report revenue in the tax year it is received and deduct expenses in the tax year they are paid, even if it is not the same year when they were incurred. Refer to Exhibit 2 for the definition of cash accounting method.

(2) Persons using the accrual accounting method generally report revenue in the tax year it is earned, whether it has been received yet or not, and deduct expenses in the tax year incurred, regardless of whether the expenses are paid yet. Accrual accounting allows the person to match revenue to the year in which revenue was earned.

Under the WFRP policy, including the Micro Farm Provisions, coverage is for a loss of revenue that insureds expect to earn or will obtain from commodities they produce or purchase for resale during the insurance period. The accrual accounting method, using the Inventory Report(s) and Accounts Receivable Report (if applicable), is used to determine what has been produced during the insurance period only. For the purposes of the whole-farm history period, allowable revenue, and post-production expenses (if applicable) will not be adjusted using the accrual accounting method.

Example: A commodity has matured to the extent it is regarded as saleable at established markets and the revenue from the commodity can be determined with reasonable accuracy. The revenue for the commodity is included in the tax year the commodity reached this level of maturity, regardless of whether revenue from the commodity was received in that tax year or the next tax year.

8-20 (Reserved)

PART 2: WFRP POLICY INFORMATION

21 Eligibility

(1) To be considered eligible for a WFRP policy, the insured must:

(a) meet the qualifying person criteria provided in the WFRP policy;

(b) be eligible for crop insurance under 7 CFR part 400, subpart U;

(c) have filed a United States Federal income tax return, including farm tax forms, for each of the 5 years in their whole-farm history period for the same tax entity and farm operation as the insured person for the policy year unless one of the following applies:

(i) the tax entity (taxpayer identification number) changed;

(ii) the insured stopped farming as an individual and now farms as a tax entity other than an individual;

(iii) the insured formed a successor farming operation that is a different tax entity but is basically the same operation;

(iv) the insured purchased, inherited, or leased another person's farm operation and the use of the other person's records is approved in accordance with section 16(g) of the policy;

(v) the insured is a qualifying person that is not required to file a United States Federal income tax return (e.g., a tribal entity):

(A) To be eligible for insurance under this policy the insured must have filed reports with a disinterested third-party entity supported by verifiable records that the AIP agrees are sufficient to develop a Substitute Schedule F for each year in the whole-farm history period; and

(B) The reports used to develop the Substitute Schedule F will be considered the farm tax forms under this policy;

(vi) the insured did not file farm tax forms or report farm revenue for a tax year due to circumstances beyond their control (e.g., illness that prevented the insured from farming for the year):

(A) The insured must provide documentation acceptable to the AIP explaining the circumstance for the missing year;

(B) The insured may only have one year in their whole-farm history period in which they did not file farm tax forms;

(C) The insured must have filed farm tax forms in the first year of their whole-farm history period, unless they are a carryover insured; and

(D) The insured must have earned farm revenue during their lag year; or

(vii) the insured qualifies as a BFR or VFR or would have qualified as a BFR or VFR in the previous policy year, and they have fewer than five years of farm tax forms in their whole farm history period:

(A) The insured, if qualified as a:

1 BFR or VFR, must have at least three consecutive years of farm tax records in their whole-farm history period;

2 BFR or VFR in the previous policy year, must have at least four consecutive years of farm tax forms in their whole-farm history period; and

(B) The insured must have earned farm revenue during their lag year.

Example 1: A producer qualifies as a BFR in the 2025 policy year. To be eligible for a 2025 WFRP policy, the producer must have farm tax records for 2021, 2022, and 2023. The producer must have also earned farm revenue in 2024.

Example 2: A producer would have qualified as a VFR in the 2024 policy year. To be eligible for a 2025 WFRP policy, the producer must have farm tax records for 2020, 2021, 2022, and 2023. The producer must have also earned farm revenue in 2024.

(d) have a Schedule F, or Substitute Schedule F that covers 100 percent of their farm operation. A tax entity which reports a fractional share of farming activity conducted by a partnership, corporation or any other "joint venture" does not qualify for WFRP coverage. However, a tax entity may still qualify for WFRP coverage on a fractional share of a commodity in which they have an insurable interest.

(2) The following persons will not be eligible for WFRP.

(a) Persons whose tax year corresponding to the insurance period will be a short tax year;

If the applicant has a short-tax year(s) in their whole-farm history or their lag year is a short-tax year, they are not ineligible for coverage. Refer to Subparagraph 46(1).

(b) Individuals less than 18 years of age where legal majority has not been conferred by a court:

Exception: Individuals less than 18 years of age where legal majority has not been conferred by a court may be eligible for WFRP insurance if:

(i) the individual provides evidence an insurable share exists;

(ii) a written statement describing the farm operation and insurable share is provided;

(iii) a court-appointed guardian or parent co-signs the application; and

(iv) the court-appointed guardian or parent guarantees payment of the annual premium.

When a minor reaches 18 years of age, or is conferred legal majority by a court, and is competent to enter a legally binding contract, their existing WFRP policy is dissolved and a new application is required.

(3) A farm operation is ineligible for WFRP insurance, and no coverage will be provided when:

(a) at SCD the insured revenue for the policy year is greater than $17 million based on the IFOR;

(b) the commodity count as determined using the IFOR is equal to one during the insurance period; and

(i) Potatoes are the only commodity with expected revenue that equals or exceeds the qualifying revenue threshold; or

(ii) Revenue protection is available for the commodity with expected revenue equal to or greater than the qualifying revenue threshold through another FCIC reinsured policy. Refer to Paragraph 41.

(c) the farm operation includes any production of or revenue from controlled substances (refer to Paragraph 126 for controlled substance and Paragraph 149 regarding Industrial Hemp).

Note: RMA is precluded from offering insurance for controlled substances under WFRP by the provision's statute and regulations, including the Food Security Act of 1985. Commercial production of any controlled substances will cause the producer's farm operation to be ineligible for WFRP.

(4) Entities that are considered to be pass-through entities by the IRS may only insure the allowable revenue from commodities if the entity is the originating entity that produced the commodity. Owners of a pass-through entity that are not the originating entity may not insure pass-through revenue or loss under WFRP. Pass-through revenue can only be insured by the originating entity because the originating entity reports the revenue and expenses to IRS and maintains the supporting documents required to participate in WFRP.

21 Eligibility (Continued)

(5) In addition to Subparagraphs 21(1), (2), (3)(d), and (4), to be considered eligible for the Micro Farm Provisions, the insured must:

(a) have at least three years of consecutive tax records immediately preceding the policy year, including the lag year;

If the insured has not filed farm tax forms with the IRS for the lag year, they must provide a completed Substitute Schedule F Worksheet and Allowable Revenue Worksheet reflecting the revenue earned by their farm operation during that tax year.

(b) at SCD, have an approved revenue of $350,000 or less for their first year of coverage or $400,000 or less if they are a carryover insured.

22 Pre-Acceptance Inspections

A PAW (refer to the CIH for procedures and the DSSH for form standards) is required each year before the beginning of the insurance period for all commodities identified as a perennial on the AD or for any perennial commodity grown on a farm operation covered under the Micro Farm Provisions. For carryover insureds, pre-acceptance inspections are required if the policy was transferred and documentation required by Subparagraph 23(8) was not provided by the ceding AIP.

A PAIR is required when the insured answers "YES" to the PAW question, "Has Damage (e.g., Disease, Hail, Freeze) Occurred to Trees/Vines/Bushes/Bog that Will Reduce the Insured Crop's Production from Previous Crop Years?" If it is determined that a tree disease is present prior to insurance attaching, any loss of revenue due to such disease will be considered an uninsured cause of loss. The AIP may submit an RO determined yield request to obtain an accurate yield for the IFOR.

For the first year of insurance, a pre-acceptance inspection and applicable inspection report (i.e., PAIR) for the commodity (refer to CIH for procedures) must be completed before accepting an application if any insured commodity is damaged prior to the application being submitted. The expected revenue on the IFOR must be reduced to reflect the reduced revenue caused by the damage occurring before acceptance of the application.

If perennial commodities with production cycles exceeding 12 months are damaged, the expected revenue may be reduced for two or more WFRP or Micro Farm policy years and may require additional underwriting to avoid paying uninsured losses that occurred prior to the date that coverage initially began.

23 Application

(1) An application is required. Before accepting the application, AIPs must ensure the application:

(a) is for a qualifying person;

(b) contains all required information according to the WFRP policy and the Micro Farm Provisions (if applicable);

(c) the county listed should be the county where most of the total expected revenue is expected to be earned;

(i) If no county is expected to provide most of the total expected revenue, the county listed should be the county with the highest amount of expected revenue.

(ii) Regardless of the county listed, the county with the highest expected revenue at the time the RFOR is submitted will be used for rating purpose.

(iii) Document the county change on the RFOR. Refer to Exhibit 8.

Exception: When no county, within the 50 states (including Washington, D.C.), exists in the AD for which the farm operation earns revenue (i.e., Washington D.C.), the county listed on the application should be the county nearest to the location of the farm operation.

(d) is for the same person as the person that filed Federal income tax returns with the IRS for the tax year; and

(e) is signed by the person to be insured or an authorized representative of that person.

The application must be rejected if all requirements in the policy for acceptance are not met. If an application is rejected, the original application and a letter explaining why the application was rejected must be sent to the applicant.

(2) The insurance period may begin prior to the SCD and damage to commodities may occur prior to insurance attaching. If damage has occurred, an inspection must be performed prior to acceptance of the application. Refer to Paragraph 22 for information about pre-acceptance inspections.

(3) Completed and signed applications for WFRP must be submitted on or before the SCD for the producer's tax filer type. If the SCD falls on a Saturday, Sunday, or Federal holiday, the SCD is extended to the next business day.

Example for Calendar Year Filer: A producer's tax year is January 1, 2025, - December 31, 2025. The producer's application and all applicable forms must be submitted on or prior to the SCD that falls in 2025.

Example for an Early Fiscal Year Filer: A producer's tax year is August 1, 2025, - July 31, 2026. The producer's application and all applicable forms must be submitted on or prior to the SCD that falls in 2025.

Example for a Late Fiscal Year Filer: A producer's tax year is September 1, 2024, - August 31, 2025. The producer's application and all applicable forms must be submitted on or prior to November 20, 2024, SCD for the 2025 policy year.

(4) The insured must provide information to the AIP regarding insurance obtained from any other AIP or from any FSA office (e.g., NAP) on commodities covered by WFRP. The information provided must include the date such insurance was obtained.

(5) To transfer a policy from one AIP to another, the insured must request a transfer in writing on or before the cancellation date. The insured must complete and submit a Policy Transfer/Application to the assuming AIP, or the assuming AIP must complete and sign, and have the insured sign, a Request to Transfer a Policy including the ceding AIP's policy number for the policy being transferred.

(6) If a Policy Transfer/Application is not used, an application must be completed and signed by the insured and the assuming AIP indicating the crop was insured in the previous policy year. The assuming AIP must, within 45 days after the applicable cancellation date, notify the ceding AIP when the transfer has been accepted and a new policy has been issued.

(7) An insured may transfer a policy only once per insurance period between the AIPs. A transfer within an AIP from one policy issuing company to another is not considered a transfer for this purpose.

(8) The assuming AIP should notify the insured the policy will be terminated if the insured is indebted to the ceding AIP.

(9) All of the following must be transferred when a policy is transferred to a different AIP or agent.

(a) Revenue history (if applicable), including copies of farm tax forms.

(b) Copy of the current year's FOR.

(c) Copy of the PAW, if applicable.

(e) Copy of the most recent year's PAIR, if applicable.

(10) AIPs are required to transmit premium, loss, and revenue data to RMA. RMA maintains this data in its databases.

(11) For the initial policy year, the AIP will notify the insured if the whole-farm historic average revenue determined to be correct is less than 95 percent of the whole-farm historic average revenue stated on the WFHR submitted by the insured. If the AIP provides the insured such notice:

(a) the insured may submit a written request for reconsideration;

(b) such requests must be made not later than 30 days after the date the AIP provided such notice; and

(c) if the insured does not request reconsideration, the AIP will revise the insured's WFHR to reflect the amount of allowable revenue the AIP determines to be correct for each year in the insured's whole-farm history period.

(12) The WFRP policy may not be cancelled during the first year. The insured or the AIP may cancel a WFRP policy for any policy year following the first year by giving a signed notice to the other party on or before the cancellation date. A request made by the insured to cancel the policy after the cancellation date will be effective the following policy year.

(13) Notwithstanding Subparagraph 23(12) above, if the insured is a carryover insured, the AIP will cancel their policy, effective as of the cancellation date, if the AIP does not receive the insured's completed WFHR and IFOR as required under section 15 of the WFRP policy on or before the SCD or the insured elects coverage under the Micro Farm Provisions for the current policy year.

(14) When an insured changes person type, such as changing from an individual to a corporation, a new application must be submitted by the new person on or before the SCD. Coverage will continue until the end of the policy year when a change in person type occurs after insurance has attached for the year. However, the policy will be automatically cancelled as of the cancellation date, and a new application and associated documents must be submitted by the applicable SCD to continue coverage under WFRP.

The insured must be the same person as the person designated on the United States Income Tax form for the year of insurance and all the years in the whole-farm history period.

24 Vertically Integrated and Related Tax Entity

If the insured's farm operation is vertically integrated, or the insured owns or has interest in related tax entities, the insured must clearly identify and explain the relationship between the entities at the time the application is filed. The AIP must:

(1) Assure that expected values used in the underwriting for these operations are similar to operations that are not vertically integrated.

(2) Assure that post-production expense amounts that are adjusted out of revenue to calculate approved revenue amounts are similar to expenses that other parties in the area would incur.

Refer to the CIH for acceptable record requirements. The Market Certification is not applicable to WFRP and Micro Farm.

25-40 (Reserved)

PART 3: COVERAGE AND REPORTS

Section 1 Coverage Information and Required Reports

41 Basic Information and Commodity Count

(1) Only the insured's allowable revenue is insurable. Insurance does not extend to any person, including any person having a share in the revenue from commodities produced or purchased for resale during the insurance period.

(2) The commodity count is based on the number of commodities on the farm operation, or intended commodities the insured plans to have on their farm operation, with expected revenue equal to or greater than their qualifying revenue threshold and is used to determine:

(a) the diversification discount the insured will receive;

(b) eligibility for WFRP coverage if the insured raises potatoes or has commodities with other available revenue coverage; and

(c) the insured's subsidy amount.

(3) The qualifying revenue threshold is calculated as follows:

(a) Determine the number of commodities on the farm or intended commodities the insured plans to produce on their farm operation. Each separate commodity code (excluding the combined direct marketing commodity code) on the FOR is counted once to determine the number of commodities, regardless of the number of times the commodity code is used;

Example: If two lines are present for cattle with significantly different prices, such as for heifers and steers, and the commodity codes are the same, the expected revenues from these two lines are added together and treated as one commodity.

(b) divide 1.0 by the result of (a) and round the result to three decimals;

(c) multiply the result of (b) by 0.333 and round the result to three decimals; and

(d) multiply the result of (c) by the Total Expected Revenue on the FOR (excluding the combined direct marketing commodity code) and round the result to whole dollars to determine the qualifying revenue threshold.

(4) The commodity count is calculated as follows:

(a) sum the expected revenue for each individual commodity code;

(b) determine the number of the commodities or intended commodities in (a) that have expected revenue equal to or greater than the qualifying revenue threshold. If one of these commodities is combined direct marketing, count combined direct marketing as two commodities for the purpose of this determination;

(c) sum the expected revenue amounts from the result of (b) and subtract the result from the Total Expected Revenue;

(d) divide the result of (c) by the qualifying revenue threshold to determine the number of additional commodities to count (use whole numbers and do not round); and

(e) add the result of (b) to the result of (d) to determine the commodity count.

Example 1: At SCD, the applicant reported six (6) commodities on the IFOR (corn, mums, geraniums, pigs, carrots, cucumbers, and squash) that will be produced with a Total Expected Revenue of $170,250. Mums and geraniums have the same commodity code so the expected revenue for each is added together and count as one commodity.

Calculation: [{(1.0 ÷ 6 commodities) × 0.333 = .056} × $170,250 = $9,534]
Round to 3 decimals after each calculation.

The expected revenue for each commodity is:
$93,750 for corn;
$9,500 ($9,000 + $500) for mums and geraniums;
$50,000 for pigs;
$9,000 for carrots;
$6,000 for cucumbers; and
$2,000 for squash.

Only two commodities (corn and pigs) individually have expected revenue equal to or greater than the qualifying revenue threshold ($9,534). However, the applicant can combine the expected revenue of any of the other commodities (nursery (mums and geraniums)), carrots, cucumbers, and squash) to meet the qualifying revenue threshold. The combined revenue for the nursery ($9,500), carrots ($9,000), cucumbers ($6,000), and squash ($2,000) is $26,500. $26,500 ÷ $9,534 = 2.8 (no rounding) resulting in an additional 2 counted commodities bringing the commodity count to 4.

Example 2: At SCD, the applicant reported three (3) commodities on the IFOR (corn, pigs, and combined direct marketing commodities) that will be produced with a Total Expected Revenue of $160,750. The combined direct marketing commodity code revenue ($17,000) is excluded from the qualifying revenue threshold calculation.

Calculation: [{(1.0 ÷ 2 commodities) × 0.333 = .167} × $143,750 = $24,006]
Round to 3 decimals after each calculation.

The expected revenue for each commodity is:
$93,750 for corn;
$50,000 for pigs; and
$17,000 for combined direct marketing commodities;

Only two (2) commodities (corn and pigs) individually have expected revenue equal to or greater than the qualifying revenue threshold ($24,006). However, the insured has reported the combined direct marketing commodity code that counts as two (commodities). Therefore, the insured's commodity count is equal to four (4).

(5) A farm operation producing multiple commodities with **DIFFERENT** commodity codes is ineligible for WFRP if:

(a) The farm operation qualifies for only ONE commodity using the commodity count calculation in the WFRP policy; and

(b) The commodity listed on the FOR with the highest expected revenue has revenue protection available for the county listed on the WFRP application.

Note: In cases when revenue protection is available, but the commodity type will always have a harvest price equal to the projected price where only yield losses are covered, such as, but not limited to, specific dry bean or pea types and corn silage, revenue protection will not be considered available for WFRP purposes, and the farm operation may be eligible for WFRP insurance.

(6) A farm operation producing a commodity that is listed on the FOR using multiple lines with the same commodity code is ineligible for WFRP if:

(a) the farm operation qualifies for only one commodity using the commodity count calculation in the WFRP policy; and

(b) the commodity listed on the FOR with highest expected revenue (within the common commodity code) has revenue protection available for the county listed on the WFRP application.

Note: In cases when revenue protection is available, but the commodity type will always have a harvest price equal to the projected price where only yield losses are available, such as, but not limited to, specific dry bean or pea types and corn silage, revenue protection will not be considered available for WFRP purposes, and the farm operation may be eligible for WFRP insurance.

Example 1: A farm operation in Carter County, Montana, produces wheat (00100) with expected revenue of $100,000, alfalfa (003301) with expected revenue of $10,000, and hay (003308) with expected revenue of $2,000. The farm operation qualifies for only one commodity based on the commodity count calculation. Revenue protection is available in Carter County, Montana, for wheat (the commodity listed on the FOR with the highest expected revenue); therefore, this farm operation is ineligible for a WFRP policy.

Example 2: A farm operation in St. Clair County, Michigan, produces two types of dry beans (004700); black beans with expected revenue of $100,000, and small red beans with expected revenue of $10,000; and hay (003308) with expected revenue of $2,000. The farm operation qualifies for only one commodity based on the commodity count calculation. Revenue protection is available in this county for black beans (the commodity listed on the FOR with the highest expected revenue), so this farm operation is ineligible for a WFRP policy.

Example 3: A farm operation in St. Clair County, Michigan, produces three types of dry beans (004700); great northern beans with expected revenue of $100,000, small red beans with expected revenue of $10,000, and black beans with expected revenue of $2,000. The farm operation qualifies for only one commodity based on the commodity count calculation. Great northern beans are the largest revenue producing commodity on this farm and while revenue protection is available in this county for most dry bean types, revenue protection is not available in this county for great northern beans (Refer to note above in 41(B)(4)(b)), so the farm is eligible for a WFRP policy.

Note: There are several type codes for dry beans and dry peas under the Dry Bean Revenue and Dry Pea Revenue insurance plans; however, the commodity code for most dry beans under WFRP is 004700 and for some dry peas under WFRP is 006700. Dry beans and dry peas are examples of commodities that the type with the highest expected revenue within the multiple types listed on the FOR will be used for determination of WFRP eligibility.

Example 4: A farm operation in Pottawatomie County, Kansas, has expected revenue of $100,000 from soybeans (008100) for the upcoming year and has a commodity count of one. Because revenue protection is available for soybeans in this county, the farm is ineligible for WFRP.

(7) If the AIP verifies a commodity reported on an insured's IFOR was not established or was destroyed due to an insured COL and replaced with another commodity, the insured's commodity count will not be less than the commodity count calculated using the IFOR. A timely NOL must be submitted to allow the AIP the opportunity to verify there was an insured COL.

Example: An insured submits an IFOR with three intended commodities and expected values, corn ($25,000), soybeans ($50,000), and wheat ($25,000). Due to an insured COL, the insured was unable to plant corn, but was able to plant additional soybeans as a replacement commodity at a later date. Due to the required adjustment on the RFOR (see Paragraph 49), there are now two commodities and values submitted, soybeans ($75,000) and wheat ($25,000). The commodity count will remain at three due to an insured COL reducing it at the time the RFOR is submitted.

(8) For Micro Farm, Subparagraphs 41(3) through (7) are not applicable. Refer to Paragraph 161.

(9) Refer to the WFRP policy for administrative fee amount and payment date. The procedures in the CIH regarding administrative fee waivers and third-party prohibitions apply.

42 Coverage

A. Coverage Levels

Coverage levels offered under WFRP are provided on the AD. Insureds:

(1) may elect any amount of coverage;

(2) will have only one coverage level per policy;

(3) may change the coverage level, if requested in writing on or before the SCD.

Exception: Insureds cannot increase their coverage level if any cause of loss that would reduce the allowable revenue for the policy year is evident prior to the request to change coverage levels.

B. Native Sod

The following is applicable for native sod acreage in the states of Iowa, Minnesota, Montana, Nebraska, North Dakota, or South Dakota during the first four policy years of planting on native sod acreage that has been tilled beginning on February 8, 2014, and ending on December 20, 2018, and for four cumulative policy years of insurance within the first ten years after initial tillage on native sod acreage tilled after December 20, 2018:

B. Native Sod (Continued)

(1) The acreage must be listed on a separate line on the FOR;

(2) The premium subsidy will be reduced by 50 percentage points. If the premium subsidy applicable to that portion of the insured revenue is less than 50 percent before reduction, there will be no premium subsidy; and

(3) the insured revenue will be limited to 65 percent of the approved revenue.

43 Replant Payments

(1) A replant payment may be allowed if specified in the AD. Refer to Paragraph 95.

(2) For Micro Farm, replant payments are not allowed.

44 Allowable Revenue and Allowable Revenue Worksheet

(1) On or before the SCD, an Allowable Revenue Worksheet must be completed for each year in the whole-farm history period and the lag year for qualifying persons with less than five years in their whole-farm history period. Refer to Exhibits 3 and 14 for required elements with descriptions and examples of the Allowable Revenue Worksheet.

(2) Allowable revenue for WFRP purposes is limited to the revenue from:

(a) the sales of animals, and other commodities you purchased for resale, less the cost or other basis of such animals or other commodities (line 1c of Schedule F) (include revenue from CCC loans forfeited);

(b) the sales of animals, produce, grains and other commodities you raised. (Line 2 of Schedule F.);

(c) the taxable amount of total cooperative distributions (line 3b of Schedule F) (Include only those directly related to the sale of insured commodities and supported by verifiable records, (e.g., distributions for corn, not fertilizer); and

For claim purposes, only include cooperative distributions related to the sale of commodities produced in the insurance period.

(d) other revenue reported on line 8 of Schedule F. Exclude Federal and State gasoline or fuel tax credits or refunds if included on this line. Include all revenue directly related to the production of commodities and supported by verifiable records that the IRS requires you to report, including, but not limited to:

(i) Revenue from bartering. (This amount will be determined in accordance with IRS rules.); and

(ii) Payments from buyers of commodities for bypassed acreage (these are payments made to the insured in accordance with a marketing contract between the insured and a buyer for not harvesting the insured's crop).

(e) For Micro Farm, post-production operations and value added may be included. Refer to Paragraph 161.

(3) Completion of the Allowable Revenue Worksheet is required to show which commodities are allowed from the farm tax forms and what adjustments are necessary.

(4) The AIP must not accept any revenue amount or an adjustment to the revenue amount if the amount reported for WFRP purposes cannot be verified using verifiable records or direct marketing sales records.

(5) The following are commonly used IRS tax forms used to report farm revenue and expenses. If forms other than the Schedule F are used, a Substitute Schedule F must be completed. The Substitute Schedule F must result in the same revenue as the alternative tax form used and records must be available to support the Substitute Schedule F to the AIP's satisfaction.

(a) Schedule F (Form 1040), Profit or Loss from Farming. (Refer to Exhibit 12 for a completed example.)

(b) Schedule J (Form 1040), Income Averaging for Farmers and Fisherman.

(c) Schedule D (Form 1040), Capital Gains and Losses.

(d) Form 4835, Farm Rental Income and Expenses.

(e) Form 1065, U.S. Return of Partnership Income.

(f) Form 1120, U.S. Corporation Income Tax Return.

(g) Form 1120-S, U.S. Tax Return for an S Corporation.

(h) Form 1120-C. U.S. Income Tax Return for Cooperative Associations.

(i) Form 4797, Sales of Business Property.

(6) There are specific types of revenue that are reported on farm tax forms but are not considered insurable revenue. These are listed in section 10 of the policy. These items also are directly listed on the Schedule F tax form from the IRS. While such revenue is excluded from allowable revenue and expected revenue, it may be included in RTC for claim purposes. Refer to Paragraph 101 for information regarding adjustments to revenue for claims purposes.

(7) All of the following must be excluded from the allowable revenue in each year of the whole-farm history period, expected revenue for the insurance period, and RTC for claims:

(a) revenue from any post-production operations;

Exception: For Micro Farm, if revenue generated from post-production operations is used when determining the whole-farm historical average and the expected revenue, it must be included as RTC.

(b) revenue from value added to commodities, such as gift baskets and wine;

Exception: For Micro Farm, if revenue generated from value-added to commodities is used when determining the whole-farm historical average and the expected revenue, it must be included as RTC.

(c) revenue from commodities in which the insured does not have an insurable interest;

(d) revenue earned from custom hire or rental activities;

(e) cooperative distributions that are not directly related to the sale of an insured commodity (at claim time, use only those that are applicable to the policy year);

(f) revenue earned as an animal contract grower;

(g) revenue from wages, salaries, tips, cash rent, rental of equipment or livestock, or supplies;

(h) revenue from government agricultural programs, disaster payments, and replant payments;

(i) revenue from uninsurable commodities, such as, animals for show or sport, timber, forest, forest products, controlled substances, and those commodities not grown in the United States;

(j) CCC loans repaid (except those repaid by a third-party buyer); and

(k) revenue from sources other than insurable commodities, such as bottled water or souvenir sales.

(8) All of the following must also be excluded from the allowable revenue in each year of the whole-farm history period and expected revenue for the insurance period. However, all the following are included in RTC for claims:

(a) net gain from commodity hedging or speculation;

(b) value assigned for uninsured cause of loss or abandoned acreage;

(c) accrual adjustments for beginning and ending accounts receivables and inventories;

(d) crop insurance indemnities from FCIC reinsured policies and prevented planting payments from other FCIC policies; and

Example: Insured A has apples insured under WFRP and under a FCIC yield based apple policy. Any indemnity under the yield-based apple policy is not included in the allowable revenue however, it is included in RTC for WFRP.

(e) any payments received from NAP, FCIC reinsured policies at a CAT coverage level, or other insurance indemnities from policies not authorized under the Act, and if elected to exclude from primary insurance or insured under Micro Farm, indemnities from FCIC reinsured policies:

(i) must be excluded from allowable revenue in each year of the whole-farm history period, however;

(ii) the portion of payments and indemnities that exceeds the insured's deductible, as determined in Paragraph 123, will be included as RTC for claims in the current policy year.

45 (Reserved)

46 Whole-Farm History Report

(1) Insureds must provide a completed WFHR on or before the SCD for the policy year.

If the applicant has a short-tax year in their whole-farm history or their lag year is a short tax year, they must resubmit their whole-farm history based on the calendar or fiscal year used for the policy year within the history and the AIP may, at their discretion, and based on the person's resubmitted records, allow the applicant to obtain WFRP insurance.

(2) The WFHR includes the:

(a) allowable revenue calculated on the Allowable Revenue Worksheet in Paragraphs 44 for each year of the whole-farm history period;

Example 1: The whole-farm history period for a calendar or early fiscal year filer for the 2025 policy year is 2019, 2020, 2021, 2022, and 2023. Tax year 2024 is the lag year and is not included in the 2025 whole-farm history period, except for a qualifying person with less than five years in their whole-farm history period.

Example 2: The whole-farm history period for a late fiscal year filer for the 2025 policy year are tax years 2018, 2019, 2020, 2021, and 2022. Tax year 2023 is a lag year and is not included in the 2025 whole-farm history period, except for a qualifying person with less than five years in their whole-farm history period.

Example 3: The whole-farm history period for a calendar or early fiscal year filer under Micro Farm for the 2025 policy year with three years of tax records is 2022, 2023, and 2024; with four years of tax records is 2021, 2022, 2023, and 2024; and with five years of tax records is 2020, 2021, 2022, 2023, and 2024.

(b) all calculated average revenues, including indexed and with or without elected insurance options, and expanded operation values (if applicable). Refer to Paragraph 71; and

(c) highest of the average, indexed average (if applicable), revenue cup (if elected) or expanded operation (if applicable) allowable revenue that is entered as the whole-farm historic average revenues.

Refer to Exhibits 3 and 4 for required elements, descriptions of required elements, and an example of a WFHR.

A copy of the applicant's/insured's tax form(s) for each year in the whole-farm history period must be provided with the WFHR. If Substitute Schedule F forms are used, they must also be provided at that time. An Allowable Revenue Worksheet will need to be completed for each tax year. Refer to Paragraph 51 for more information about required farm tax forms and verifiable information.

47 Use of a Different Person's Tax Returns

(1) An applicant/insured may use the tax records of another person to meet the requirement of providing tax records for the years in the whole-farm history period if the requirements in the policy are met.

An AIP may approve an applicant/insured's use of a different person's tax returns for the applicable years in the whole-farm history period if: ***

(a) the applicant/insured purchased, inherited, or leased at least 90 percent of the other person's farm operation, including the land and facilities (e.g., irrigation equipment and systems, greenhouses, and other facilities).

(b) For Micro Farm Only and in lieu of (a), the applicant:

(i) qualifies as a BFR/VFR; and

(ii) materially participated in the operation or management of the other person's farm operation.

(c) for each year of the other person's tax returns the applicant/insured use, the other person:

(i) Had an insurable interest in all commodities produced on the farm operation the applicant/insured obtained or if not obtained, those qualifying under (b) above;

(ii) Filed Federal income tax returns for the revenue received from those commodities; and

(iii) Is willing to provide all records necessary under the policy including the Federal income tax returns.

(iv) For applicant's qualifying in (b), is willing to provide, in writing (i.e., notarized letter), certification of the applicant's material participation or management of the operation that includes, at a minimum the following information:

(A) other person's name;

(B) other person's role on the farm operation;

(C) applicant's name;

(D) applicant's role on the other person's operation; and

(E) brief summary of the applicant's role.

(d) on or before the SCD, the applicant/insured submits to the AIP:

(i) a written request to use the other person's tax returns for the specific years;

(ii) copy of the other person's tax return for each year the applicant/insured uses;

(iii) a completed and signed WFHR that represents the combination of the applicant's/insured's allowable revenue, and the allowable revenue of the other person for the applicable tax years;

(iv) verifiable documentation that:

(A) at least 90 percent of the other person's farm operation was obtained by the applicant/insured and added to their farm operation (not applicable to insureds that qualify under (b));

(B) the other person whose tax returns the applicant/insured wishes to use had an insurable interest in all the commodities produced on the farm operation the applicant/insured obtained; and

(v) For applicants qualifying in (b), the certification stated in (c)(iv).

(e) within 15 calendar days of a request by the AIP for the tax years the applicant/insured uses the other person's tax returns, the applicant/insured provides:

(i) verifiable documentation that supports the income on the tax return(s) of the other person;

(ii) for the purpose of insureds that qualify under (b), verifiable documentation that support the number of planted acres on the other person's farm operation; and

(iii) verifiable documentation of all post-production operations (if applicable) related to the other person's farm operation.

(2) The AIP may approve the use of a different person's tax records only if:

(a) all applicable requirements in Subparagraph 47(1) above are met; and

(b) obtaining another farm operation or the change in the person type was not done to avoid any tax law or any program eligibility criteria, including evading the ineligibility for program benefits under 7 CFR part 400, subpart U.

(3) The AIP must notify the applicant/insured whether the use of the different person's tax records is approved or denied within 15 business days after receiving all required information.

(4) If the use of a different person's tax returns is:

(a) approved, the applicant's/insured's allowable revenue and the other person's allowable revenue will be combined for the applicable year; or

Exception: For insureds that qualify under Subparagraph 47(1)(b), the allowable revenue of the other person cannot be combined with the insured's allowable revenue for the same applicable year. Refer to Subparagraph 161B.

(b) denied, the applicant's/insured's WFHR and all other applicable reports will be modified to reflect only the approved allowable revenue of the applicant/insured for each applicable year.

48 Intended Farm Operation Report

(1) The IFOR is the form on which the insured provides all required information regarding the intended commodities they plan to produce during the insurance period and expect to earn or will obtain revenue from during the insurance period. Refer to Exhibit 8 that includes an example of an IFOR, RFOR, and FFOR.

The AIP must determine how commodities produced across two insurance periods on a farm operation fit into the term "produced" for the purposes of which insurance period they should be listed on the FOR. Once the determination is made, the insurance periods must remain consistent from policy year to policy year. All revenue will be considered revenue to count for the policy year and insurance period it is reported on the FOR regardless of the insurance period in which it is harvested.

Insureds must provide an IFOR to the AIP on or before the SCD for the policy year. Insureds may submit an IFOR following the CCD of the current policy year. For example, the CCD for 2025 is August 31, 2024. An insured may submit an IFOR on or after September 1, 2024, for the 2025 policy year. If a carryover insured does not file an IFOR by the SCD, the policy will be cancelled. Refer to Subparagraph 23(13).

(2) The IFOR will include a list of all intended commodities the insured plans to produce during the year. The following apply to the IFOR:

(a) Commodity and rate codes can be found in the AD. If the AIPs find a commodity is missing from a county list, they should use the most applicable "Other" commodity code such as, Other Fruits. If the commodity is widely grown, notify the RMA Regional Office for their region.

(b) The expected revenue for each intended commodity reported, with expected yields reflecting the amount of production to be sold and expected values reflecting the expected sale price from markets where the crop is normally sold. Refer to Exhibit 18. The source of the expected value and expected yield must be documented on the Expected Value and Yield Source Document Certification Worksheet. Refer to Exhibit 9.

For intended commodities that are not insured by another FCIC reinsured policy, the insured's acreage, production, and revenue history (direct market commodities) must be reported on the Yield and Revenue Report. Refer to Exhibit 10.

(c) Commodities that are direct marketed may be listed on the FOR under the combined direct marketing commodity found in the AD. Refer to Paragraph 150.

(d) If a marketing contract becomes effective after the IFOR is submitted, the expected value shall be revised to reflect the price contained in the marketing contract for the portion of production under contract.

(e) For commodities harvested prior to 10 days after the AIP accepts the application in the initial year, the expected yield must be the harvested yield.

(f) Commodities produced on Native Sod must be listed on a separate line on the IFOR.

(g) Commodities with multiple rate codes must be listed on separate lines on the IFOR. Also, commodities with multiple types, practices, shares, or that have different expected values, regardless of whether there are separate rate codes, must be listed on multiple lines on the IFOR. Expected values that are less than zero cannot be combined with other lines of a commodity to achieve a weighted average for the commodity.

(h) AIPs must monitor how commodity counts are calculated since the commodity count forms the basis of the insurance.

(i) Premium rating for WFRP is based on the commodities grown and the amount of expected revenue for each commodity reported for the applicable rate code listed in the AD. Premium rates are calculated for each individual farm and are based on the RFOR, so it is important to report accurately. When commodities or amounts of commodities change on a revised report (compared to the Intended Report), the approved revenue, premium rate, and premium will change.

(j) The Whole-Farm Historic Average Revenue from the WFHR are carried forward to the IFOR. Total Expected Revenue from all commodities on the IFOR is summed. The approved revenue is determined as the lesser of the Whole-Farm Historic Average Revenue or the Total Expected Revenue from the IFOR.

(k) The AIP identifies farm operations that are vertically integrated or has related operations and if there are post-production expenses that were removed.

(l) The AIP should note any condition or change that will affect the approved revenue compared to the whole-farm historic average revenue, including but not limited to any IRS reporting changes, such as a change in accounting methods, tax year, or person type.

(m) If the farm operation includes any revenue from controlled substances, the policy will be void and no coverage will be provided. Refer to Subparagraph 21(3)(d) and Paragraphs 126, and 149 regarding industrial hemp.

(n) The Total Expected Revenue (item 13E) on the IFOR should reflect only the amount of revenue the insured can expect to earn or obtain from commodities produced to sell during the insurance period and the insured's share of the revenue for the commodity on that line.

Example: The insured's farm operation includes a .5000 share of 7 acres of onions. The Total Expected Revenue for the line will be multiplied by the insured's share: 4.0 tons × $150.00 = $600 × 7.0 acres = $4,200 × .5000 share = $2,100 Total Expected Revenue

Intended											
6. Commodity Name	7. Commodity Code	8. Rate Code	9. Method of Establishment	10. Yield	11. Expected Value	12. Expected Revenue (10x11)	13A. Intended Quantity	13B. Cost/Basis and/or Value	13C. Share	13D. Percent Produced to Sell	13E. Total Expected Revenue [(12x13A) – 13B) x 13C] x 13D.
Onions	001300	0013	Acres	4.0 tons	$150.00	$600	7.0 ac.		0.5000	1.0000	$2,100

Refer to Exhibit 8 for example of FOR submitted at SCD and revised during the insurance period.

(3) The total number of acres of the same commodity planted and harvested more than once in the insurance period must be reported on the IFOR.

Example: Insured A intends to plant and harvest lettuce on the same five acres two separate times during the insurance period. This is a normal practice for the insured and is considered a GFP for the area. Insured A would report they intend to plant 10 acres of lettuce on the FOR.

(4) The expected value provided on the IFOR for a commodity that was purchased for resale must not include the cost, or other basis, of the commodity. Refer to Exhibit 18 for guidelines on determining expected value.

Important: If the insured derives more than 50 percent of total expected revenue from commodities purchased for resale, they are not eligible for WFRP insurance.

(5) Each intended commodity the insured plans to produce or purchase for resale or already has produced or purchased for resale that the insured can expect to earn or will obtain revenue from during the insurance period must be listed on a separate line on the IFOR. If an intended commodity has a different rate code, expected values, or the insured's share is less than 100 percent, the AIP must list it on separate lines on the IFOR.

Example: Insured A intends to plant 10 acres of onions with a yield of 4 tons per acre for one price and 2 tons per acre for a substantially different price. Production from 7 acres will be sold to a processor with an expected value of $150/ton, and the remaining production from 3 acres will be sold in the fresh market with an expected value of $190/ton. The onions must be reported on separate lines on the IFOR due to the substantially different expected values of the production.

Intended											
6. Commodity Name	7. Commodity Code	8. Rate Code	9. Method of Establishment	10. Yield	11. Expected Value	12. Expected Revenue (10x11)	13A. Intended Quantity	13B. Cost/Basis and/or Value	13C. Share	13D. Percent Produced to Sell	13E. Total Expected Revenue [(12x13A) – 13B) x 13C] x 13D.
Onions	001300	0013	Acres	4.0 tons	$150.00	$600	7.0 ac.		1.0000	1.0000	$4,200
Onions	001300	0013	Acres	2.0 tons	$190.00	$380	3.0 ac.		1.0000	1.0000	$1,140

(6) Any condition or change on the farm that has occurred since the Whole-Farm history period must be reported on the FOR. Such conditions and changes include, but are not limited to:

(a) change in the size of the farm operation;

(b) removal or planting of perennial commodities/trees;

(c) land renovations, such as bog renovation;

(d) changes in farming practices, including organic transitional or organic;

(e) changes in farm management or accounting methods;

(f) change in tax year;

(g) change in person type, such as changing from a partnership to a corporation;

(h) change in the commodities produced or purchased for resale;

(i) change in the share of commodities produced or purchased for resale;

(j) changing marketing methods or markets, such as wholesale, retail, or direct; and

(k) damage to commodities that occurred prior to beginning of the insurance period.

Any of the above changes could result in changes to the expected revenue for the insurance period and must be reflected on the FOR.

(7) If the IFOR only includes intended revenue from perennial commodities already established on the farm operation and no changes are anticipated, the insured may submit their RFOR at the time their IFOR is submitted.

Important: The insured is still required to report any changes that occur within the insurance period.

(8) Under the Micro Farm Provisions, intended commodities can only be listed on the FOR under the micro farm commodity code found in the AD.

49 Revised Farm Operation Report

(1) A RFOR must be submitted during the insurance period, similar to an acreage report, to reflect the activities that actually occurred on the farm. The RFOR must be submitted:

(a) no later than July 15 following the SCD, unless otherwise specified in the SP; or

(b) within 30 days of the insured making changes to the commodities grown on the farm or purchased for resale after the RFOR is completed. The RFOR may only be revised later, with AIP approval and must exclude any changes to revenue resulting from a covered cause of loss.

(2) If the insured's IFOR includes only expected revenue from perennial commodities already established on their farm operation and no changes are anticipated, the insured may submit their RFOR at the time the IFOR is submitted.

Important: The insured is still required to report any changes that occur within the insurance period in accordance with the section 15 of the policy and item 1(b) above.

(3) If the insured fails to timely submit their RFOR, or the AIP is unable to verify the information that was submitted, the AIP will deny any indemnity, or replant payment and the insured will still be required to pay the premium due. The AIP must use the information from the IFOR as the RFOR for premium calculation purposes.

(4) The purpose of a RFOR is to report information about changes to the farm operation after the IFOR was submitted. The RFOR must include:

(a) intended commodities that were actually planted or purchased for resale;

(b) intended commodities that were planned to be produced or purchased for resale but will not be produced or purchased for resale, such as in the case of prevented planting, and the reason they were not produced or purchased for resale;

(c) commodities produced or purchased for resale that were not intended to be produced or purchased for resale when the IFOR was submitted;

(d) damaged intended commodities, and the reason for the damage;

(e) commodities produced to replace commodities damaged or prevented from being produced; and

(f) circumstances that will affect the expected revenue, such as changes in production or irrigation practices. Expected values cannot be revised after the IFOR is submitted.

(5) If a commodity is added to the RFOR that was not listed on the IFOR, the expected revenue should be based on expected yields reflecting the amount of production to be sold and expected values reflecting the expected sale price from markets where the crop will be sold. Expected values and yields will be determined as of the date the RFOR is submitted. Refer to Exhibit 18. The source of the expected value and yield must be documented on the Expected Value and Yield Source Document Certification Worksheet. Refer to Exhibit 9.

(6) If a commodity is added to the RFOR that was not listed on the IFOR or the RFOR by the RFOR date, and a late revision is allowed by the AIP, the expected revenue should be based on expected yields reflecting the amount of salable production and expected values reflecting the expected sale price by markets where the crop will be sold. Expected values and expected yields will be calculated as of the date of planting of the added commodity.

(7) The expected quantity and revenue of intended commodities the insured plans to produce during the insurance period, but that have not yet been produced by the date the RFOR is initially submitted (on or before the required reporting date as stated in Subparagraph 49(1) above), are identified on the IFOR. If those intended commodities are actually produced, these numbers will be carried forward to the RFOR.

(8) If a marketing contract becomes effective after the RFOR is due, the expected value may be revised to reflect the price contained in the marketing contract for the portion of production under contract. Refer to Subparagraph 49(1)(b) for limitations on Revised Farm Operation revisions.

(9) The following provides instructions for determining the quantity and expected revenue to enter on the RFOR. Refer to Exhibit 8 for example of FOR submitted at required reporting date and revised during the insurance period.

(a) IF an intended commodity on SCD is planted, produced, or purchased for resale, at the time the RFOR is submitted AND no changes are made, and the intended report is still correct as to what is being produced and what was purchased for resale THEN the numbers pertaining to the quantity planted, produced, or purchased for resale and expected revenue from the IFOR are carried forward to the RFOR. Refer to Example 1 below.

(b) IF an intended commodity on SCD is not planted, produced, or purchased for resale at the time the RFOR is submitted AND the insured still intends to plant, produce, or purchase for resale, the same amount of the commodity in the insurance period THEN the numbers pertaining to the quantity planted, produced, or purchased for resale and expected revenue from the IFOR are carried forward to the RFOR. Refer to Example 1 below.

Example 1: A producer intends to produce 125 acres of corn and 100 acres of soybeans this insurance period and submitted such on the IFOR. At Revised time the producer has planted the 125 acres of corn and still intends to plant the 100 acres of soybeans. The same quantity and expected revenue from the IFOR are carried forward to the RFOR for both the corn and soybeans.

Intended												Revised				
6. Commodity Name	7. Commodity Code	8. Rate Code	9. Method of Establishment	10. Yield	11. Expected Value	12. Expected Revenue (10x11)	13A. Intended Quantity	13B. Cost/Basis and/or Value	13C. Share	13D. Percent Produced to Sell	13E. Total Expected Revenue [(12x13A) – 13B) x 13C] x 13D.	14A. Actual Quantity	14B. Actual Cost/Basis and/or Value	14C. Share	14D. Actual Percent Produced to Sell	14E. Total Expected Revenue
Corn NIRR	004100	1002	Acres	150 bu.	$5.00/bu.	$750.00/ac	125 ac.		1.0000	1.0000	$93,750	125 ac.		1.0000	1.0000	$93,750
Soybeans NIRR	008100	1009	Acres	100 bu.	$6.00/bu.	$600.00/ac	100 ac.		1.0000	1.0000	$60,000	100 ac.		1.0000	1.0000	$60,000
23. ***Narrative and Report of Changes: Producer still intends to plant soybeans																

(c) IF an intended commodity on SCD is not planted, produced, or purchased for resale at the time the RFOR is submitted AND the insured does not intend to plant, produce, or purchase for resale all of the commodity due to a farm management decision or an uninsured cause of loss THEN Do not carry forward any information regarding the commodity not planted, produced, or purchased for resale. Refer to Example 2 below.

(d) IF an intended commodity on SCD is not planted, produced, or purchased for resale at the time the RFOR is submitted AND the insured intends to plant, produce, or purchase for resale only a portion of the commodity due to a farm management decision or an uninsured cause of loss THEN:

(i) the actual quantity of the commodity to be planted, produced, or purchased for resale is entered on the RFOR; and

(ii) the expected revenue is calculated using the quantity from (i) and entered in the Total Expected Revenue column on the RFOR. Refer to Example 2 below.

(e) IF an intended commodity on SCD is planted, produced, or purchased for resale, at the time the RFOR is submitted AND changes were made to the quantity planted, produced, or purchased for resale due to farm management decisions THEN:

(i) the actual quantity of the commodity to be planted, produced, or purchased for resale is entered on the RFOR; and

(ii) the expected revenue is calculated using the quantity from (i) and entered in the Total Expected Revenue column on the RFOR. Refer to Example 2 below.

Example 2: A producer intends to produce 125 acres of corn, 100 acres of soybeans and 50 acres of wheat during this insurance period and submits such on the IFOR. At Revised time the producer has not planted any corn and planted only 40 acres of wheat due to a farm management decision. 50 acres of soybeans were not planted due to a verified uninsured cause of loss and 50 acres of soybeans were planted. The intended commodity information for the corn remains on the IFOR and not carried forward to the RFOR. The actual quantity planted and calculated expected revenue for the soybeans and wheat is entered on the RFOR.

Intended												Revised				
6. Commodity Name	7. Commodity Code	8. Rate Code	9. Method of Establishment	10. Yield	11. Expected Value	12. Expected Revenue (10x11)	13A. Intended Quantity	13B. Cost/Basis and/or Value	13C. Share	13D. Percent Produced to Sell	13E. Total Expected Revenue [(12x13A) – 13B) x 13C] x 13D.	14A. Actual Quantity	14B. Actual Cost/Basis and/or Value	14C. Share	14D. Actual Percent Produced to Sell	14E. Total Expected Revenue
Corn NIRR	004100	1002	Acres	150 bu.	$5.00/bu.	$750.00/ac.	125 ac.		1.0000	1.0000	$93,750					
Soybeans NIRR	008100	1009	Acres	100 bu.	$6.00/bu.	$600.00/ac.	100 ac.		1.0000	1.0000	$60,000	50 ac.		1.0000	1.0000	$30,000
Wheat NIRR	001101	0949	Acres	75 bu.	$4.00/bu.	$300.00/ac.	50 ac.		1.0000	1.0000	$15,000	40 ac.		1.0000	1.0000	$12,000
23. ***Narrative and Report of Changes: Producer no longer intends to plant corn with no replacement commodity; removed from Farm Operation Report. Soybeans: 50 acres not planted due to uninsured cause of loss; 50 acres planted and actual quantity with calculated expected revenue of $30,000.																

(f) IF an intended commodity on SCD is not planted at the time the RFOR is submitted AND (1) the AIP verifies the failure to plant was due to an insured cause of loss; and (2) some or all of the acres will not be planted to the intended commodity and will or will not be replaced by a different commodity in the insurance period THEN:

(i) the quantity of the planted acreage to the intended commodity, is entered in the "Actual Quantity" column of the RFOR for the commodity;

(ii) the quantity of the intended commodity not planted due to insured causes and not replaced, is entered in the "Actual Quantity" column of the RFOR for the commodity;

Note: The total of (i) and (ii) must not exceed the intended acreage of the commodity.

The following applies if some or all acreage of the intended commodity not planted due to insured causes will be replaced with a replacement commodity:

(iii) the actual quantity of the acreage of the intended commodity not planted due to insured causes and replaced is entered in the "Actual Quantity" column of the RFOR for the commodity;

(iv) the quantity and expected revenue of the replacement commodity, with expected value calculated as of the date the Revised Farm Operation is submitted, is entered in the "Actual Quantity" and "Expected Revenue" columns, respectively, of the RFOR for the replacement commodity;

(v) the expected revenue of the acreage in item (iii) is reduced by the expected revenue of the replacement commodity, and the reduced amount, if not less than zero, is entered in the "Expected Revenue" column of the RFOR for the acres of the intended commodity not planted (or with reduced production and replacement). Do not carry forward acres of the intended commodity in item (iii) if expected revenue is reduced to zero or less;

(vi) the expected revenue of the acreage in item (ii) is multiplied by 0.60 and entered in the "Expected Revenue" column of the RFOR for the acres for the acres; and

(vii) the expected revenue of the replacement commodity is entered in full along with the acres/head, etc., of the replacement commodity. The expected value of the replacement commodity will be as of the date the commodity was planted or purchased for further growth or purchased for resale. Refer to Example 3 below.

Example 3: A producer intends to produce 125 acres of corn during the insurance period. At Revised time the producer has not planted 50 acres to corn due to an insured cause of loss. Only 25 of the unplanted acres will be planted to soybeans, with a yield of 100 bushels per acre and an expected value of $6.00 per bushel at the time of planting. The quantity of corn planted (75 ac.) is carried forward from the IFOR to the RFOR. The acres not planted to corn and replaced (25 ac.) are added on a new line and Total Expected Revenue will be entered as $3,750 which is the total expected revenue of corn adjusted by the total expected revenue of soybeans. The acres not planted to corn due to insured causes and not replaced (25 ac.) are added on a new line and the Total Expected Revenue will be entered as $11,250 which is the total expected revenue of corn multiplied by 0.60. The replacement commodity (soybeans) is added to the FOR using the expected value at the time of planting.

Intended												**Revised**				
6. Commodity Name	7. Commodity Code	8. Rate Code	9. Method of Establishment	10. Yield	11. Expected Value	12. Expected Revenue (10x11)	13A. Intended Quantity	13B. Cost/Basis and/or Value	13C. Share	13D. Percent Produced to Sell	13E. Total Expected Revenue [(12x13A) – 13B) x 13C] x 13D.	14A. Actual Quantity	14B. Actual Cost/Basis and/or Value	14C. Share	14D. Actual Percent Produced to Sell	14E. Total Expected Revenue
Corn NIRR	004100	1002	Acres	150 bu.	$5.00/bu.	$750.00/ac.	125 ac.		1.0000	1.0000	$93,750	75 ac.		1.0000	1.0000	$56,250
Corn NIRR	004100	1002	Acres	150 bu.	$5.00/bu.	$750.00/ac.			1.0000	1.0000		25 ac.		1.0000	1.0000	$3,750
Corn NIRR	004100	1002	Acres	150 bu.	$5.00/bu.	$750.00/ac.			1.0000	1.0000		25 ac.		1.0000	1.0000	$11,250
Soybeans NIRR	008100	1009	Acres	100 bu.	$6.00/bu.	$600.00/ac.			1.0000	1.0000		25 ac.		1.0000	1.0000	$15,000
23. ***Narrative and Report of Changes: Producer did not plant 50 acres of corn due to insured cause of loss; carried forward acres planted, and acres not planted not replaced quantity (100 ac.)., Total Expected Revenue calculated for corn acres not planted and replaced $18,750 (corn) - $15,000 (soybeans) = $3,750. Revenue calculated for corn acres not planted and not replaced $18,750 × 0.60 = $11,250. (Soybeans; 25 acres planted 15 May 2023.																

(g) IF an intended commodity on SCD is planted but was damaged prior to harvest and prior to the time the RFOR is submitted AND (1) the AIP verifies that the failure to produce or the damage was due to an insured cause of loss; and (2) the intended commodity will not be replaced by a different commodity in the insurance period THEN the numbers pertaining to the quantity produced and expected revenue from the IFOR are carried forward to the RFOR. Refer to Example 4 below.

Example 4: A producer intends to produce 125 acres of corn and submits such on the IFOR. The producer planted the corn and it was damaged by an insured cause of loss prior to harvest and prior to the time the RFOR is due. The producer will not replant nor replace the corn. The same quantity and expected revenue from the IFOR will be carried forward to the RFOR.

Intended												Revised				
6. Commodity Name	7. Commodity Code	8. Rate Code	9. Method of Establishment	10. Yield	11. Expected Value	12. Expected Revenue (10x11)	13A. Intended Quantity	13B. Cost/Basis and/or Value	13C. Share	13D. Percent Produced to Sell	13E. Total Expected Revenue [(12x13A) – 13B) x 13C] x 13D.	14A. Actual Quantity	14B. Actual Cost/Basis and/or Value	14C. Share	14D. Actual Percent Produced to Sell	14E. Total Expected Revenue
Corn NIRR	004100	1002	Acres	150 bu.	$5.00/bu.	$750.00/ac.	125.00 ac.		1.0000	1.0000	$93,750	125.00 ac.		1.0000	1.0000	$93,750
23. ***Narrative and Report of Changes: Corn; 125 acres damaged by an insured cause of loss.																

(h) IF an intended commodity on SCD is planted but was damaged prior to harvest and prior to the time the RFOR is submitted AND (1) the AIP verifies failure to produce or the damage to the intended commodity was due to an insured or uninsured cause of loss; and (2) the intended commodity is or will be replaced a different commodity in the insurance period THEN:

(i) the quantity of the planted acreage to the intended commodity damaged and not replaced is entered in the "Actual Quantity" column of the RFOR for the commodity;

The following applies if some or all acreage of the intended commodity damaged will be replaced with a replacement commodity:

(ii) the quantity of the acreage of the intended commodity damaged and replaced is entered in the "Actual Quantity" column of the RFOR for the commodity;

(iii) the quantity and expected revenue of the replacement commodity, with expected value calculated as of the date the RFOR is submitted, is entered in the "Actual Quantity" and "Expected Revenue" columns, respectively, of the RFOR for the replacement commodity;

(iv) the expected revenue of the acreage in item (ii) is reduced by the expected revenue of the replacement commodity, and the reduced amount, if not less than zero, is entered in the "Expected Revenue" column of the RFOR for the intended commodity not produced (or with reduced production and replacement). Do not carry forward acres of intended commodity in item (ii) if expected revenue is reduced to zero or less; and

(v) the expected revenue of the replacement commodity is entered in full along with the acres/head, etc., of the replacement commodity. The expected value of the replacement commodity will be as of the date the commodity was planted or purchased for further growth or purchased for resale. Refer to Example 5 below.

Note: Any expected revenue lost due to an uninsured cause of loss will be considered RTC for claims purposes.

(i) IF an intended commodity on SCD is planted but was damaged prior to harvest and prior to the time the RFOR is submitted AND (1) the AIP verifies the damage to the intended commodity was due to an uninsured cause of loss; and (2) the intended commodity was or was not replanted, or will not be replaced by a different commodity in the insurance period THEN the numbers pertaining to the quantity and expected revenue of the damaged intended commodity from the IFOR are carried forward to the RFOR. Refer to Example 5 below.

Note: Any expected revenue lost due to an uninsured cause of loss will be considered RTC for claims purposes.

Example 5: A producer intends to produce 125 acres of corn and 100 acres of soybeans during this insurance period and submits such on the IFOR. At the time the Revised Farm Operation is due the producer has planted the 125 acres of corn, but 50 acres was damaged due to an uninsured caused of loss. The 100 acres of the soybeans were planted, and all 100 acres was damaged prior to harvest from the same uninsured cause of loss that damaged the corn. The 50 acres of damaged corn will be replaced with buckwheat, with an expected yield of 75 bushels per acre and an expected value of $4.00/bushel at the time of planting. The soybeans will not be replaced. The 75 acres of planted corn and the 100 acres of damaged acres and expected revenue of soybeans are carried forward from the IFOR to the RFOR. The 50 damaged acres of corn that will be replaced are added on a new line and the Total Expected Revenue will be entered as $22,500 which is the total expected revenue of corn acres damaged and replaced adjusted by the total expected revenue of buckwheat. The replacement commodity (buckwheat) is added to the FOR using the expected value at the time of planting.

Intended												Revised				
6. Commodity Name	7. Commodity Code	8. Rate Code	9. Method of Establishment	10. Yield	11. Expected Value	12. Expected Revenue (10x11)	13A. Intended Quantity	13B. Cost/Basis and/or Value	13C. Share	13D. Percent Produced to Sell	13E. Total Expected Revenue [(12x13A) – 13B) x 13C] x 13D.	14A. Actual Quantity	14B. Actual Cost/Basis and/or Value	14C. Share	14D. Actual Percent Produced to Sell	14E. Total Expected Revenue
Corn NIRR	004100	1002	Acres	150 bu.	$5.00/bu.	$750.00/ac.	125 ac.		1.0000	1.0000	$93,750	75 ac.		1.0000	1.0000	$56,250
Corn NIRR	004100	1002	Acres	150 bu.	$5.00/bu.	$750.00/ac.			1.0000	1.0000		50 ac.		1.0000	1.0000	$22,500
Soybeans NIRR	008100	1009	Acres	100 bu.	$6.00/bu.	$600.00/ac.	100 ac.		1.0000	1.0000	$60,000	100 ac.		1.0000	1.0000	$60,000
Buckwheat	011400	0114		75 bu.	$4.00/bu.				1.0000	1.0000		50 ac.		1.0000	1.0000	$15,000
23. ***Narrative and Report of Changes: Corn; 50 ac. damaged due to uninsured cause; carried forward planted acres (75 ac.), 50 damaged acres and replaced added with the Total Expected Revenue calculated $37,500 (corn) - $15,000 (buckwheat) = $22,500. $37,500 (uninsured cause of loss) considered RTC at claim time; replaced 50 ac. with buckwheat planted on 15 May 2015, Soybeans; 100 ac. planted and damaged due to uninsured cause of loss prior to harvest; carried forward intended; $60,000 (uninsured cause of loss considered RTC at claim time).															

(j) IF an intended commodity on SCD is changed after the date the RFOR is due, except those resulting from a covered cause of loss AND (1) the insured reports this within 30 days, as required after the change to the AIP; and (2) the AIP consents that a revision to the RFOR should be made THEN the AIP may revise the RFOR with the revised commodities or commodity amounts. Expected values will be as of the date the commodity was planted or purchased for further growth or purchased for resale. This change assures that the farm operation will not be over-insured and that the premium rates charged will be appropriate for what was produced.

(k) IF an intended commodity on SCD is changed after the date the RFOR is due, except those resulting from a covered cause of loss AND (1) The insured reports this within 30 days, as required after the change to the AIP; and (2) the AIP does not consent that a revision to the RFOR should be made THEN no revisions are made to the RFOR and all revenue will count as RTC, even if the commodity is not listed on the RFOR.

(10) The Approved Revenue cannot exceed $17 million divided by the coverage level elected by the insured. If this occurs the Approved Revenue will be capped. Any applicable Animal/Animal Products, Nursery/Greenhouse, or Commodities Purchased for Resale limitations must be calculated prior to applying the Approved Revenue limit. Regardless of any limitation, all allowable revenue earned during the insurance period will be considered RTC.

Example: At the time the RFOR is due, the Approved Revenue is $22,000,000. The insured has elected the 85 percent coverage level. $17,000,000 divided by .85 equals $20,000,000, so the Approved Revenue for this farm is capped at $20,000,000. Insured Revenue will equal $17,000,000 and all revenue earned during the insurance period will be considered RTC.

(11) For Micro Farm, the approved revenue cannot exceed $350,000 for a first year insured or $400,000 for a carryover insured. If this occurs, the Approved Revenue will be capped at $350,000 for a first year insured or $400,000 for a carryover insured. Regardless of this limitation, all allowable revenue earned during the insurance period will be considered RTC.

50 Final Farm Operation Report

(1) The total production for each commodity produced or purchased for resale in the insurance period, and the revenue actually received, or the expected value as of the last day of the insurance period if the production was not sold, must be provided:

(a) in the “Final” columns of the FOR; and

(b) at the earlier of the time a claim is submitted for indemnity or the SCD of the subsequent policy year. For fiscal year filers whose fiscal year ends after the SCD of the subsequent policy year, the FFOR is due the earlier of the date a claim is submitted or 60 days after the end of the current insurance period. If the FFOR is not provided, the insured will be limited to a 65 percent coverage level for the next insurance period.

Note: For Micro Farms the revenue actually received or the total expected value for all commodities on the farm operation as of the last day of the insurance period if the production was not sold should be reported in the final column on the report. There is no need to report final total production.

(2) If the insured does not submit a FFOR for the current policy year, cancels their WFRP policy for the subsequent year, and no claim for indemnity is submitted, the AIP may use the information from the RFOR to complete the FFOR.

51 IRS Tax Forms and Verifiable Records and/or Direct Marketing Sales Records

A. IRS Tax Forms

(1) Copies of the applicable IRS tax form(s), such as Schedule F, Form 1040, Form 1120, Form 1041, Form 1065, Form 1120S, and Form 4835, including all farm related filed statements and forms must be provided to the AIP for each tax year in the whole-farm history period.

The AIP may request verifiable records and/or direct marketing sales records to verify the allowable revenue on the WFHR if the AIP has reason to believe the farm tax form(s) do not provide adequate documentation of revenue or expenses for WFRP purposes. The AIP must not accept any WFHR if the allowable revenue for any year cannot be verified through the requested verifiable records and/or direct marketing sales records.

(2) Persons who do not file a Schedule F tax form must report and certify allowable revenue in the same manner as provided on a Schedule F tax form by completing a Substitute Schedule F. The Substitute Schedule F must contain all information that would appear on a Federal Schedule F tax form, including farm expenses, and must be sufficient to complete the Allowable Revenue Worksheet. The person must use the same accounting period when completing the Substitute Schedule F as was used on the farm tax form they filed with the IRS for the applicable year.

In addition to the Substitute Schedule F, such persons must provide:

(a) the farm tax forms filed with the IRS; and

(b) verifiable records or direct marketing sales records for each year no Schedule F tax form was filed.

The AIP must not accept any WFHR that does not include or is not supported by a Substitute Schedule F and associated verifiable records, direct marketing sales records, or for micro farm commodity code, consolidated sales records if no Schedule F tax form was filed.

Refer to Exhibit 13 for an example of a Substitute Schedule F.

B. Verifiable Records

Verifiable records include:

(1) Disinterested third-party verifiable documentation, which may include, but is not limited to, accounting records, farm management records, warehouse receipts, ledger sheets, sales receipts/records, settlement sheets, accounts paid, payroll receipts, copies of payments made to the Social Security Administration for tax payments, canceled checks showing the banking institution's stamp of payment, and feeding records. Refer to the CIH for acceptable record requirements. The Market Certification is not applicable to WFRP and Micro Farm.

Official NAP approved yield forms will be considered supporting records. Insureds must have records to substantiate the NAP approved yields and, if requested by the AIP, submit those records.

Verifiable records regarding the buying or selling of a commodity, except those that are considered direct marketed, must include the:

(a) name of seller;

(b) name of the commodity;

(c) practice, type, or variety, if applicable;

(d) intended use of a commodity having significantly different expected values (e.g., alfalfa hay intended for dairy versus alfalfa hay intended for feedlot cattle);

(e) name of buyer, seller, store house, or marketing outlet, as applicable; and

(f) date and year of transaction.

(2) Direct marketing sales records and for Micro Farm, consolidated sales records, may include a year-end record that includes a total value for the commodities reported as combined direct marketing or under the Micro Farm Provisions, provided the total reported revenue is a complete record of revenue generated from combined direct marketing or Micro Farm commodities and, if requested by the AIP, contemporaneous records developed at the same time of the sale of a commodity (e.g., farmers market, roadside stand, etc.). Contemporaneous records may include daily receipts or other periodic (e.g., weekly, monthly, quarterly) records used to substantiate the revenue reported on the farm tax forms. If the insured sells commodities through direct marketing or insured under the Micro Farm Provisions, the records used to determine taxes paid on the Schedule F farm tax form must be provided to the AIP.

(a) Direct marketing sales records regarding the selling of commodities sold directly to the consumer or insured under the Micro Farm Provisions must include:

(i) insured's name;

B. Verifiable Records (Continued)

(ii) date;

(iii) name of the market, website, or buyer, as applicable;

(iv) total cash receipts; and

(v) listed names of the commodities sold (applicable only if not considered a combined direct marketing commodity or insured under the Micro Farm Provisions).

(b) For final production reporting, direct marketing sales records and consolidated sales records must include at a minimum:

(i) For combined direct marketing or Micro Farm commodities, a record that includes a total value for all combined direct marketing or Micro Farm commodities.

(ii) For commodities not considered a combined direct marketing commodity:

(A) estimated percent of total cash receipts for each commodity sold; and

(B) revenue per commodity received.

(c) For use of establishing a three-year average to use for expected values:

(i) For combined direct marketing commodities, refer to Paragraph 150.

(ii) For direct marketed commodities not considered a combined direct marketing commodity:

(A) amount of each commodity taken to market;

(B) amount of each commodity returned from the market;

(C) amount of each commodity sold;

(D) prices per commodity sold on the date of market; and

(E) revenue received for each commodity.

Refer to Exhibit 16 for an example direct marketing sales records related to commodities not considered combined direct marketing commodities.

(iii) For Micro Farm, refer to Paragraph 161.

(3) For entities that are not required to file federal tax forms (e.g., tribal entities):

51 IRS Tax Forms and Verifiable Records and/or Direct Marketing Sales Records (Cont.)

B. Verifiable Records (Continued)

(a) The entity must have filed reports with a disinterested third-party supported by verifiable records and/or direct marketing sales records that are determined to be sufficient to develop a Substitute Schedule F for each year in the whole-farm history period; and

(b) The reports used to develop the Substitute Schedule F will be considered the farm tax forms for WFRP purposes.

The AIP must not accept any revenue amount or an adjustment to the revenue amount if the amount reported for WFRP purposes cannot be verified through the use of verifiable records.

52 WFRP Database

An insured's WFRP database consists of their revenue history for the five consecutive tax years prior to the tax year immediately preceding the lag year.

Example 1: The five consecutive tax years of revenue history in a database for calendar and early fiscal year filers for the 2025 policy year are tax years 2019 through 2023. There is always a lag year before the policy year.

Example 2: The five consecutive tax years of revenue history in a database for late fiscal year filers for the 2025 policy year are tax years 2018 through 2022. There is always a lag year before the policy year.

The revenue history for a tax year must remain in the database until the tax year is outside the five year whole-farm history period, or it is determined the revenue for a tax year must be corrected.

53 Premium Calculation and Subsidy

(1) The county with the largest amount of expected revenue on the farm is the county that should be listed on the application and FOR. Premium rates from this county will be used to determine premium under WFRP. Regardless of the county listed on the application, the county with the highest expected revenue at the time RFOR is submitted will be used for rating purposes. Calculate the WFRP premium according to the WFRP policy. Refer to the Detail Worksheet of the Cost Estimator on the RMA website for an example.

(2) If insured purchases or has purchased individual buy-up coverage levels of FCIC reinsured policies, the insured revenue will be adjusted to reflect these purchases for premium calculations only, unless the insured elects, on the application, to exclude such policies from becoming primary insurance. Refer to Subparagraph 123(3).

(3) Do not include the liability for commodities such as pasture and rangeland insured under the Rainfall Index or Vegetation Index policies or the portion of liability attributed to commodities or portions of commodities produced for feed for use on the insured's operation because these commodities are not insured under the WFRP Policy.

(4) The subsidy amount will be based on the commodity count determined by the commodity count calculation and the table specified in the AD. If a farmer or rancher qualifies as a BFR or VFR, the subsidy amount will be an additional ten percentage points and no administrative fee will be due.

(5) The premium subsidy for acres on native sod will be calculated in accordance with the reduced amount of subsidy allowed for native sod acres.

54-70 (Reserved)

71 Revenue

A. Simple Average Allowable Revenue

To calculate the simple average allowable revenue:

(1) For a qualifying person with five years of farm tax forms in their whole-farm history period:

(a) sum the allowable revenue for each year in the whole-farm history period; and

(b) divide the result of (a) by five (rounded to the nearest whole dollar).

Example: Insured A has the following allowable revenue: $250,500 for 2019; $300,256 for 2020; $99,350 for 2021; $98,750 for 2022; and $215,515 for 2023. Insured A's average revenue is $192,874 [($250,500 + $300,256 + $99,350 + $98,750 + $215,515) ÷ 5].

Example: Insured elected Micro Farm and has five years of farm tax forms in their micro farm whole-farm history period. The insured has the following allowable revenue: $86,100 for 2020, $86,250 for 2021, $85,000 for 2022; $86,500 for 2023; $91,300 for 2024. Insured average revenue is $87,030 [($86,100 + $86,250 + 85,000 + $86,500 + $91,300) ÷ 5].

(2) For a qualifying person with four years of farm tax forms in their whole-farm history period:

(a) determine the allowable revenue for the lag year using the insured's Schedule F or Substitute Schedule F (if applicable) and the Allowable Revenue Worksheet;

Note: The insured must provide their farm tax forms, and other signed tax forms as requested by the AIP, for the lag year not later than 60 days after they are filed with the IRS.

(b) sum the allowable revenue for each year in the whole-farm history period;

(c) add the result of (a) to the result of (b); and

(d) divide the result of (c) by five (rounded to the nearest whole dollar).

Example: Insured B did not earn any farm revenue during the 2023 policy year due to an illness. The insured did earn farm revenue during the 2024 policy year which is considered the lag year. The insured has the following allowable revenue: $160,360 for 2024 (lag year), $130,500 for 2019; $149,500 for 2020; $112,000 for 2021; $139,600 for 2022. Insured B's average revenue is $138,392 [($160,360 + $130,500 + $149,500 + $112,000 + $139,600) ÷ 5].

A. Simple Average Allowable Revenue (Continued)

(3) For a qualifying person with three years of farm tax forms in their whole-farm history period:

(a) determine the allowable revenue for the lag year using the insured's Schedule F or Substitute Schedule F (if applicable) and the Allowable Revenue Worksheet;

Note: The insured must provide their farm tax forms, and other signed tax forms as requested by the AIP, for the lag year not later than 60 days after they are filed with the IRS.

(b) determine the lowest allowable revenue from the three years in the whole-farm history period and the result of (a);

(c) sum the allowable revenue for each year in the whole-farm history period;

(d) add the results of (a) and (b) to the result of (c); and

(e) divide the result of (d) by five (rounded to the nearest whole dollar).

Example: Insured C is a BFR with three years of tax records for 2021-2023. The insured also has farm revenue for the 2024 policy year which is considered the lag year. The insured has the following allowable revenue: $149,500 for 2024 (lag year); $112,000 for 2021; $139,600 for 2022; and $160,360 for 2023. The lowest allowable revenue from the whole-farm history period and the lag year is $112,000 (2021). Insured C's average revenue is $134,692 [($149,500 + $112,000 + $112,000 + $139,600 + $160,360) ÷ 5].

(4) For a qualifying person under Micro Farm with three years of tax records in the micro farm whole-farm history period:

(a) determine the lowest allowable revenue from the three years in the micro farm whole-farm history period;

(b) sum the allowable revenue for each year in the micro farm whole-farm history period;

(c) add the result of (a) to the result of (b);

(d) add the result of (a) to the result of (c); and

(e) divide the result of (d) by five (rounded to the nearest whole dollar).

A. Simple Average Allowable Revenue (Continued)

Example: Insured D elected Micro Farm and has three years of tax records in their micro farm whole-farm history period. The insured has the following allowable revenue: $85,000 for 2021; $86,500 for 2022; $91,300 for 2023. The lowest allowable revenue from the micro farm whole-farm history period $85,000 (2021). Insured D's average revenue is $86,560 [($85,000 + $86,500 + $91,300 + $85,000 + $85,000) ÷ 5].

(5) For a qualifying person under Micro Farm with four years of tax records in the micro farm whole-farm history period:

(a) determine the lowest allowable revenue from the four years in the micro farm whole-farm history period;

(b) sum the allowable revenue for each year in the micro farm whole-farm history period;

(c) add the result of (a) to the result of (b); and

(d) divide the result of (c) by five (rounded to the nearest whole dollar).

Example: Insured E elected Micro Farm and has four years of tax records in their micro farm whole-farm history period. The insured has the following allowable revenue: $86,250 for 2020, $85,000 for 2021; $86,500 for 2022; $91,300 for 2023. The lowest allowable revenue from the micro farm whole-farm history period $85,000 (2021). Insured E's average revenue is $86,810 [($86,250 + 85,000 + $86,500 + $91,300 + $85,000) ÷ 5].

B. Insurance Options

The insured may select one or more of the following options. However, if more than one option is selected the option with the highest revenue amount will be considered elected and used in determination of their whole-farm historic average.

(1) Revenue Substitution

Revenue substitution, when elected, allows the substitution of any year within an insured's whole-farm history period that falls below 60 percent of their simple average allowable revenue or, if eligible and elected, their indexed simple average allowable revenue.

(a) To be eligible for the current policy year, the insured must elect revenue substitution by the applicable SCD.

(b) If elected:

B. Insurance Options (Continued)

(i) calculate the revenue substitution amount by multiplying the simple average revenue or indexed simple average revenue, if applicable, by 0.60;

(ii) determine the allowable or, if eligible and elected, the indexed allowable revenue amounts of each year that fall below the result of (i);

(iii) substitute the result(s) of (ii) with the result of (i); and

(iv) Calculate the average allowable revenue as stated in Subparagraph 71D.

(c) Revenue Substitution cannot be used in conjunction with Revenue Exclusion.

(2) Revenue Exclusion

(a) Revenue exclusion, when elected, allows the exclusion of the lowest allowable revenue amount or, if eligible and elected, their lowest indexed allowable revenue within the insured's whole-farm history period.

(i) To be eligible for the current policy year, the insured must elect revenue exclusion by the applicable SCD;

(ii) If elected, exclude lowest allowable revenue amount or, if eligible and elected, their lowest indexed allowable revenue within the insured's whole-farm history period; and

(iii) Calculate the average allowable revenue as stated in Subparagraph 71D.

(b) Revenue Exclusion cannot be used in conjunction with Revenue Substitution.

(3) Revenue Cup

Revenue cup, if elected, allows the replacement of the whole-farm historic average revenue with an amount equal to 90 percent of the insured's previous policy year's approved revenue if the insured's average allowable revenue is less than 90 percent of the insured's previous policy year's approved revenue.

(a) To be eligible for the current policy year, the insured must:

(i) be a carryover insured; and

(ii) elect revenue cup by the applicable SCD.

(b) If elected:

(i) calculate the revenue cup by multiplying the insured's previous year's approved revenue by 0.90; and

B. Insurance Options (Continued)

(ii) if the average allowable revenue is less than the result of (i), replace the whole-farm historic average revenue with the result of (i).

(c) The insured must notify the AIP if the previous policy year's approved revenue was corrected due to a claim, review, or audit and the insured elects the revenue cup option, so the current policy year's revenue cup can be corrected.

C. Indexed Average Revenue

(1) Indexed revenue may be calculated for persons with increasing revenue to determine if increased coverage is applicable. Not all persons qualify to use indexed revenue. If qualified, the insured must choose whether or not to use the indexed revenue. Document the insured's choice by selecting either yes or no on item 17 of the WFHR. To qualify for indexing, the insured must have five years of farm tax forms in their whole-farm history period and the allowable revenue for either of the two most recent tax years in the whole-farm history period must be greater than the simple average allowable revenue calculated for the whole-farm history period.

(2) To calculate the simple indexed average revenue.

(a) Divide the allowable revenue for each tax year in the whole-farm history period by the allowable revenue from the previous tax year. There is no calculation for the first year in the whole-farm history period because there is no previous tax year. Round the result to three decimal places. The result is capped at 1.200 and cupped at 0.800.

Example: Insured A has the following allowable revenue: $250,500 for 2019 (Year 1); $300,256 for 2020 (Year 2); $99,350 for 2021 (Year 3); $98,750 for 2022 (Year 4); and $215,515 for 2023 (Year 5). The following is the result of the first step in the indexed average revenue calculation by year.

2020 = 1.199 ($300,256 ÷ $250,500)

2021 = 0.331 ($99,350 ÷ $300,256) (cupped at .800)

2022 = 0.994 ($98,750 ÷ $99,350)

2023 = 2.182 ($215,515 ÷ $98,750) (capped at 1.200)

(b) Sum the results for each year obtained in (a), then divide the total by four to determine the revenue trend factor. Round result to three decimal places. The result is floored at 1.000.

C. Indexed Average Revenue (Continued)

Example: Including the cups and caps, the result of the second step in the indexed average revenue calculation is 1.048 [(1.199 + 0.800 + 0.994 + 1.200) ÷ 4].

(c) Raise the result of (b) to the sixth power. Round result to three decimal places.

Example: The result is 1.325 (1.048 × 1.048 × 1.048 × 1.048 × 1.048 × 1.048).

(d) Raise the result of (b) to the fifth. Round result to three decimal places.

Example: The result is 1.264 (1.048 × 1.048 × 1.048 × 1.048 × 1.048).

(e) Raise the result of (b) to the fourth power. Round result to three decimal places.

Example: The result is 1.206 (1.048 × 1.048 × 1.048 × 1.048).

(f) Raise the result of (b) to the third power. Round result to three decimal places.

Example: The result is 1.151 (1.048 × 1.048 × 1.048).

(g) Raise the result of (b) to the second power. Round result to three decimal places.

Example: The is 1.098 (1.048 × 1.048).

(h) Multiply the result of (c) by the year 1 allowable revenue. Round result to nearest whole dollar.

Example: The result is $331,913 (1.325 × $250,500).

(i) Multiply the result of (d) by the year 2 allowable revenue. Round result to nearest whole dollar.

Example: The result is $379,524 (1.264 × $300,256).

(j) Multiply the result of (e) by the year 3 allowable revenue. Round result to nearest whole dollar.

Example: The result is $119,816 (1.206 × $99,350).

(k) Multiply the result of (f) by the year 4 allowable revenue. Round result to nearest whole dollar.

Example: The result is $113,661 (1.151 × $98,750).

(l) Multiply the result of (g) by the year 5 allowable revenue. Round result to nearest whole dollar.

C. Indexed Average Revenue (Continued)

Example: The result is $236,635 (1.098 × $215,515).

(3) To calculate the indexed average revenue:

(a) sum the indexed revenue for each year in the whole-farm history period, after any applicable adjustments; and

(b) divide the result of (a) by the number of years in the whole-farm history period (rounded to the nearest whole dollar).

(c) the indexed average revenue is equal to the lesser of:

(i) the result of (b); or

(ii) the highest allowable revenue (column 7 of the WFHR) amount in the whole-farm history period.

Example 1: Insured does not elect an insurance option and the highest allowable revenue within the whole-farm history period is $300,256; their indexed average revenue is $236,310 [($331,913 + $379,524 + $119,816 + $113,661 + $236,635) ÷ 5].

Example 2: Insured elects to use Revenue Substitution Option (60 percent of their simple indexed average revenue option), $141,786 [($331,913 + $379,524 + $119,816 + $113,661 + $236,635) ÷ 5] × 0.60, to replace any years less than that amount within their whole-farm history period. Insured has two years within their history that falls below 60 percent of their simple indexed average revenue ($119,816 and $113,661). Using the new allowable revenue amounts and since the highest allowable revenue amount within the whole-farm history is $300,256, their indexed average revenue is $246,329 [($331,913 + $379,524 + $141,786 + $141,786 + $236,635) ÷ 5].

Example 3: Insured elects to use the Revenue Exclusion Option (drop the lowest indexed revenue amount option within their whole-farm history period). After dropping the lowest amount within their history ($113,661) and since the highest allowable revenue amount within the whole-farm history is $300,256, the insured average allowable revenue is $266,972 [($331,913 + $379,524 + $119,816 + $236,635) ÷ 4].

D. Average Allowable Revenue

The following calculation will only apply if the insured chooses not to index and either elects or not, one of the available insurance options offered in Subparagraph 71B. Otherwise, the average allowable revenue will equal the simple average as calculated below.

To calculate the average allowable revenue:

(1) sum the allowable revenue for each year in the whole-farm history period, after any applicable adjustments; and

(2) divide the result of (1) by the number of years in the whole-farm history period (rounded to the nearest whole dollar).

Example 1: Insured does not elect an insurance option; their average allowable revenue is $192,874 [($250,500 + $300,256 + $99,350 + $98,750 + $215,515) ÷ 5].

Example 2: Insured elects to use the Revenue Substitution Option (60 percent of their simple average allowable revenue option), $115,725 [($250,500 + $300,256 + $99,350 + $98,750 + $215,515) ÷ 5] ´ 0.60, to replace any years less than that amount within their whole-farm history period. Insured has two years within their history that falls below 60 percent of their simple average allowable revenue ($99,350 and $98,750). Using the new allowable revenue amounts, the insured's average allowable revenue is $199,544 [($250,500 + $300,256 + $115,725 + $115,725 + $215,515) ÷ 5].

Example 3: Insured elects to use the Revenue Exclusion Option (drop the lowest allowable revenue amount option within their whole-farm history period). After dropping the lowest amount within their history ($98,750), the insured average allowable revenue is $216,405 [($250,500 + $300,256 + $99,350 + $215,515) ÷ 4].

E. Expanded Operation Average Revenue

For the purposes of WFRP, the following expanded operation procedures apply:

(1) Expanded operation average revenue will be calculated for all applicants/insureds when the insured provides documentation indicating their operation is physically expanding either by adding production capacity to their farm operation (i.e., by adding land or an addition of a greenhouse), increasing the use of existing production capacity (e.g., by double-cropping existing land or beginning production on high density blocks or orchards), or making physical alterations to existing production capacity (e.g., by adding irrigation to existing land or beginning production on certified organic acreage) and is approved by the AIP. If so:

(a) The insured must provide verifiable records that the AIP agrees are sufficient to determine the amount of revenue an expansion can be expected to generate:

E. Expanded Operation Average Revenue (Continued)

(i) For a farm operation that is expanding during the current insurance period, by the date on which the insured is required to submit their Revised Farm Operation; or

(ii) For a farm operation where the expansion occurred during the lag year, by the later of the SCD or the first days of their insurance period.

(b) The AIP will determine the amount of revenue from the expansion, using information applicable to the current insurance period (i.e., expected yield and value), approved for the purpose of determining the expanding operation factor.

(c) If more than one expansion (lag year and current year) is applicable to the farm operation, the AIP will determine the amount of revenue for each expansion separately. The total expanding operation factor will not exceed 1.35 for expansions not due solely to certified organic sources. Refer to Subparagraph 71E(1)(f)(iv). For expansions that are due solely to certified organic sources, the expansion amount cannot exceed the greater of 35 percent of the simple average allowable revenue or $500,000. Refer to Subparagraph 71E(1)(g).

(d) If the insured has also made a physical reduction in their production capacity, the AIP will only consider the net increase in production capacity from the highest amount of production capacity of the years in the insured's whole-farm history period when determining their expanding operation factor.

Example 1: The insured's operation controlled the following acres within the whole-farm history period.

2019 – 500 acres

2020 – 450 acres

2021 – 400 acres

2022 – 400 acres

2023 – 350 acres

2024 – 350 acres

They are requesting an expanding operation factor based on 200 added acres in the current year (2025) to their existing 350 acres for a new total of 550 acres. Their net increase in acres is 50 acres (550 acres - 500 acres) due to 500 acres (2019) being their highest amount of production capacity within their whole-farm history period.

E. Expanded Operation Average Revenue (Continued)

Example 2: The insured's operation controlled the following acres within the whole-farm history period.

2019 – 500 acres

2020 – 450 acres

2021 – 400 acres

2022 – 400 acres

2023 – 350 acres

2024 – 550 acres (lag year)

2025 – 525 acres (policy year)

They are requesting an expanding operation factor based on 200 added acres in the lag year (2024) to their existing 350 acres (2023) for a new total of 550 acres. However, the insured lost some acres and is only planting 525 acres in the current policy year, so their net increase in acres is 25 acres (525 acres - 500 acres) due to 500 acres (2019) being their highest amount of production capacity within their whole-farm history period.

(e) If the insured's farm operation is expanding due to adding organic practice production capacity or beginning production on existing production capacity converted to an organic practice, they may elect to submit only the organic practice expansion for consideration to be approved as an expanding operation. If they do, they may only qualify for calculating their expanding operation factor using the organic expansion calculation in Subparagraph 71E(1)(g) below. The AIP will only consider the net increase in organic practice production capacity from the highest amount of organic practice production capacity of the years in the insured's whole-farm history period when determining their expanding operation factor.

(f) For expansions not due solely to certified organic sources, the expanded operation adjusted revenue will be calculated as follows for:

(i) An expansion that will occur in the current year:

(A) Determine the Simple Average Allowable revenue for the Whole-Farm History Period. Refer to Subparagraph 71A.

E. Expanded Operation Average Revenue (Continued)

Example: Insured has the following allowable revenue: $250,500 for 2019; $300,256 for 2020; $99,350 for 2021; $98,750 for 2022; and $215,515 for 2023. The insured's simple average revenue is $192,874 [($250,500 + $300,256 + $99,350 + $98,750 + $215,515) ÷ 5].

(B) Add the amount of revenue from the physical expansion of the farm operation that will or has occurred during the current policy year, as determined by the AIP, to the Simple Average Allowable Revenue.

Example: For the current policy year, the insured has added 500 acres to the farm operation with an additional $100,000 of expected revenue determined by the AIP. $292,874 ($192,874 + $100,000)

(C) Divide the result of (B) by the result of (A). Round the result to two decimal places, not to exceed 1.35, to determine the Expanding Operation Factor.

Example: $292,874 ÷ $192,874 = 1.52 (capped at 1.35)

(D) Multiply the result of (C) by the result of (A) to determine the Expanded Operation Adjusted Revenue.

Example: $192,874 × 1.35 = $260,380

(ii) For an expansion that occurred in the lag year:

(A) Determine the Simple Average Allowable revenue for the Whole-Farm History Period. Refer to Subparagraph 71A.

Example: Insured has the following allowable revenue: $250,500 for 2019; $300,256 for 2020; $99,350 for 2021; $98,750 for 2022 and $215,515 for 2023. The insured's simple average revenue is $192,874 [($250,500 + $300,256 + $99,350 + $98,750 + $215,515) ÷ 5].

(B) Add the amount of revenue from the physical expansion of the farm operation that will or has occurred during the current policy year, as determined by the AIP, to the Simple Average Allowable Revenue.

E. Expanded Operation Average Revenue (Continued)

Example: In 2024, the lag year, the insured added 100 acres to the farm operation which generated an additional $25,000 of expected revenue determined by the AIP. $217,874 ($192,874 + $25,000).

(C) Divide the result of (B) by the result of (A). Round the result to two decimal places, not to exceed 1.35, to determine the Expanding Operation Factor.

Example: $217,874 ÷ $192,874 = 1.13

(D) Multiply the result of (C) by the result of (A) to determine the Expanded Operation Adjusted Revenue.

Example: $192,874 × 1.13 = $217,948

(iii) For the subsequent policy year (2025), an expansion that occurred in the current policy year (2025) will be determined in accordance with (f)(ii) above.

Example: An expansion occurred in the current policy year 2025. The Whole-Farm History period for this expansion is 2019, 2020, 2021, 2022, and 2023with 2024 being the lag year. For the subsequent policy year 2025, the Whole-Farm History period for the expansion occurring in 2025 is 2020, 2021, 2022, 2023, and 2024 with 2025 being the lag year.

(iv) For expansions that occurred in the current year and the lag year:

(A) Determine the Simple Average Allowable revenue for the Whole-Farm History Period. Refer to Subparagraph 71A.

Example: Insured has the following allowable revenue: $250,500 for 2019; $300,256 for 2020; $99,350 for 2021; $98,750 for 2022; and $215,515 for 2023. The insured's simple average revenue is $192,874 [($250,500 + $300,256 + $99,350 + $98,750 + $215,515) ÷ 5].

(B) Determine the amount of revenue from the physical expansion of the farm operation that will occur during the current policy year.

E. Expanded Operation Average Revenue (Continued)

Example: For the current policy year, the insured has added 500 acres to the farm operation with an additional $100,000 of expected revenue determined by the AIP.

(C) Add the result of (B) to the result of (A). $292,874 ($192,874 + $100,000)

(D) Determine the amount of revenue from the physical expansion of the farm operation that occurred during the lag year using information applicable to the current policy year (i.e., expected values).

Example: In 2024, the lag year, the insured added 100 acres to the operation which generated an additional $25,000 of expected revenue as determined by the AIP.

(E) Add the result of (D) to the result of (C). $317,874 ($292,874 + $25,000)

(F) Divide the result of (E) by the result of (A). Round the result to two decimal places, not to exceed 1.35, to determine the Expanding Operation Factor.

Example: $317,874 ÷ $192,874 = 1.65 (capped at 1.35)

(G) Multiply the result of (A) by the result of (F) to determine the Expanded Operation Adjusted Revenue.

Example: $192,874 × 1.35 = $260,380

(g) For expansions due solely to certified organic sources in the current year and/or the lag year, the expanded operation adjusted revenue will be calculated as follows:

The following examples will be used for the purposes of organic expanding operation calculations below:

Example 1: The insured has a Simple Average Allowable Revenue of $100,000. The insured has acquired an additional 25 certified organic acres that will produce $100,000 in allowable revenue in the current year.

E. Expanded Operation Average Revenue (Continued)

Example 2: The insured has a Simple Average Allowable Revenue of $1,500,000. The insured acquired an additional 25 certified organic acres that will produce $100,000 in allowable revenue in the current year. The insured also acquired 75 certified organic acres in the lag year that produces $250,000.

(i) Multiply the Simple Average Allowable Revenue by 0.35.

Example 1: $35,000 ($100,000 × 0.35)

Example 2: $525,000 ($1,500,000 × 0.35)

(ii) Determine the greater of $500,000 or the result of (i).

Example 1: $500,000

Example 2: $525,000

(iii) Add the Simple Average Allowable Revenue to the result of (ii).

Example 1: $600,000 ($100,000 + $500,000)

Example 2: $2,025,000 ($1,500,000 + $525,000)

(iv) Add the amount of revenue from the certified organic expansion, as determined by the AIP, to the Simple Average Allowable Revenue.

Example 1: $200,000 ($100,000 + $100,000)

Example 2: $1,600,000 ($100,000 + $1,500,000)

(v) Add the result of (iv) to the amount of revenue from the certified organic expansion that occurred in the lag year, as determined by the AIP.

Example 1: $200,000 ($200,000 + $0.00)

Example 2: $1,850,000 ($1,600,000 + $250,000)

(vi) Determine the lesser of the results of (iii) and (v).

Example 1: $200,000

Example 2: $1,850,000

E. Expanded Operation Average Revenue (Continued)

(vii) Divide the result of (vi) by the Simple Average Allowable Revenue to determine the expanding operation factor. Round the result to two decimal places.

Example 1: 2.00 ($200,000 ÷ $100,000)

Example 2: 1.23 ($1,850,000 ÷ $1,500,000)

(viii) Multiply the Simple Average Allowable by the result of (vii) to determine the Expanded Operation Adjusted Revenue.

Example 1: $200,000 ($100,000 × 2.00)

Example 2: $1,845,000 ($1,500,000 × 1.23)

(2) The following will not be considered physical expansion:

(a) Crop rotation, planting pattern change (excluding anything allowed in Subparagraph 71E(1)) or planting a higher value commodity without changes to the farm operation's existing production capacity.

(b) For perennial crops, beginning production on an orchard or grafted acreage (or other unit of land) if any revenue from the production on that land was generated during the insured's whole-farm history period.

(c) For livestock, an increase in the number of livestock expected to produce revenue during the insurance period with no other changes in the facilities or production capacity.

(3) An expanding operation factor cannot be approved until:

(a) the insured provides documentation verifying they actually undertook their proposed expansion as indicated on the IFOR; and

(b) the expansion was completed in time for it to provide the stated revenue to the farm operation during the insurance period.

(4) Any time the AIP determines the information used to establish the insured's expanding operation factor does not reflect the revenue the insured could have expected to receive when the commodity would be harvested, the AIP will revise the expanding operation factor to the amount determined to be correct.

F. Whole-Farm Historic Average Revenue

The applicant's/insured's whole-farm historic average revenue is the highest of their:

(1) average allowable revenue;

(2) indexed average revenue (if applicable);

(3) 90 percent of the insured's previous year's approved revenue (if elected); or

(4) expanded operation adjusted revenue (if applicable).

(5) The whole-farm historic average revenue is then entered on the FOR.

G. Total Expected Revenue

The Total Expected Revenue is determined by the commodities listed on the FOR and valued in accordance with the WFRP policy and Exhibit 18. The Total Expected Revenue is used in determining premium amount and approved revenue.

H. Approved Revenue

The approved revenue is determined by the AIP and is used to calculate the WFRP coverage amount and premium.

(1) The approved revenue is determined on the FOR and is the lesser of the:

(a) total expected revenue; or

(b) whole-farm historic average revenue.

(2) For Micro Farm, the approved revenue is determined on the FOR and must not exceed $350,000 for the first year of coverage or $400,000 for a carryover insured.

72 (Reserved)

73 Inventory

(1) The inventory is used to adjust the approved revenue to only revenue produced during the insurance period.

(a) If the farm has Animals and Animal Products or Nursery and Greenhouse (excluding farms covered under Micro Farm), those inventory items should be recorded on the Market Animal and Nursery Inventory Report because they are valued at both the beginning and ending of the insurance period.

(b) All other inventory items (including commodities covered under Micro Farm) are recorded on the Inventory Report and valued in accordance with Exhibits 5 and 7.

(2) Accurate and complete inventory information will be used to:

(a) ensure that revenue produced in previous years is removed from the current year's approved revenue;

(b) maintain an accounting of commodities on hand at the beginning and at the end of the insurance period;

(c) determine the amount of revenue earned during the insurance period for commodities, including nursery, greenhouse, and animals, that are held for more than one policy year to realize a gain in revenue because of an increase in size or maturity, such as trees, shrubs, and bushes in a nursery; and

(d) calculate RTC when there is loss claimed.

Important: Refer to Paragraph 106 for RTC calculation.

(3) Beginning inventories must be provided to the AIP on or before:

(a) the SCD for insureds who are calendar year tax filers; or

(b) the later of the date:

(i) the insured submits their application; or

(ii) last day of the month in which the fiscal year begins if the insured is an early or late fiscal year filer.

(4) If the insured does not submit beginning inventory reports, including zero inventories, as required in item (3) above, any revenue received from commodities produced or purchased for resale in prior policy years reported on the insured's tax forms will be included as RTC at claim time.

(5) The inventory report must provide a count or measurement of the insured's quantity of the commodity in inventory using the unit of measure in which the commodity is marketed, such as bushels, tons, pounds, boxes, head, or carton. Units of measure can be found in Exhibit 20. The inventory should list multiple lines for a commodity if the type or variety has local market expected values that vary substantially by type or variety.

(6) All insurable commodities that are stored, unharvested, held for sale, or held for on-farm use but are not used by the end of the insurance period must be included on the Inventory Report or Market Animal and Nursery Inventory Report regardless of whether the commodity was harvested, held to realize a gain in maturity or size, or was simply unsold.

(7) The information on the Inventory Report and the Market Animal and Nursery Inventory Report must be substantiated by the AIP using verifiable records, including but not limited to:

(a) storage records from elevators, packing houses, warehouses, or other commercial storage facilities;

(b) measurements of farm stored production if measured by an AIP, FSA, or other USDA authorized representative;

(c) complete and accurate count of animals; and

(d) complete and accurate count of nursery commodities.

(8) The beginning inventory will not include commodities planted solely for production during the insurance period (i.e., corn planted that will be harvested in the insurance period) but will include any commodity held for more than one insurance period, whether in storage, unharvested (i.e., corn from the previous year that is still in the field but ready for harvest), or to realize a gain in revenue because of an increase in size or maturity, such as animals, trees, shrubs, and bushes in a nursery. Refer to Paragraphs 143 and 144 for more information about inventory requirements for animals and nursery commodities.

However, some commodities, such as avocados and citrus, may mature to the point the commodity is regarded as produced and saleable at established markets but remain "stored on the tree" for several additional months. Such saleable production that was produced in the previous insurance period but is "stored on the tree" at the beginning of the current insurance period must be accounted for on the inventory report for the current insurance period.

For Market Animals and Nursery Inventory, the inventory will be valued at the beginning of the insurance period so that the gain in value of the commodity during the insurance period can be measured at the end of the insurance period.

(9) The ending inventory is completed at the end of the insurance period and the difference in value, or the ending inventory less the beginning inventory, is used as the adjustment amount. The Inventory adjustments will be used on the Claim for Indemnity Form in item 22 for the Inventory Report and item 26 for the Market Animal and Nursery Inventory Report.

74 Accounts Receivable Report

The Accounts Receivable Report is not required for each year in the five year whole-farm history period. The report is only required for the current policy year, if applicable.

(1) The Beginning Accounts Receivable Report will be valued on the first day of the insurance period and submitted by:

(a) the SCD for insureds who are calendar year tax filers; or

(b) the later of the date:

(i) the insured submits their application; or

(ii) last day of the month in which the fiscal year begins if the insured is an early or late fiscal year filer.

(2) The Ending Accounts Receivable Report will be valued on the last day of the insurance period and submitted by the earlier of:

(a) the time a claim is submitted for indemnity or the SCD of the subsequent policy year for insureds that are calendar year tax filers; and

(b) the time a claim is submitted for indemnity or 60 days after the end of the insurance period for insureds that are early or late fiscal year tax filers.

(3) Revenue from commodities produced during the insurance period that have been sold and are no longer on the farm but for which payment has not been received are reported in Part 2 of the Accounts Receivable Report. If the value is shown on the farm tax forms due to the accounting method, then the commodity would not be listed on the Accounts Receivable Report. The amount of accounts receivable will count as revenue for the insurance period and is entered in item 23 of the Claims for Indemnity Form.

Example: Insured A sold and delivered 100 boxes of cucumbers to a processor for a specified price but has not received the payment from the processor. Insured A has another 200 boxes of cucumbers they have not sold and for which there is no specified price. Insured A includes the 100 boxes of cucumbers sold to the processor in the Accounts Receivable Report and includes the other 200 boxes in the Inventory Report.

The values in accounts receivable must be the amount due the insured for the commodity minus the cost, or other basis, of the commodity if the commodity was purchased for resale.

Example: Insured B purchased 200 units of kiwis for resale at a cost of $400. Insured B sold the 200 units of kiwis for $1,000 but has not received payment. The Accounts Receivable Report should show $600 ($1,000 - $400) as accounts receivable for the 200 units of kiwis.

If any accounts receivable were previously written off as uncollectable and are not included in the beginning Accounts Receivable Report but are then collected by the insured during the insurance period, these accounts receivable will not be included in cash receipts for the insurance period because they are revenue from the previous year. These amounts should be removed from the commodity income on the Allowable Revenue Worksheet in the adjustments to income.

The AIP must not accept any accounts receivable amount if the amount reported for WFRP purposes cannot be verified through the use of verifiable records and/or direct marketing sales records.

Refer to Paragraph 146 for instructions on how to handle co-operative cash payments and allocations.

75-90 (Reserved)

PART 4: LOSS AND CLAIM INFORMATION

Section 1 Loss Information

91 Insurable Losses

WFRP provides protection against the loss of approved revenue due to unavoidable natural causes that occur during the insurance period.

A decline in local market price will be presumed to be from unavoidable natural causes unless FCIC specifically identifies a man-made cause that resulted in a measurable change in the price. A decline in local market price due to man-made causes is not an insurable cause of loss.

For the initial year insured, loss of revenue from damage or decline in local market price that occurs earlier than 10 days after the AIP accepts the application is not covered.

Once the AIP accepts a completed and signed application, as well as all other reports required by Section 15 of the policy that are due by SCD to the AIP is enough to start the 10-day time frame for insurance attachment. This will allow the AIP the time needed to properly underwrite the WFRP policy to determine eligibility and establish the appropriate guarantee for the insured.

For carryover insureds, natural causes that occurred during the previous insurance period that result in a loss of revenue for the current insurance period are covered.

Exceptions: Insurance will not be provided for declining prices that continue into the current insurance period or for changes due to a reduction of irrigation water supply that are known, or should be known, at the time the IFOR is submitted. For example, farm operations experiencing a reduction or lack of irrigation water that is known or apparent prior to when the IFOR is submitted must reduce the amount of acreage to be planted under the irrigated practice or, if irrigation water is no longer available, record the commodities as a non-irrigated practice with appropriately reduced yields on the IFOR. Follow the expected value guidelines for determining expected values at the time the IFOR is completed when declining prices from the previous insurance period continue into the current insurance period.

92 Uninsurable Losses

The following are not covered losses under WFRP:

(1) Negligence, mismanagement, or wrongdoing by the insured, any member of the insured's family or household, or the insured's tenants, employees, or contractors.

(2) An act by any person that affects the revenue on the farm operation including, but not limited to, chemical drift or fire caused by anything other than a naturally occurring event.

(3) Failure to follow recognized GFPs for each insured commodity.

(4) Water contained by or within structures that are designed to contain a specific amount of water, such as dams, locks, or reservoir projects, when such water stays within the designed limits.

Example: A dam is designed to contain water to an elevation of 1,200 feet. Insured A plants a crop on acreage at an elevation of 1,100 feet. A storm causes the water behind the dam to rise to an elevation of 1,300 feet and floods the crop. The damage to the crop up to 1,200 feet of elevation is not an insurable cause of loss. However, damage to the crop above 1,200 feet of elevation is an insurable cause of loss.

(5) Damage to machinery or equipment.

(6) Failure to carry out good irrigation practices for an insured commodity, if applicable.

(7) Failure or breakdown of irrigation equipment or facilities, or the inability to prepare the land for irrigation using the established irrigation method unless the failure, breakdown, or inability is due to an unavoidable natural cause.

Important: Insured must make all reasonable efforts to restore the equipment or facilities to proper working order within a reasonable amount of time, unless the AIP determines it is not practical to do so. Cost will not be considered when determining whether it is practical to restore the equipment or facilities. Failure of the insured to make all reasonable efforts to restore the equipment and facilities will result in any loss from the failure or breakdown of the irrigation equipment or facilities being an uninsured loss.

(8) Theft, mysterious disappearance, or vandalism of an insured commodity.

(9) Inability to market the commodities due to quarantine, boycott, diverted acres, or refusal of any person to accept any insured commodities, including insolvency of the buyer identified in the marketing contract.

(10) Lack of labor to properly care for, harvest, or perform any necessary production activities for any insured commodity.

(11) Failure to receive payment for produced commodities.

(12) Failure to follow the requirements contained in any processor contract.

(13) Abandonment of an insured commodity.

(a) A commodity the insured has ceased to care for will not be considered abandoned if an insured cause of loss prevents the producer from properly caring for, harvesting, or marketing the commodity, or causes damage to the commodity to the extent that most producers of the commodity in the area with similar characteristics would not normally further care for or harvest the commodity; and

(b) The insured's decision not to harvest a commodity due to low market prices will not be considered abandonment.

(14) Failure to obtain a price for any commodity that is reflective of the local market value.

(15) Deterioration of commodities while in storage that reduces the quality or value, unless the deterioration was due to damage caused by an insured cause of loss before the commodity was harvested. Such deterioration by an insured cause of loss must be documented by the insured and reported to the AIP. The quantity in storage will be valued at an amount not less than the local market value for the undamaged commodity if:

(a) the insured fails to notify the AIP of deterioration and cause of damage;

(b) cause of damage was due to anything other than insured cause of loss; or

(c) the insured fails to adequately document the damage.

(16) Production of a commodity, or a quantity of a commodity, which has no verifiable market or exceeds the amount of production that could be expected to be received by the market under normal growing conditions.

(17) Decline in local market prices due to man-made causes.

(18) Industrial Hemp that is unsalable or destroyed due to a THC level above the maximum acceptable level.

(a) The maximum acceptable hemp THC level will be the lesser of: 1) 0.3 percent, allowing for the measurement of uncertainty provided by the testing laboratory; or 2) the acceptable level of the applicable governing authority (State or Tribe) in which the insured crop is grown, allowing for the measurement of uncertainty provided by the testing laboratory. If the test results provided by the testing laboratory do not include a measure of uncertainty, the measurement of uncertainty will be considered zero percent (0.000 percent).

Example: If a laboratory reports a result as 0.35 percent with a measurement of uncertainty of ±0.06, the distribution or range is 0.29 to 0.41 percent. Because 0.3 percent is within that distribution or range, the sample, and the lot it represents, is considered hemp as defined. However, if the measurement of uncertainty for that sample was 0.02 percent, the distribution or range is 0.33 to 0.37 percent. Because 0.3 percent or less is not within that distribution or range, the sample is not considered hemp as defined.

(b) The sale of hemp with a THC level greater than the maximum acceptable level as stated in (a) will be considered producing and selling a controlled substance and will result in voidance of the insured's WFRP policy. Refer to Paragraph 126.

Uninsurable losses will be valued and added to the RTC, which will decrease any loss payments. RTC must be increased for commodities that are damaged by anything other than an insured cause of loss. If a commodity deteriorates while in storage and is sold for less than the local market value for the undamaged commodity, the RTC must be increased by an amount equal to the difference between the dollar amount received for the damaged commodity and the dollar amount that would have been received for the commodity using the local market value if it was not damaged.

93 Quality Determinations

When the commodity is damaged (refer to Exhibit 2 for damaged definition) by an insurable cause of loss, the WFRP policy provides coverage for quality by using the actual price received or the local market value, not less than zero, for unsold damaged commodities. Refer to Subparagraph 92(15) for commodities that are in storage.

(1) If a commodity is damaged by an insurable or uninsurable COL resulting in a reduction of quality, the insured must comply with their duties detailed in Subparagraph 94A.

(2) The insured must maintain documentation which includes enough detail to identify the specific lot, bin, cartons, etc. of the damaged commodity.

94 Duties in the Event of Damage or Loss

A. Insured's Duties in the Event of Damage or Loss

The AIP must instruct the insured of the following duties.

(1) The insured must provide a notice of loss to the AIP within 72 hours of their initial discovery that the allowable revenue on the farm operation may be less than the insured revenue or for any physical damage that occurs to any commodity on the farm operation that may cause the allowable revenue to fall below the insured revenue. The notice must specify the damaged commodity and document the cause of loss.

(2) If the insured is not able to market any insured commodity, including refusal of a buyer to accept a commodity, the insured must provide a notice of loss stating they are unable to market the commodity and document the reason the commodity cannot be marketed (e.g., quarantine, failure to meet the requirements of a processor contract, quality damage, etc.).

(3) The insured is not required to report general market fluctuations that are not directly related to the condition or marketability of commodities on the farm operation.

(4) In case of potential loss of revenue to any insured commodity, the insured must:

(a) protect the commodity from further damage by providing sufficient care if the cost of the care will not exceed the value of the commodity; and

(b) cooperate with the AIP in the settlement or investigation of the claim, and, as often as the AIP reasonably requires:

(i) allow the AIP to inspect the damaged commodity;

(ii) allow the AIP to remove samples and determine the extent of damage; and

(iii) provide the AIP with acceptable records and documents requested and permit the AIP to make copies of those records or documents.

A. Insured's Duties in the Event of Damage or Loss (Continued)

(5) Farm operations that suffer a reduction of irrigation water due to an insured cause of loss during the insurance period must be managed consistent with GFP to maximize the allowable revenue for the entire operation to mitigate, as much as possible, the adverse impacts of insufficient irrigation water.

(6) The insured must notify the AIP and obtain the AIP's consent before abandoning, disposing of, or destroying any damaged or undamaged insured commodities, or selling a commodity for any reason other than its intended purpose or to someone other than a disinterested third party.

(a) If the AIP does not inspect the insured commodity within 15 days after notification, the insured may abandon, dispose of, sell, or destroy the insured commodity without the AIPs consent. THIS IS NOT APPLICABLE TO REPLANTS.

(b) If the AIP determines that expenses associated with the harvest or preparation of a commodity would be greater than the allowable revenue from the sale of the commodity, the AIP will not include the potential revenue of the commodity when determining RTC if the commodity is not harvested.

(i) The AIP must determine the associated expenses are consistent with previous years' expenses and similar operations.

(ii) the AIP must verify the insured does not traditionally harvest the commodity at a cost below the normal cost to harvest the commodity.

Example: A producer is required to grow a specific variety of fruit that has a low market value to meet processor requirements. However, due to unavailability of labor, the producer is unable to harvest the crop. The unavailability of labor is considered an uninsured COL and any portion of the commodity not harvested would be counted as RTC at the expected value.

(7) If the insured fails to comply with any of the notice requirements of the WFRP policy:

(a) the AIP will consider any loss on the portion of the commodity (damaged acres or other applicable unit of measure for the commodity) for which the insured failed to provide notice to be due solely to uninsured causes, with the expected revenue of the lost commodity included as RTC, unless the AIP determines that they have the ability to accurately determine the amount and cause of loss; and

(b) the insured will be required to pay all premiums owed for the policy, including premium for any portion of the commodity the AIP considers damaged due solely to uninsured causes.

B. AIP Duties in the Event of Damage or Loss

(1) The AIP will recognize and apply the claim adjustment and other procedures established or approved by FCIC.

(2) The AIP will verify completeness and accuracy of the insured's WFHR, FOR, Beginning and Ending Inventory, Allowable Revenue Worksheet, Beginning and Ending Accounts Receivable, and any other verifiable documentation and/or information used to complete the Claim for Indemnity Form.

(3) The AIP will use the insured's farm tax forms and verifiable records requested by the AIP that were used to create the farm tax forms, to calculate the allowable revenue for the policy year including any required adjustments, to determine if the insured has an insurable loss.

(4) If the insured has complied with all the policy provisions, the AIP will pay the loss for a replant or for a claim for indemnity within 30 days after:

(a) agreement is reached with the insured;

(b) completion of arbitration or appeal proceedings;

(c) completion of any investigation by USDA, if applicable, of the insured's current claim for indemnity if no evidence of wrongdoing is found. (If any evidence of wrongdoing is discovered, the amount of any indemnity, or replant overpayment as a result of such wrongdoing may be offset from any indemnity owed to the insured); or

(d) the entry of a final judgment by a court of competent jurisdiction.

(5) In the event the AIP is unable to pay the insured's loss within 30 days, the AIP will give the insured notice of their intentions within the 30-day period.

(6) The AIP may defer, at their discretion, the claim adjustment up to 180 days from the EOIP. Refer to Subparagraph 107A(1) when commodities produced during the insurance period are still in storage, have not been sold, and an accurate local market value is not available at the time the claim is filed. For commodities for which an accurate price cannot yet be determined or are still in controlled atmosphere storage after the 180 days, the AIP may, at their discretion defer adjustment of the claim until a portion of such production is packed and/or processed to determine an accurate value.

95 Replant Payment

(1) To qualify for a replant payment:

(a) the insured must notify the AIP of the damaged acreage prior to replanting;

(b) the damaged commodity must be an annual plant;

(c) the insured commodity must be damaged by an insurable cause;

(d) the AIP must determine that it is practical to replant, and give consent to replant;

(e) the acreage replanted must be at least 20 acres or 20 percent of the insured planted acreage for the commodity to be replanted;

For commodities planted in different, but distinct growing seasons, determinations of the 20 acre or 20 percent rule should be made based on the specific planting period for the commodity.

Example 1: 50 acres of spring bell peppers and 50 acres of fall bell peppers are reported on the IFOR to be planted on the same 50 acres. 12 acres of spring bell peppers need to be replanted and the AIP determines that it is practical to replant. The 20/20 rule for spring planted bell peppers is met for the 50 acres reported for spring bell peppers.

Example 2: The insured plants 50 acres of bell peppers and 50 acres of hot peppers in a 100-acre field. Both are Fresh Market and are both reported under the commodity code of Peppers (Fresh Market) in Polk County, Florida. The insured needs to replant 12 acres of bell peppers and the AIP determines that it is practical to replant. However, the 12 acres to be replanted does not meet the 20/20 rule for the total 100 acres of Peppers (Fresh Market).

Example 3: An insured reports and plants 100 acres of winter wheat. On that same 100 acres, the insured reports and intends to plant soybeans. The winter wheat is harvested, and the soybeans are planted as intended. 25 acres of the soybeans are lost due to an insured cause of loss and need to be replanted and the AIP determines that it is practical to replant the acres. The 25 acres to be replanted meet the 20/20 rule of the double cropped soybean acreage.

(f) the AIP may inspect the acreage prior to making the replant payment; and

(g) the insured must submit verifiable records that show their actual cost of replanting within 60 days:

(i) of the Revised Farm Operation Reporting date; or

(ii) after the commodity is replanted if the replanting occurs after the Revised Farm Operation Reporting date.

(2) No replant payment will be made:

(a) if the AIP is unable to determine the insured's actual replanting costs;

(b) on acreage on which one replant payment has already been allowed for the insurance period;

(c) for any commodity on the farm operation that is also insured by another FCIC reinsured policy for which replant payments are also available under the other policy;

(d) for industrial hemp;

(e) until a RFOR is submitted; or

(f) for any commodity insured under Micro Farm.

A Replant Payment Worksheet must be completed if the insured qualifies for a replant payment. In the Narrative Section of the worksheet or on a Special Report, document how the qualifications for a replant payment have been met.

(3) The determination of the maximum amount of the replant payment per acre will be based on the lesser of:

(a) the actual cost, before share, to replant the commodity; or

(b) 20 percent of the expected revenue per acre for the commodity as reported in the RFOR (column 14E/14A) multiplied by the coverage level.

As shown in the following example, the maximum amount of the replant payment is multiplied by the share recorded in item 14C of the RFOR. Show all calculations in the Narrative section of the Replant Payment Worksheet or on a Special Report.

Example: 50 acres of commodity replanted

Expected Revenue per acre guarantee = $750 (column 12 of the FOR)

Actual cost per acre to replant prior to share = $75.00 (verified from actual records)

Maximum Replant Amount: 20% of the expected revenue per acre multiplied by coverage level= $127.50 ($750 per acre guarantee × 20%) × 85%

The lesser of $75.00 or $127.50 is $75.00.

Replant Payment = $3,750 ($75.00 × 50 acres) × 1.0000 (share)

Enter the replant calculations in the “Narrative” of the Replant Payment Worksheet.

96-100 (Reserved)

101 Adjustments to Revenue

A. General Information

Adjustments to revenue are required for claim purposes regardless of the accounting method, cash or accrual, used by the insured. For claims purposes, revenue will be considered earned regardless of whether the revenue is reported to the IRS during the tax period applicable to the policy year. Refer to Paragraph 7 for information about cash and accrual accounting methods.

Adjustments to revenue for increases and decreases in inventory or accounts receivable for the policy year are made by subtracting the beginning balance from the ending balance. Positive amounts are added to the allowable revenue and negative amounts are subtracted. Refer to Subparagraph 101B and the Claims for Indemnity Form for adjustments for inventory and accounts receivable.

B. Adjustments for Accounts Receivable

Determine the amount to add to or subtract from to the insured's allowable revenue for the policy year by subtracting the beginning balance of accounts receivable from the ending balance of accounts receivable for the policy year. Values shown on the Accounts Receivable Report will not include the cost of the commodity being valued if the commodity was purchased for resale.

Accounts receivable from previous years that were determined to be uncollectable and were not reported as Beginning Accounts Receivable, but that are collected by the insured during the policy year will not be included in cash receipts for the policy year. Any amounts reported on the farm tax form as revenue should be adjusted out of the revenue on the Allowable Revenue Worksheet. The beginning balance of all accounts receivable must not include the cost, or other basis, of the commodity if the commodity was purchased for resale.

Example: Insured B purchased 200 units of Mums for resale. The 200 units cost $400. Insured B sold the 200 units of Mums for $1,000 but has not received payment. Insured B should report $600 ($1,000 - $400) as the beginning accounts receivable for the 200 units of Mums.

Refer to Paragraph 74 for information about accounts receivable.

Sum the balances (column 9 of Part 2) on the Accounts Receivable Report. Negative numbers will make the number smaller, positive numbers will make the number larger. The final result may be positive or negative. The final result is put in item 23 on the Claim for Indemnity Form.

Example: Insured A reports $50,000 revenue for the policy year. Insured A reports a loss under WFRP and had $6,000 beginning balance and $12,000 ending balance on the Accounts Receivable Report for the policy year. The AIP subtracts the beginning accounts receivable from the ending accounts receivable to get +$6,000 ($12,000 - $6,000). This number will be entered in box 23 of the on the Claims form and will be added to the allowable revenue for the insured year because it is a positive number.

101 Adjustments to Revenue (Continued)

C. Adjustments for Inventoried Commodities Not Held to Realize a Gain

The insured's revenue for the policy year must also be adjusted based on the amount and value of commodities in the insured's beginning and ending inventory. The value of the beginning inventory is subtracted from the value of the ending inventory to calculate the adjustment. This amount is then entered on the Claim for Indemnity Form in item 26. If it is a positive number the amount will be added to the allowable revenue for the policy year, if it is a negative number the amount will be subtracted from the allowable revenue for the policy year.

Example: Insured A has $50,000 allowable revenue for the policy year. Insured A reports a loss under WFRP and has the following: Beginning inventory of 6,000 units of commodity B that was produced in the prior year; Ending inventory of 500 units of commodity A valued at $2.00 per unit, and 1,000 units of commodity B valued at $1.00 per unit, all of which was produced during the policy year. The 6,000 units of commodity B that were produced in prior year was sold for $1.00 per unit during the policy year. The table below shows the inventory adjustment (-$4,000), which is transferred to Box 22 of the claims form to adjust the allowable revenue for the policy year to $46,000 ($50,000 - $4,000).

COMMODITY NAME	Beginning Inventory	Value	Value Received	Ending Inventory	Value	Net Value
Commodity B	6000 units	$1.00/unit.	$6,000	1000 units	$1.00/unit	$1,000
Commodity A				500 units	$2.00/unit	$1,000
		Total Beginning Value	$6,000		Total Ending Value	
Inventory Adjustment: Total Ending Value ($2,000) - Total Beginning Value ($6,000) = **-$4,000**						

102 (Reserved)

103 Changes Occurring Within Policy Year

A. Effect of Changes

(1) At the time a claim is filed, the AIP must evaluate the effect of any unreported changes that affects the approved revenue. The AIP must obtain, from the insured, documentation indicating the reasons for discrepancies identified between the information provided on the RFOR and the Claim for Indemnity Form when a claim is filed.

(2) Based on the documentation provided and the evaluation conducted, the AIP must determine whether the approved revenue should be reduced, or liability denied according to the WFRP policy. Reducing the approved revenue will require revising the FOR.

A. Effect of Changes (Continued)

(3) When a commodity is not planted due to an unavoidable natural cause, such as a flood, which prevents the crop from being planted, the expected revenue of the commodity must be reduced by 40 percent. ***

(4) Structural changes may affect the approved revenue for the insured. A structural change of the insured's farm operation is any change that alters the insured's revenue compared to the insured's whole-farm historic average revenue including, but not limited to, changes in:

(a) ownership;

(b) business structure;

(c) size of operation;

(d) management practices;

(e) type of farm operation; and

(f) accounting methods.

(5) Other changes in the insured's farm operation can also affect the approved revenue. Such changes include, but are not limited to:

(a) intended commodities not planted;

(b) different commodities planted than were intended;

(c) significantly more or fewer acres planted than intended; and

(d) change in the share of the commodity(s) by the insured.

B. Farm Operation Report Revisions

The AIP must correct the approved revenue and indemnity, when applicable, if the RFOR requires revision and the total expected revenue changes.

The AIP may deny liability if the information used to determine approved revenue is determined to be incorrect.

104 Changes That Occurred in Year Prior to Policy Year

Structural changes that occurred prior to the current policy year must be identified on the current year's FOR and reflected in the total expected revenue for the current policy year. Refer to Paragraph 103 for description of possible structural changes.

105 Damage and Price Fluctuation That Occurred in the Year Prior to the Policy Year

A. New Insureds

WFRP does not provide coverage for losses that occur earlier than 10 days after the AIP receives a completed application. The expected revenue reported for the policy year must not include any amount that was lost because of such damage or price fluctuation.

B. Carryover Insureds

There is no lapse in WFRP coverage between the previous insurance period and the current insurance period for carryover insureds, provided all requirements are met. Loss of revenue in the current insurance period resulting from damage to insured commodities or price fluctuations from unavoidable natural causes that occurred in the previous insurance period are covered if all other WFRP requirements are met, including GFPs.

Exception: Insurance will not be provided for changes due to a reduction of irrigation water supply that are known, or should be known, at the time the IFOR is submitted. Refer to Paragraph 91.

However, any revenue lost because of damage or price fluctuations will only be covered the year immediately following the insurance period when the loss occurred and will not be covered for subsequent years.

Example: Producer A's perennial crop suffered ice damage during the winter of 2024 that will cause a loss of revenue from the crop in 2025. The damage did not affect 2024 revenue. Producer A was insured under WFRP for 2024, will continue coverage in 2025, and met all WFRP requirements, including GFPs. The total amount of revenue expected for the perennial crop before the ice damage may be reported as expected revenue on the 2025 FOR. However, beginning with the 2025 policy year, any loss of revenue from the ice damage that occurred in 2024 will not be covered. The expected revenue reported for the perennial crop in 2025 and subsequent policy years must not include any amount that was lost because of the 2024 ice damage.

106 Revenue-to-Count

RTC is the allowable revenue produced successfully in the insurance period. It also includes revenue amounts determined to be produced by the inventory adjustments, accounts receivable adjustments, revenue representing any uninsurable losses, value assigned for abandoned commodities, indemnities from other crop insurance policies, and net gains from commodity hedging or speculation.

The following provides the steps for calculating RTC:

(1) Determine insured's allowable revenue for the policy year.

(2) Adjust the allowable revenue determined in step one, if applicable.

(3) Adjust the allowable revenue determined in step two by adding or subtracting, as applicable, required adjustments for accounts receivable.

(4) Adjust the allowable revenue determined in step three by adding or subtracting, as applicable, required adjustments on Inventory Report for commodities not held to realize a gain.

(5) Adjust the allowable revenue determined in step three by adding or subtracting, as applicable, required adjustments on Inventory Report for commodities not held to realize a gain.

(6) Add all values assigned for uninsured causes of loss to the allowable revenue determined in (5).

(7) Add the value assigned to abandoned acreage/commodities to the allowable revenue determined in (6).

(8) Add any net gain from commodity hedging and speculation, not less than zero, to the allowable revenue determined in (7).

(9) Add the total of any indemnity received from FCIC reinsured policies purchased at a buy-up coverage level considered primary insurance which cover commodities insured under WFRP, that applies to the portion of the commodity insured under WFRP, to the allowable revenue determined in step eight.

Exceptions: Do not include:

(a) ARC/PLC payments;

(b) Replant payments; or

(c) indemnities paid by another policy for damage or loss to a commodity that is not covered by WFRP such as timber, animals for show, pasture or rangeland insured under the Rainfall Index or Vegetation Index policies, or commodities or portions of commodities produced for feed for use on the insured's operation.

(10) Add any expense amount which reduced the price the insured received for a commodity that were not considered when determining the expected value of that commodity to the allowable revenue determined in step 9. Unless it is determined that the reduction was due to an insurable COL occurring prior to the harvest or EOIP on the commodity (for example, if the price you receive for a commodity is reduced to expenses such as assessments, seed costs, or drying expenses, but the expected value established for the commodity was not reduced by such expenses, those expenses will be added as RTC).

Example: A producer sells his corn production to an elevator; the elevator normally charges five cents per bushel for drying costs and deducts that amount from the final settlement payment. The producer reports the net settlement on his tax returns. If the expected value of the corn is adjusted for the drying expense on the IFOR, then the expense will not be considered RTC at claim time. However, if the drying expenses exceed the five cents, the amount exceeding the five cents will be considered RTC.

(11) Add any NAP payments, indemnities from FCIC reinsured policies purchased at the CAT coverage level, indemnities received from policies not authorized under the Act, and, if the insured elected to exclude FCIC reinsured policies from becoming primary insurance or has a Micro Farm policy, any indemnities received from those policies that exceed the deductible. Refer to Subparagraph 123(4).

107 Indemnities

A. Claim for Indemnity

(1) A claim for indemnity declaring the amount of loss must be submitted to the AIP no later than 60 days after the earlier of the:

(a) date the insured filed their taxes with the IRS; or

(b) original date the insured's farm tax forms for the policy year must be provided to the IRS, as specified by the IRS, except as provided in 2(b) below.

Reminder: The AIP may defer, at their discretion, the final claim adjustment up to 180 days from the EOIP when commodities produced during the insurance period are still in storage, have not been sold, and an accurate local market value is not available at the time the claim is filed. For commodities which an accurate price cannot yet be determined or still in controlled atmosphere storage after the 180 days, the AIP may at their discretion defer adjustment of the claim until a portion of such production is packed and or processed to determine an accurate value.

(2) The insured must:

(a) complete and file their farm taxes with the IRS before they submit a claim for indemnity; and

(b) file their farm taxes on or before the first day of the 7th month after the end of the insurance period unless they have requested a Federal tax return filing extension.

If the insured has requested a Federal tax return filing extension:

(i) submit a claim for indemnity declaring the amount of loss no later than 60 days after the earlier of the date the:

(A) insured filed their taxes with the IRS; or

(B) final extended tax due date;

(ii) provide a copy of their request for an extension, Federal tax return showing the date it was signed, or proof of mailing showing the date the return was filed; and

A. Claim for Indemnity (Continued)

(iii) file their taxes on or before the final extended tax due date.

The AIPs may require the insured to request IRS send the AIP verification of the date insured's return was filed.

B. Changes to Filed Federal Taxes

Any change to filed Federal tax returns within three years after a claim was settled may require an adjustment to the amount of indemnity paid.

The AIP must correct the insured's indemnity, approved revenue, and WFRP database when a change is made to the insured's filed Federal tax returns that results in a five percent or greater change to the insured's approved revenue or RTC for the applicable policy year.

Changes made to filed Federal tax returns include changes made because of amended returns or IRS audits.

C. Claims on an Accrual Basis

All claims for indemnity must be calculated on an accrual basis. The result of the calculations under the policy through the adjustments, inventory, and accounts receivable will be to remove production from previous years and to count production for the insured year.

D. Settlement of Claim

A claim cannot be settled until:

(1) the insured's Federal taxes for the policy year are filed; and

(2) any indemnities are received, if applicable, from all other FCIC reinsured policies covering commodities insured under WFRP for the policy year. Copies of complete claim forms must be provided to the AIP if these indemnities are paid by another.

E. Calculating Indemnity

An indemnity is earned when the RTC for the policy year is less than the insured revenue and losses are due to insurable causes of loss.

The following provides the steps for calculating an indemnity. Refer to Exhibit 15 for the Claim for Indemnity Form.

(1) Multiply the insured's approved revenue by the insured's coverage level to calculate the Insured Revenue for the year.

E. Calculating Indemnity (Continued)

(2) Determine the amount of NAP payments, indemnities from FCIC reinsured policies purchased at the CAT level of coverage, indemnities from insurance policies not authorized by the Act, and, if the insured elected to exclude FCIC reinsured policies from becoming primary insurance or has a Micro Farm policy, any indemnities received from those policies that exceed the deductible.

(3) Determine the insured's Allowable Revenue for the policy year on the Allowable Revenue Worksheet using the farm tax forms for the policy year and enter this on the Claims Form.

(4) Positive and negative numbers for the Inventory adjustment, Accounts Receivable adjustment, Market Animal and Nursery adjustment, and All other adjustments are entered on the Claims form and added or subtracted from the result of (3) depending upon the sign.

(5) Subtract the insured's RTC from (4) from the insured revenue to determine the Revenue Loss which is the indemnity to be paid.

108-120 (Reserved)

PART 5: ADMINISTRATIVE PROVISIONS

121 Assignment of Indemnity

Insureds may assign the right to an indemnity for the policy year only to creditors or other persons to whom they have a financial debt or other monetary obligation. The procedures in the GSH regarding the assignment of indemnities apply.

122 Transfer of Coverage

Because WFRP is based on the insured's income tax information, a transfer of coverage to any other person will not be allowed unless in the case of death, disappearance, judicially declared incompetence, or dissolution of an insured person.

If the farm operation or any part of the farm operation is sold after the RFOR is submitted, coverage will not be transferred, and the insured will still be required to pay the premium due.

If part or all the ownership/share of an insured commodity is transferred after the RFOR is submitted, coverage for that commodity will not be transferred, and the insured will still be required to pay the premium due. If the ownership/share changes prior to the RFOR deadline, the insured commodity will be removed from FOR. At claim time, the RTC for the portion of insured commodity transferred after the RFOR is submitted will be not less than the expected revenue reported on the RFOR.

123 Other Insurance and NAP

(1) The insured may insure the same commodity under WFRP and under another FCIC reinsured policy, if available, unless otherwise specified in the Special Provisions or not allowed by the other policy.

(2) Any other FCIC reinsured policy purchased by the insured at a buy-up level of coverage that insures commodities covered by WFRP will be considered the primary insurance, and any indemnity payment received from such policy will be included as RTC unless (3) applies.

(3) The insured may elect to exclude all FCIC reinsured policies from becoming primary insurance at the time they complete the application. Such election will be required each year, documented on the application, and apply to all FCIC reinsured policies which cover commodities insured under WFRP.

If the insured elects this exclusion or is insured under Micro Farm:

(a) They will not receive an adjustment to their insured revenue for premium calculation purposes (refer to Paragraph 53); and

(b) Indemnities from other FCIC reinsured policies will not be considered RTC except as required in (4).

(4) Insureds may obtain NAP, FCIC reinsured policies at a CAT coverage level, and other insurance not authorized under the Act on commodities insured under WFRP. Any NAP payments, indemnities from FCIC reinsured policies purchased at a CAT coverage level, indemnities the insured receives from such insurance policies not authorized under the Act, and if elected to exclude from primary insurance or insured under Micro Farm, indemnities from FCIC reinsured policies will not be considered RTC under the WFRP policy unless the total of all such payments and indemnities exceeds the insured's deductible. If the total of all such indemnities exceeds the insured's deductible, determine the amount to include as RTC as follows:

(a) Sum all payments and indemnities received by the insured from NAP, FCIC reinsured policies purchased at a CAT coverage level, and insurance policies not authorized under the Act for damage to commodities insured under the WFRP policy;

(b) If the insured elected to exclude FCIC reinsured policies as primary insurance or is insured under Micro Farm, add to the result of (a) the total amount of indemnities received from all such policies that provide coverage for any insured commodities;

(c) Determine the insured's deductible; and

(d) Subtract the result of (c) from the result of (a) or (b), if applicable.

Example: The insured's WFRP deductible is $32,500. The insured received a $30,000 payment from NAP, $5,000 indemnity from a policy not authorized under the Act, and a $5,000 indemnity from an FCIC reinsured policy they elected to exclude from becoming primary insurance.

$40,000	($30,000 + $5,000 + $5,000) Total payments and indemnities
-$32,500	Insured's deductible
$7,500	RTC

124 Commodities as Payments

The AIPs must not accept any commodity as compensation for payment due them from insureds.

125 Mediation, Arbitration, and Judicial Reviews of AIP Determinations

The procedures in the GSH apply for:

(1) mediation, arbitration, and judicial reviews of AIP determinations;

(2) disputes regarding the AIP decisions of what constitutes a GFP; and

(3) disputes regarding RMA determinations of what constitutes a GFP.

(1) The WFRP policy will, as determined by the court, be void if the insured is convicted under Federal or state law of possession of or trafficking in a controlled substance. When a policy is voided due to a conviction of a controlled substance provision:

(a) no indemnities or payments will be paid for the voided policy;

(b) all indemnities or payments already made for the voided policy will be declared overpayments and must be repaid in full; and

(c) any premium paid must be refunded, less an amount equal to 20 percent of the premium the insured would otherwise be required to pay, to offset costs in the servicing of the policy.

Refer to the Ineligible Tracking System Handbook (FCIC-24050) for more information.

(2) Controlled substances are not insurable under WFRP and the insured's farm operation will not be eligible for WFRP if they produce any controlled substance, regardless of the legal status of the substance in the state where the commodity will be produced.

Example: Insured produces industrial hemp. Upon sampling and testing, the THC level is 0.301 percent. The state in which the insured produced the hemp allows the sale of hemp up to THC levels of 0.399 percent. For the purposes of WFRP, the sale of hemp with a THC level greater than 0.3 percent, as determined by a USDA approved laboratory, will be considered a controlled substance, and will result in voidance of the WFRP policy.

127-140 (Reserved)

PART 6: SPECIAL CIRCUMSTANCES

141 Organically Grown Commodities

Prices for individual commodities grown under an organic practice are not determined for operations insured under Micro Farm. Therefore, the following procedures in Paragraph 141 are not applicable to Micro Farm.

A. Insurability

WFRP insured revenue includes revenue from commodities produced on certified organic acreage under an organic system plan. If such certified organic production is sold as conventional production at a conventional price, the reduction in value received will be due to an uninsured COL. Revenue from commodities produced on transitional organic acreage must be listed on a separate line of the FOR and identified with the "Method of Establishment" code for transitional organic acreage.

B. Expected Values

Organic prices can be used as expected values for certified organic animals, animal products, and acreage only. Organic prices do not apply to transitional or buffer zone acreage. Insureds that have an organic certificate or documentation they have requested, in writing, a certification or other written documentation from a certifying agent by the RFOR deadline, are eligible to receive an organic price for their commodities grown on certified organic acreage.

Organic prices can be used if:

(1) the insured has an organic certificate or documentation they have requested, in writing, a certification from a certifying agent as indicated by the National Organic Program website (organic.ams.usda.gov/Integrity/) and provided to the AIP by the time the RFOR is due. If the farm was certified organic previously and the producer has not received the updated certification yet, the previous certification may be used. However, if a claim is filed, the insured must have received a valid certificate dated prior to harvest and provide a copy to the AIP; or

(2) the operator or tenant has an organic certificate.

Exception: The National Organic Program standards require the certifying agent to issue a certificate for the organic operation. However, an organic certificate may not be issued every year; therefore, it is possible an insured's organic certificate may not list every crop they intend to plant in the insurance period.

B. Expected Values (Continued)

Example: Insured A was issued an organic certificate in 2024 that lists corn, oats, and wheat. Insured A reports they intend to plant canola and flax on the certified organic acreage in 2025. The organic system plan has not been updated for 2025 to include canola or flax, and the mentioned crops are not listed on the 2024 organic certificate. The category on Insured A's organic system plan is "crops." Therefore, as long as the canola and flax are grown on certified acreage identified in the organic system plan (not transitional or buffer zone), organic prices can be used to determine their expected value.

The FOR will be marked to show which commodities are certified organic. If the AIP questions the organic acreage and requests to see the Organic System Plan, the insured must be willing to show the AIP the Organic System Plan to verify locations of their certified organic land.

C. Organic Requirements

The current organic system plan and organic certificate in effect must be from a certifying agent, and must provide the:

(1) name, address, and telephone number of the person(s) or operation certified;

(2) effective date of certification, or certificate;

(3) certificate number;

(4) types or categories of commodities;

(5) name and address of the certifying agent; and

(6) location and number of the certified organic acres (organic system plan only).

An organic certificate issued to an operator/tenant may be used to qualify the same acreage for a landlord or other similar arrangement. A certificate issued from the National Organic Program's Organic Integrity Database (or successor certificate reporting tool) is acceptable.

D. National Organic Program Exception

The National Organic Program standards allow a grower whose annual gross agricultural revenue from organic sales is $5,000 or less to be exempt from certification. If a farm can show that they have the organic system plan in place to grow organic crops and their revenue from organic sales is less than $5,000, then they may use organic prices and the farm will be considered to be certified under WFRP.

E. Change in Farm's Organic Certification

If any acreage qualifies as certified organic on the date the RFOR is completed, and the certification is subsequently surrendered by the farm, suspended, or revoked, the acreage or animals or animal products will remain insured for the year, but the expected values should be revised from organic expected values to non-organic expected values.

F. Contamination by Prohibited Substances

Contamination by application or drift of prohibited substances onto land on which commodities are grown using organic farming practices is considered an uninsured cause of loss on any certified organic acreage.

G. Documentation Required

The insured is required to provide the AIP with a copy of the organic certificate or documentation the insured has requested, in writing, a certification by the RFOR deadline if expected values will be based on organic prices. If the AIP has reason to request a copy of the organic system plan, the insured must provide a copy of the organic system plan. The organic system plan may be a large document and copies should not be requested unless there are specific concerns.

Copies of the producer's written organic certificate must be valid at the time a loss claim is submitted, and organic prices are used. If the insured does not have a valid certificate at claim time, the insured revenue will be recalculated without the organic expected values and any expanded operation factor attributed to having a valid certification will be revised accordingly.

If the insured is a newly certified organic grower and is using the process of documenting their request for certification, in writing, from a certifying agency for acreage that will have an effective date after the RFOR due date but prior to harvest, the insured must have an effective certification date prior to harvest of the crop. If the insured's certification does not have an effective date prior to harvest, the expected revenue will be recalculated using the non-organic expected values.

142 Post-Production Operations and Market Readiness

The cost of post-production operations, excluding those expenses considered to be market readiness operations under the WFRP policy, must be removed from allowable revenue. Added value from post-production operations is also not insurable under the WFRP policy and must be removed from allowable revenue. For Micro Farm, the cost of post-production operations may be included in allowable revenue; however, if post-production costs are not included in allowable revenue, they must not be included the micro farm expected value and RTC.

(1) Post-production operations consist of costs from activities that occur after harvest of the crop to get the crop ready for the targeted market. These activities either:

(a) have expenses associated with them such as:

(i) sorting, grading, washing, waxing, labelling, and trimming;

(ii) packaging materials, such as boxes, cartons, and bags;

(iii) packing of commodities after they are harvested, including in-field operations;

(iv) cold and controlled atmosphere storage; or

(b) add value to the crop due to the activities performed such as:

(i) the value of wine compared to the grapes;

(ii) the value of gift baskets of commodities compared to the individual raw commodity prices;

(iii) The value of juicing or processing into jams or relish compared to the harvested fruit; or

(iv) The value of bonsai or braided ornamental trees compared to the containerized tree with no added value.

(2) Post-production operations that meet the following requirements as market readiness costs do not have to be deducted from the allowable or expected revenue. Costs that can be considered market readiness costs must:

(a) be the minimum required to remove the commodity from the field and make it market ready;

(b) be performed:

(i) in the field; or

(ii) on land within a reasonable proximity to the field; and

(c) not add value to the commodity.

The added value of products made from insurable commodities, such as wine made from grapes, is not insurable under WFRP and must be excluded from the expected or approved revenue. The value of the insurable commodity prior to making it into other products may be insured and reported as expected revenue if adequate records are available to determine the production and value of the insurable commodity.

Example: Insured A reported $1,200,000 gross revenue for the 2023 tax year. Insured A's records indicated the following revenue: $100,000 from grapes made into wine, $750,000 from the sale of wine, $50,000 from the sale of grapes not used for wine, and $300,000 from the sale of other insurable fruits and vegetables. The fruits and vegetables and grapes not used for wine had post-production costs of $42,000. The allowable revenue for the tax year is $408,000 ($100,000 + $50,000 + $300,000 - $42,000).

Premium rates have been established for raisins, prunes, and cured/dried tobacco. Prunes and raisins are separate insurable commodities from plums and grapes and are eligible commodities under WFRP. Expenses associated with the curing or drying of tobacco to prepare the tobacco for market and drying of prunes and raisins are not subtracted from the market price to determine the local market value.

143 Animals

A. Eligibility

Expected revenue from animals and animal products will be limited to $2 million. If the expected revenue exceeds the $2 million limit, the expected revenue will be capped at the $2 million limit. This limit does not apply to animal and animal products that qualify as aquaculture commodities. Refer to Subparagraph 143G for determination of animals and animal product expected revenue and capping procedures. Animals and Animal Product commodity codes are listed in the AD as animals and animal products.

B. Expected Value

Local market prices for the same breed and type of animals being valued should be used as expected values, following the expected value guidelines. A commodity code may be used more than once to indicate animals that have varying prices due to different sex, weight, breed, market etc., such as feeder heifers, feeder steers, and fat heifers.

C. Expected Yield

Expected yields for animals that are raised from birth and listed on a per head basis should take into consideration, for example cow/calf operations, the normal historical pregnancy and calving percentages of the operation. These percentages will vary based upon the breed, the location, the time of the year calving occurs, and the management practices of each operation. For some types of animals, births of multiple off-spring can occur and need to be considered.

D. Expected Revenue from Animals and Animal Products

Expected revenue must be adjusted by removing the cost or basis of the market animals on-hand at the beginning of the insurance period or purchased for resale from the amount of expected revenue on the FOR. The Market Animal and Nursery Inventory Report is used to document these numbers for the IFOR.

E. Inventory Adjustments to Revenue

The Market Animal and Nursery Inventory calculates the change in values over the insurance period for claims, using increases and decreases in inventory values during the tax year, less the cost or basis for animals purchased during the insurance period.

(1) Animals must be grouped according to the type/category of intended market. Local market value is determined for each type/category at the:

(a) beginning of the insurance period for beginning inventory; and

E. Inventory Adjustments to Revenue (Continued)

(b) end of the insurance period for ending inventory.

A beginning inventory must be completed for each type/category of animal on hand at the beginning of the insurance period. An ending inventory must be completed for each type/category of animal on hand at the end of the insurance period.

(2) To determine inventory values:

(a) for animals sold by weight, multiply the number of animals in the specific type/category by the average pounds per animal in the specific type/category; and multiply this by the price per weight unit for the specific type/category; and

(b) for animals sold by the head, multiply the number of animals in the specific type/category by the average price per head for the specific type/category.

F. Gain or Loss from Sale of Breeding Animals or Culled Animals

Animals kept as breeding stock that the insured does not intend to sell, including culls, during the insurance period are not included in the insured revenue. Gains or losses in the value of breeding animals that will not be sold during the insurance period should not be included in the totals on the inventory sheets. This inventory can be used to support the number of market animals and to document culled breeding animals, so they can be removed from the approved revenue.

Sales of breeding stock, including culls, are normally reported on Form 4797 (Sale of Business Property). Such income should not be reported on Schedule F but may be. However, there may be instances where culls are placed in a finishing operation and may be reclassified as market animals. Any culls that are reclassified as market animals and the sale of such animals is reported on the Schedule F, adjustments to the beginning inventory and the FOR are required. Otherwise, the sale of breeding animals or culls that is reported on Form 4797 are considered uninsured animals and not included as allowable revenue or RTC.

G. Capping Animal and Animal Product Expected Revenue on Intended and Revised Farm Operation Reports

To determine if an insured has more than the allowed amount of animal and animal product revenue, excluding animal and animal products that qualify as aquaculture commodities:

(1) Total the expected revenue on the IFOR or RFOR for all animals and animal products.

(2) If the result of (1) is greater than $2 million then:

(a) subtract the $2 million from the result of (1);

(b) divide the result of (2)(a) by the result of (1), rounded to six decimal places;

G. Capping Animal and Animal Product Expected Revenue on Intended and Revised Farm Operation Reports (Continued)

(c) subtract the result of (2)(b) from 1.000; and

(d) multiply the result of (2)(c) by the expected revenue of each animal commodity and/or animal product shown on the FOR.

The result will be the capped amount. The total may not equal $2 million due to rounding.

Example: Revenue from animals and animal products exceeds the $2,000,000 maximum:

Total Expected Revenue is $3,000,000. Maximum $2,000,000 limit on animals & animal products.

Cattle $700,000

Hogs $750,000

Sheep $230,000

Poultry $400,000

Total $2,080,000 ($80,000 over the $2,000,000 limit)

$80,000 ÷ $2,080,000 = 0.038462

1.000 - 0.038462 = 0.961538

Cattle $700,000 × 0.961538 = $673,077

Hogs $750,000 × 0.961538 = $721,154

Sheep $230,000 × 0.961538 = $221,154

Poultry $400,000 × 0.961538 = $384,615

Total $2,000,000

Only the Total Expected Revenue of each commodity on the RFOR will be changed. However, all allowable revenue produced from the animals and animal products will count as RTC.

A. Eligibility

Expected revenue from nursery/greenhouse commodities will be limited to $2 million. If the expected revenue exceeds the $2 million limit, the expected revenue will be capped at the $2 million limit. This limit does not apply to commodities that qualify as aquaculture commodities. Refer to Subparagraph 144F for determination of nursery/greenhouse expected revenue and capping procedures. This limit only applies to the Nursery/Greenhouse (0073) commodity code.

Items placed under this commodity code should be similar to those insured under the FCIC nursery plan of insurance. There are other commodity codes for other specific types of plants, but these are not considered in the nursery/greenhouse limit.

B. Expected Value

Local market prices for nursery/greenhouse commodities being valued should be used as expected values, following the expected value guidelines. The Market Animal and Nursery Inventory Report can be used to list each type of plant and sum to a total for nursery/greenhouse commodities for the FOR.

C. Expected Revenue from Nursery/Greenhouse Commodities

Expected revenue must be adjusted by removing the cost or basis of the nursery/greenhouse commodities purchased from the amount of expected revenue on the FOR. The Market Animal and Nursery Inventory Report is used to document these numbers for the IFOR.

D. Inventory Adjustments to Revenue

The Market Animal and Nursery Inventory calculates the change in values over the insurance period for claims, using increases and decreases in inventory values during the tax year, less the cost or basis for plants purchased during the insurance period.

(1) Plants must be grouped according to the type/category of how they will be marketed. Local market value is determined for each type/category at the:

(a) beginning of the insurance period for beginning inventory; and

(b) end of the insurance period for ending inventory.

A beginning inventory must be completed for each type/category of plant on hand at the beginning of the insurance period. An ending inventory must be completed for each type/category of plant on hand at the end of the insurance period.

(2) Inventory values will be determined by multiplying the number of plants in the specific type/category by the average price per plant for the specific type/category.

D. Inventory Adjustments to Revenue (Continued)

The value of commodities in inventory at the end of the insurance period that were purchased for resale during the insurance period must not include the cost, or other basis, paid for the commodity.

Example: A plant in ending inventory was purchased for resale. The plant cost $5.00. The local market value of the plant at the end of the insurance period is $12.00. The $5.00 cost of the plant must be deducted from the value of the plant. Therefore, the value of the plant for the ending inventory is $7.00 ($12.00 - $5.00).

E. Revenue from Plants held In Inventory to Realize Gain

Some commodities may be held in inventory for more than one year to realize a gain in revenue from the increase in maturity or size of the plant. The increase in the value of such plants must be counted as revenue for the year even though the plants were not sold.

Example: Insured A has 200 plants they are going to hold in inventory for two years. They are holding these plants to obtain a higher price for the plants when they have matured to larger size. The first year they are in inventory the plants increased in value by $2.00 per plant. The increase in value of $400 (200 plants × $2.00) must be reported as revenue for WFRP purposes for that insurance period.

F. Capping Nursery/Greenhouse Revenue on Intended and Revised Farm Operation Reports

To determine if an insured has more than the allowed amount of nursery/greenhouse revenue, excluding nursery/greenhouse products that qualify as aquaculture commodities:

(1) Total the expected revenue on the IFOR or RFOR for all nursery/greenhouse commodities.

(2) If the result of (1) is greater than $2 million then:

(a) subtract the $2 million from the result of (1);

(b) divide the result of (2)(a) by the result of (1), rounded to six decimal places;

(c) subtract the result of (2)(b) from 1.000; and

(d) multiply the result of (2)I by the expected revenue of each nursery/greenhouse commodity shown on the RFOR.

(e) The result will be the capped amount. The total may not equal $2 million above due to rounding.

Example: Revenue from Nursery/Greenhouse commodities exceeds the $2,000,000 maximum:

F. Capping Nursery/Greenhouse Revenue on Intended and Revised Farm Operation Reports (Continued)

Total Expected Revenue is $3,000,000. Maximum $2,000,000 limit on Nursery/Greenhouse commodities.

Plant 1 $700,000

Plant 2 $750,000

Plant 3 $230,000

Plant 4 $400,000

Total $2,080,000 ($80,000 over the $2,000,000 limit)

$80,000 ÷ $2,080,000 = 0.038462

1.000 - 0.038462 = 0.961538

Plant 1 $700,000 × 0.961538 = $673,077

Plant 2 $750,000 × 0.961538 = $721,154

Plant 3 $230,000 × 0.961538 = $221,154

Plant 4 $400,000 × 0.961538 = $384,615

Total $2,000,000

Only the Total Expected Revenue of each commodity on the IFOR and RFOR will be changed. However, all allowable revenue produced from the Nursery/Greenhouse commodities will count as RTC.

G. Adjustments to Revenue

Increases and decreases in inventory values of nursery commodities will be used to adjust the insured's revenue for the policy year for claims purposes. Refer to Exhibit 7.

145 Commodities with Market Order Reserves

The applicant/insured must provide information for commodities on the FOR that are sold with market order reserves. The applicant/insured must provide a detailed listing that shows the separate amounts of production from commodities expected to be sold:

(1) to the reserve with the reserve price; and

(2) on the free market with the expected free market price.

The supplemental information provided must support the total production and expected revenue reported on the FOR for the commodity.

A. Supplemental Information

The applicant/insured must provide information for insured commodities on the FOR that are sold with co-op retainages. The applicant/insured must provide a detailed listing that shows the separate amounts of production from such commodities expected to be:

(1) retained, and the expected value; and

(2) sold through normal markets.

Special handling is required to determine RTC and calculating indemnities for producers who market commodities through co-operatives that distribute proceeds from the same commodity in cash and allocations.

Such co-operatives make cash payments on a crop year basis; however, the payments may be distributed over several years.

Allocations are considered non-cash distributions by such co-operatives and are made annually on a crop year basis. Allocations include Allocation Credits and Permanent Equity Capitol Credits, which comprise the producer's equity in the co-operative. Such allocations are classified as cooperative distribution revenue directly related to the sale of the insured commodity.

B. Co-Operative Cash Payments

"Cash advance" payments are distributed to the producer in the crop year of harvest following delivery of the insured commodity. Such "cash advance" payments may be made weekly in the year harvested. Subsequent cash payments are distributed to the producer in subsequent crop years according to the co-operative's payment schedule for the commodity.

Example: Commodity A production is delivered to the co-operative in the 2020 crop year. The co-operative makes cash payments to the producer weekly for the remainder of the 2021 crop year then, following the payment schedule for commodity A, makes four cash payments in 2022 crop year, four payments in 2023 crop year, and a final cash payment in 2024 crop year.

C. Allocations

Allocations are distributed annually on the co-operative's tax-year basis, according to the co-operative's schedule.

Example: Each year the ABC Co-operative retains 10-30 percent of a producer's net grape proceeds. It documents the amount retained by issuing Allocation Credits for 80 percent of the amount retained and issuing Permanent Equity Capitol Credits for 20 percent of the amount retained.

C. Allocations (Continued)

Allocation Credits reach full face value at the maturity date specified by the co-operative. However, the producer may have the option of redeeming a crop year's Allocation Credits prior to the maturity date. Producers may sell allocation credits at a reduced value to a broker prior to reaching full face value. Producers must pay Federal Income Taxes on the full stated value of qualified written notices of Allocation Credits in the year they are issued.

Permanent Equity Capitol Credits are a source of the co-operative's working capital. The co-operative's policy governs repayment, partial repayments, payback options, and whether excess Permanent Equity Capital Credits will be distributed in the form of Allocation Credits or refunded as cash. Producers are subject to Federal income tax on the full stated value in the tax year received. Cash refunds are not generally subject to Federal income tax since they were taxable to the cooperative member when allocated.

Non-Cash allocations are subject to Federal Income Tax when received; therefore, it is not necessary to maintain a year-to-year balance for WFRP purposes.

D. Total Projected Earnings for Calculating Indemnities

Total projected earnings are the sum of:

(1) "cash advance" payments made in the year of harvest;

(2) projected cash payments in subsequent years;

(3) Allocation Credits; and

(4) Permanent Equity Capital Credits.

Commodities marketed in this manner will be considered to have been sold at a specified price, and the total projected earnings for such commodities will be used to determine the dollar amount of accounts receivable when calculating indemnities.

E. Required Information on Accounts Receivable

The beginning amount of accounts receivable must include the cash payments, both advance and any subsequent, and any Allocation Credits and Permanent Equity Capital Credits for a previous policy year that the applicant/insured reported to IRS in the current policy year. The cash payments amount must be reported on a separate line from the Allocation Credits and Permanent Equity Capital Credits amount. Enter "(Cash)" immediately after the cash dollar amount in the "Beginning Amount" column of the accounts receivable worksheet. Enter "(Allocations)" immediately after the allocations dollar amount in the "Beginning Amount" column of the accounts receivable worksheet.

The ending amount of accounts receivable must be the amount equal to the total projected earnings for the policy year minus the cash payments received by the producer and reported to IRS for the policy year.

146 Commodities Sold with Co-op Retainages (Continued)

E. Required Information on Accounts Receivable (Continued)

Example: Insured A has filed a loss claim for the 2025 policy year, and markets grapes through ABC Co-operative, which distributes proceeds from the grapes in cash and allocations. In 2025, insured A received $12,115 cash payments and $10,200 in Allocation Credits and Permanent Equity Capital Credits for the 2024 policy year. Insured A reported the total $22,315 to IRS in 2025.

Insured A's total projected earnings for grapes were $48,271 in 2024. Insured A received $21,773 in "cash advance" payments in 202 and reported the $21,773 to IRS in 2024. Insured A will receive the remaining $26,498 ($48,271 - $21,773) in future cash payments, and future Allocation Credits and Permanent Equity Capital Credits from ABS Co-operative. The following is how Insured A's accounts receivable worksheet would be completed.

Commodity Name	Name of Buyer	Beginning Amount	Ending Amount	Balance
Grapes	ABC Co-operative	$12,115 (Cash)	$0	-$12,115
Grapes	ABC Co-operative	$10,200 (Allocations)	$0	-$10,200
Grapes	ABC Co-operative	0	$26,498	$26,498
Total Accounts Receivable Adjustments to Claim				$4,183

147 Vertically Integrated Operations

The integrated relationship between multiple entities can affect the value, cost, and price of commodities, goods, and services used/determined by an integrated operation.

The expected value that represents the local market value/price, determined according to WFRP policy expected value guidelines, must be used for purposes of allowable revenue, expected revenue, and post-production operation costs, regardless of the actual value and price used by a vertically integrated operation. Refer to the CIH for acceptable record requirements. The Market Certification is not applicable to WFRP and Micro Farm.

Example: Insured A is a vertically integrated operation that controls all stages of production of a commodity including, but not limited to, purchasing of seed, planting, fertilizing, harvesting, removal from the field, purchasing packaging materials, washing, grading, packaging, processing, and selling. Multiple entities handle different stages of the production of the commodity, but all are part of the same vertically integrated operation. The local market value/price determined by the expected value guidelines must be used for determining allowable revenue, expected revenue, and post-production operation costs for insured A.

(1) Eligibility requirements at SCD limit expected revenue derived from commodities purchased for resale to 50 percent of the total expected revenue. However, changes may occur during the policy year that result in the farm being over the limit when the RFOR is submitted.

(2) If the expected revenue from commodities purchased for resale reported on the RFOR is greater than 50 percent of the total expected revenue, the expected revenue for commodities purchased for resale will be limited to no more than the amount of expected revenue from commodities the insured will produce on their farm operation (including expected revenue from commodities lost due to insurable causes). All revenue earned will be considered RTC. To determine if an insured has more than the allowed amount of revenue from commodities purchased from resale:

(a) Total the expected revenue on the RFOR for commodities purchased for resale.

(b) Total the expected revenue from commodities produced on the farm operation (including expected revenue from commodities lost due to insured causes of loss).

(c) If the result of (a) is greater than the result of (b) then:

(i) subtract the result of (b) from the result of (a);

(ii) divide the result of (i) by the result of (a), rounded to six decimal places;

(iii) subtract the result of (ii) from 1.000; and

(iv) multiply the result of (iii) by the expected revenue of each commodity purchased for resale shown on the RFOR.

The result will be the capped amount. The total may not necessarily equal the result of (b) due to rounding.

Example: Revenue from commodities purchased for resale exceeds amount of expected revenue from commodities produced on the farm operation:

Expected revenue from commodities purchased for resale is $100,000.

Corn (PFR)	$50,000
Wheat (PFR)	$25,000
Hay (PFR)	$25,000
Total	$100,000

Expected revenue from commodities produced on the farm operation is $85,000.

Soybeans $85,000

$100,000 - $85,000 = $15,000

$15,000 / $100,000 = 0.150000

1.000 - 0.150000 = 0.850000

Corn (PFR) $50,000 × 0.850000 = $42,500

Wheat (PFR) $25,000 × 0.850000 = $21,250

Hay (PFR) $25,000 × 0.850000 = $21,250

Total $85,000

Only the Total Expected Revenue of each commodity on the RFOR will be changed. However, all allowable revenue produced from the commodities purchased for resale will count as RTC.

Note: Revenue from tax entities that include separate brokerage or granary operations that buy and sell commodities that are not reported on line 1 or 2 on the Schedule F (for example) should not be included as purchased for resale allowable revenue for the purposes of determining allowable revenue or RTC at claim time.

149 Industrial Hemp

(1) Industrial hemp is an insurable commodity under WFRP only when planted, grown, and harvested in accordance with the regulations governing industrial hemp production on the land the industrial hemp is produced and in accordance with a valid marketing contract.

(a) The insured must comply with all applicable Federal regulations and any applicable state or tribal laws. To produce industrial hemp, the insured must be licensed or authorized under a State, Tribal, or USDA hemp program. Hemp regulations can be found at www.ams.usda.gov/rules-regulations/hemp;

Note: The maximum acceptable hemp THC level will be the lesser of: 1) 0.3 percent, allowing for the measurement of uncertainty provided by the testing laboratory; or 2) the acceptable level of the applicable governing authority (State or Tribe) in which the insured crop is grown, allowing for the measurement of uncertainty provided by the testing laboratory. If the test results provided by the testing laboratory do not include a measure of uncertainty, the measurement of uncertainty will be considered zero percent (0.000 percent). Refer to Paragraph 126.

(b) If the insured's farm operation is mostly located in one state but the insured produces industrial hemp in another state, the insured must comply with the regulations of the state where the land on which the industrial hemp is located;

(c) In addition to the requirements in Exhibit 18, the entity issuing the marketing contract must:

(i) comply with all requirements of the regulatory place in the location the industrial hemp will be processed; and

(ii) must possess or have contractual access to facilities with enough equipment and capacity to process the amount industrial hemp in the marketing contract.

(d) Industrial hemp grown without a valid marketing contract is not insurable, even if the insured's farm operation has a marketing contract for a portion of the industrial hemp planted acreage. Any revenue produced from uninsurable hemp acreage will be included as RTC.

Example: The insured has a marketing contract for 50 acres of industrial hemp valued at $50,000. However, the producer produces 100 acres of industrial hemp and sells all 100 acres for $100,000. At claim time, $100,000 will be included as RTC.

(2) If the industrial hemp is produced in a state or tribal territory that has assumed regulatory responsibility for industrial hemp production, the insured must:

(a) comply with all requirements and provisions of the regulatory plan of that state or tribe; and

(b) possess any license required by that plan.

(3) Industrial hemp must be produced using seed or plant cuttings adapted to the intended use and planting patterns appropriate to the intended use.

Example: Industrial hemp harvested primarily for fiber must be produced using a seed or plant cutting adapted for fiber production and the planting pattern used must be intended to maximize fiber production.

(4) Industrial hemp that is unsalable or destroyed due to a THC level exceeding the maximum acceptable limit as stated in Subparagraph 149(a) will be considered damaged due to an uninsured COL, regardless of the determination of what may have caused the increased THC level. The insured must notify the AIP prior to destroying the industrial hemp. Refer to Paragraph 94.

Note: At claim time, the RTC for such acreage will be not less than the expected revenue reported on the RFOR. Refer to Paragraph 106.

150 Combined Direct Marketing Commodities

The combined direct marketing commodity procedures are not applicable to Micro Farm.

The combined direct marketing commodity code, found in the AD, is used for farm operations that include revenue from commodities sold through direct marketing and submit direct marketing sales records to the AIP as required in Paragraph 51.

(1) For any commodity sold through direct marketing and another marketing channel to qualify as a direct marketing commodity, it must be listed on separate lines of the FOR.

(2) The insured must report at least two commodities sold through direct marketing under the combined direct marketing commodity.

(3) Commodities reported as combined direct marketing are not required to have separate expected values and yields.

(4) Determining the expected value:

(a) The insured must provide direct marketing sales records for the last three years preceding the policy year, including the lag year, if requested by the AIP, that represents a complete marketing record of all commodities on the farm operation sold through direct marketing and reported as combined direct marketing.

Revenue from sources other than insurable commodities (e.g., bottled water, souvenir sales, jams, etc., sold through a farm stand) and post-production expenses must be removed when determining expected revenue for combined direct marketing.

(b) The insured must certify their total number of planted acres for the last three years preceding the policy year, including the lag year, of all commodities sold through direct marketing and reported as combined direct marketing. The insured must submit verifiable records, if requested by the AIP, to support the certified acres.

(c) To calculate the expected value per acre:

(i) determine the three-year average allowable revenue using the records from (a);

(ii) determine the three-year average number of acres using the records from (b); and

(iii) divide the result of (i) by the result of (ii).

(d) The AIP may adjust the expected value per acre if market conditions, commodity mixtures, or structures used to produce commodities on the insured's farm operation have changed that could result in a lower expected revenue than the three-year average.

(5) For the purposes of commodity counts in Paragraph 41, the combined direct marketing commodity code will equal two commodities regardless of the number of commodities reported as combined direct marketing.

151-160 (Reserved)

PART 7: MICRO FARM

161 Micro Farm

A. General Information

The micro farm commodity code, found in the AD, is used for farm operations that are eligible and have elected coverage under the Micro Farm Pilot Provisions. All agriculture commodities on the insured's farm operation are listed under the micro farm commodity code.

(1) All commodities produced on the farm operation must be listed on the FOR using the micro farm commodity code.

(2) A commodity count is not calculated and:

(a) the commodity count will equal three;

(b) the insured will qualify for all coverage levels; and

(c) the diversification discount is 0.523 for the purpose of the premium calculation.

(3) Commodities reported on the FOR under the micro farm commodity code are not required to have separate expected values and yields.

B. Determining the Expected Value:

(1) The insured must provide consolidated sales records for at least the last three years preceding the policy year up to a maximum of five years, when requested by the AIP, that represents a complete marketing record of all commodities on the farm operation reported as micro farm commodities. Refer to Subparagraph 47(1)(e) if the insured is using a different person's tax returns. If the insured has certified or provided five years of allowable revenue and acres, they may elect to exclude one of the five years when calculating the expected value of commodities on the farm operation.

(a) Revenue generated from post-production operations and value added to commodities may be included in allowable revenue. If this revenue is used when determining the allowable revenue for the whole-farm historical average revenue or expected revenue, it must be included in RTC.

(b) Revenue from sources other than insurable commodities (e.g., bottled water, souvenir sales, etc., sold through a farm stand) and the cost of commodities purchased for resale must be removed when determining expected revenue for micro farm commodities.

(2) The insured must certify their total number of planted acres (or other unit of measure as applicable) for a minimum of three years up to a maximum of five years (without a break in continuity) preceding the policy year, of all commodities reported as micro farm commodities. The insured must submit verifiable records, if requested by the AIP, to support the certified acres. Refer to Subparagraph 47(1)(e) if the insured is using a different person's tax returns.

B. Determining the Expected Value: (Continued)

(3) For the purposes of the following procedures, if the insured qualifies under Subparagraph 47(1)(b), the allowable revenue and acres (or other unit of measure as applicable) of a different person's tax returns cannot be combined with the insured's allowable revenue for the same applicable year.

To calculate the expected value per acre (or other unit of measure as applicable):

(a) If the insured has three years of history:

(i) determine the three-year average allowable revenue using the records from (1);

(ii) determine the three-year average number of acres using the records from (2); and

(iii) divide the result of (i) by the result of (ii).

(b) If the insured has four years of history:

(i) determine the four-year average allowable revenue using the records from (1);

(ii) determine the four-year average number of acres (or other unit of measure as applicable) using the records from (2); and

(iii) divide the result of (i) by the result of (ii).

(c) If the insured has five years of history and does not elect to exclude one of the years:

(i) determine the five-year average allowable revenue using the records from (1);

(ii) determine the five-year average number of acres (or other unit of measure as applicable) using the records from (2); and

(iii) divide the result of (i) by the result of (ii).

(d) If the insured has five years of history and elects to exclude one of the years:

(i) determine the year to exclude from the five years of history;

(ii) determine the four-year average allowable revenue using the records from (1);

(iii) determine the four-year average number of acres (or other unit of measure as applicable) using the records from (2); and

B. Determining the Expected Value: (Continued)

(iv) divide the result of (ii) by the result of (iii).

(e) The AIP may adjust the expected value per acre if market conditions, commodity mixtures, or structures used to produce commodities on the insured's farm operation have changed that could result in a lower expected revenue than the three-to-five-year average.

C. Expanded Operations

In addition to Subparagraphs 71E(1)(a), (a)(i), (d), (2), (3), and (4), the following applies to Micro Farm:

(1) Only the addition of production capacity during the insurance period may be considered when determining the insured's expanded operation factor.

(2) The expanded operation adjusted revenue will be calculated as follows:

(a) Determine the Simple Average Allowable revenue for the Whole-Farm History Period. Refer to Subparagraph 71A.

Example: Insured has the following allowable revenue: $250,500 for 2020; $300,256 for 2021; $99,350 for 2022; $98,750 for 2023; and $215,515 for 2024. The insured's simple average revenue is $192,874 [($250,500 + $300,256 + $99,350 + $98,750 + $215,515) ÷ 5].

(b) Determine the amount of production capacity that will be or is in use for the current insurance period.

Example: For the current insurance period, the insured has added 50 acres to the farm operation for a total of 115 acres (65 acres + 50 acres).

(c) Determine the highest amount of production capacity in use during any year of the insured's whole-farm history period.

Example: Within the insured's whole-farm history period, the highest amount of production capacity was 65 acres in 2024.

(d) Divide the result of (b) by the result of (c). Round the result to two decimal places, not to exceed 1.35 to determine the Expanded Operation Factor.

Example: 115 acres ÷ 65 acres = 1.77 (capped at 1.35)

(e) Multiply the result of (d) by the result of (a) to determine the Expanded Operation Adjusted Revenue.

Example: $192,874 × 1.35 = $260,380

EXHIBITS

Exhibit 1 Acronyms and Abbreviations

Approved Acronym/Abbreviation	Term
Act	Federal Crop Insurance Act, as amended (7 U.S.C. 1501 et. seq.)
AD	Actuarial Documents
AIP	Approved Insurance Provider
AMS	Agricultural Marketing Service
ARC	Agricultural Risk Coverage
ARH	Actual Revenue History
BFR	Beginning Farmer or Rancher
CAT	Catastrophic Risk Protection
CCC	Commodity Credit Corporation
CCD	Contract Change Date
CFR	Code of Federal Regulations
CIH	Crop Insurance Handbook
ERS	Economic Research Service
FCIC	Federal Crop Insurance Corporation
FOR	Farm Operation Report
FFOR	Final Farm Operation Report
FSA	Farm Service Agency
GFP	Good Farming Practice
GSH	General Standards Handbook
IFOR	Intended Farm Operation Report
IRS	Internal Revenue Service
NAP	Noninsured Disaster Assistance Program
NASS	National Agricultural Statistics Service
OPI	Office of Primary Interest
PAIR	Pre-Acceptance Inspection Report
PASD	Product Administration and Standards Division
PAW	Pre-Acceptance Worksheet
PFR	Purchase for Resale
PHTS	Policy Holder Tracking System
PLC	Price Loss Coverage
RFOR	Revised Farm Operation Report
RMA	Risk Management Agency
RRD	Revised Reporting Date
RTC	Revenue-to-Count
SBI	Substantial Beneficial Interest
SCD	Sales Closing Date
SP	Special Provisions of Insurance
SSN	Social Security Number
THC	Tetrahydrocannabinol
U.S.C.	United States Code
USDA	United States Department of Agriculture
VFR	Veteran Farmer or Rancher
WFHR	Whole-Farm History Report
WFRP	Whole-Farm Revenue Protection

Abandon: The failure to continue activities necessary to produce an amount of allowable revenue equal to or greater than the expected revenue of a commodity, performing activities so insignificant as to provide no benefit to a commodity, or failure to harvest or market a commodity in a timely manner.

Accrual accounting method: A system of record keeping in which revenue earned and expenses incurred for a specified time period are recorded regardless of whether or not the revenue was received, or the expenses were paid during the specified time period.

Actuarial Documents: The information for the policy year that is available for public inspection in the insured's agent's office and published on RMA's web site that includes available crop insurance policies, coverage levels, information needed to determine amounts of insurance, premium rates, premium adjustment percentages, program dates, and other related information regarding the insurance coverage.

Additional coverage: A level of coverage greater than catastrophic.

Agricultural experts: Persons who are employed by the Cooperative Extension System or the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific commodity for which such expertise is sought.

Allowable revenue: Farm revenue, specified by the WFRP policy and including applicable adjustments, from the production of commodities produced by the applicant's/insured's farm operation, purchased for resale, or purchased for further growth and development by the applicant's/insured's farm operation, that the IRS requires the applicant/insured to report on farm tax records.

Animals: Living organisms other than plants or fungi that are produced or raised in farm operations, including, but not limited to, cattle, horses, swine, sheep, goats, poultry, fish, bees, and fur bearing animals. For the purposes of WFRP, animals must be propagated or reared in a controlled environment.

Animal products: Any commodity derived from a live animal, excluding commodities that are also animals or parts of animals. Examples include milk, eggs, honey, and wool but not live calves, processed broilers, package bees, or mutton.

Application: The form required to be completed by the applicant/insured and accepted by the AIP before insurance coverage will begin.

Approved revenue: The amount of allowable revenue that the applicant's/insured's farm operation is expected to earn or will obtain from the sale of commodities the applicant/insured produces, or purchases for resale, in the insurance period, as approved by the AIP.

Aquaculture commodity: Aquatic animals or plants grown in a controlled aquatic environment; including, but not limited to fish, shellfish, and seaweeds.

Assignment of indemnity: A transfer of policy rights, whereby the applicant/insured assigns their right to an indemnity payment, for the policy year only, to creditors or other persons to whom they have a financial debt or other monetary obligation.

Average allowable revenue: The average of the allowable revenue for the applicant's/insured's whole-farm history period after any applicable adjustments.

Beginning accounts receivable: Allowable revenue earned prior to the insurance period, but that has not been received at the beginning of the insurance period and supported by verifiable records. This amount includes the value of beginning inventory that is under a marketing contract with a buyer to be purchased at a specified price.

Beginning farmer or rancher: An individual who has not actively operated and managed a farm or ranch in any state, with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than ten policy years, as determined in accordance with FCIC procedures. Any policy year's insurable interest may, at the insured's election, be excluded if earned while under the age of 18, while in full-time military service of the United States, or while in post-secondary education, in accordance with FCIC procedures. A person other than an individual may be eligible for beginning farmer or rancher benefits if all of the substantial beneficial interest holders qualify as a beginning farmer or rancher.

Beginning of the insurance period: The date upon which insurance coverage begins for the policy year.

Beginning inventory: The commodities the applicant/insured produced or owned prior to the insurance period, but that have not been sold or otherwise disposed of at the beginning of the insurance period and supported by verifiable records. Any commodity that is under a marketing contract with a buyer to be purchased during the previous insurance period at a price that will not be determined until the current insurance period or subsequent years will be considered as beginning inventory.

Bypassed acreage: Land on which a commodity, grown under a processor contract, is ready for harvest but the buyer elects not to accept the commodity and it is not harvested.

Calendar year filer: An insured that files taxes based on the 12 consecutive months corresponding to January 1 through December 31.

Cancellation date: The date specified in the AD for the tax filer type on which coverage will automatically renew unless canceled in writing by either the insured or the AIP or terminated in accordance with WFRP policy.

Carryover insured: An insured that was covered under WFRP in the policy year immediately prior to the current policy year without respect to insurance provider. For the purposes of Micro Farm, coverage for the previous policy year must have included Micro Farm coverage to qualify as a carryover insured for the purposes of determining the insured's approved revenue.

Cash accounting method: A system of record keeping where farm business revenue and expenses are recorded during the time period they are actually received or paid.

Catastrophic Risk Protection: The minimum level of coverage offered by FCIC.

Certificate: With respect to organic crops, a written document that identifies the name of the person certified, effective date of certification, certificate number, types of products certified, and name and address of the certifying agency.

Certification: With respect to organic crops, a determination made by the certifying agency that the production or handling operation is in compliance with the certifying agency's certification standards.

Certified organic acreage: Acreage in the certified organic farming operation that has been certified by a certifying agent as conforming to organic standards in accordance with 7 CFR part 205.

Certifying agent: A private or governmental entity accredited by the USDA Secretary of Agriculture for the purpose of certifying a production, processing or handling operation as organic.

Claim for indemnity: A claim for a loss made on the AIP's form that contains the information necessary to pay the indemnity, as specified in the WFRP policy.

Combined direct marketing: Two or more commodities sold through direct marketing and reported as a single commodity code on the insured's FOR.

Commodities purchased for resale: Commodities not produced by the farm operation, but which are purchased to be added by the farm operation. This does not include commodities purchased for further growth, development or maturity for later sale, or commodities purchased to replace production of the farm operation lost due to insurable causes.

Commodity: Any agricultural product established or produced by the farm operation, except timber, forest, and forest products, animals for sport, show, or pets.

Commodity code: A code designating an agricultural product that qualifies as a commodity for the commodity count calculations. A commodity code may have more than one associated rate code. For the purposes of Micro Farm, all agriculture commodities on the insured's farm operation are designated under a single code.

Commodity count: The number of commodities on the farm operation as determined in section 19I of WFRP policy.

Consent: Approval in writing by the AIP allowing the insured to take a specific action.

Consolidated sales records: Contemporaneous records that document the sale of commodities by the insured's farm operation. The insured must provide the contemporaneous records, when requested by the AIP, used to determine the allowable revenue on their Schedule F tax forms.

Contemporaneous records: Written records developed at the time the event occurred, recording information such as planting of a commodity, harvested production, sale of a commodity, daily receipts, etc.

Contract change date: The date by which changes to the policy, if any, will be made available.

Contract grower: A person retained under contract to manage the growth of a commodity owned by another person.

Controlled atmosphere storage: An agriculture storage method in which the concentration of oxygen, carbon dioxide, and nitrogen, as well as the temperature and humidity of a storage room are regulated.

Controlled Substance: Any substance whose manufacture, distribution, or use is federally regulated under the Controlled Substance Act.

Cooperative Extension System: A nationwide network consisting of a state office located at each state's land-grant university, and local or regional offices. These offices are staffed by one or more agricultural experts, who work in cooperation with the National institute of Food and Agriculture, and who provide information to agricultural producers and others.

County: Any county, parish, political subdivision of a state, or other area specified in the AD.

Damage: Injury, deterioration, or loss of production of an insured commodity due to insured or uninsured causes.

Days: Calendar days, unless otherwise specified.

Deductible: The result of the producer's approved revenue minus the producer's insured revenue. The deductible represents the amount of the producer's approved revenue that is not insured by the WFRP policy.

Delinquent debt: The same meaning as the term defined in 7 CFR part 400, subpart U.

Direct marketing: Marketing commodities directly to consumers without the involvement of a third party (e.g., farmer's markets, u-pick, roadside stands, internet sales, etc.).

Direct marketing sales records: Contemporaneous records that document the sale of commodities through direct marketing. If the insured sells a commodity through direct marketing, they must provide the contemporaneous records used to determine allowable revenue on the Schedule F farm tax form.

Disinterested third-party: A person that does not have any familial relationship (parents, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to have a familial relationship) with the insured and who will not benefit financially from the sale of the insured commodity.

Disregarded entity: A single-member tax entity that does not elect to be treated as a corporation for income tax purposes and files taxes under another entity name.

Diversification discount: The discount to the applicant's/insured's farm premium rate their farm qualifies for based on their commodity count, as determined in accordance with section 19(c) of the WFRP Policy.

Early fiscal year filer: An insured, other than a calendar year filer, that files taxes with a fiscal year that begins prior to September 1.

End of insurance period: The date upon which insurance coverage ceases for the policy year.

Ending accounts receivable: Allowable revenue earned during the insurance period, but that has not been received at the end of the insurance period and supported by verifiable records. This amount includes the value of ending inventory that is under a marketing contract with a buyer to be purchased at a specified price.

Ending inventory: The commodities the insured produced during the insurance period, but that have not been sold or otherwise disposed of at the end of the insurance period and supported by verifiable records and reported on the Inventory Report as ending inventory. Any commodity that is under a marketing contract with a buyer to be purchased during the insurance period at a price that will not be determined until the subsequent policy years will be considered as ending inventory.

Expanded operation: Adjusted revenue is the average allowable revenue adjusted to reflect physical expansion of the farm operation.

Expanding operation factor: A factor that is used to calculate the expanded operation adjusted revenue for farm operations that are physically expanding.

Expected revenue: The amount of revenue the applicant/insured expects to receive from a commodity as stated on the FOR.

Expected value: The price the insured can reasonably expect to receive for a commodity in accordance with the expected value guidelines in the WFRP policy, less the cost of all post-production expenses.

Expected Yield: The yield the insured reasonably expects their insured commodity to produce under normal growing conditions in the insurance period, in accordance with the expected yield guidelines.

Farming activity: The cultivation or use of land for growing or raising commodities (including animals, animal products, aquaculture, and nursery and greenhouse commodities), or the on-site storage, preparation, and sale of commodities produced on the farm operation.

Farm operation: All farming activities for which revenue and expenses are reported to the IRS under a single taxpayer identification number will be considered a single a farm operation for WFRP purposes.

Farm Operation Report: The form on which the applicant/insured provides all required information regarding the commodities they expect to earn revenue from during the insurance period. The FOR consists of three parts; the IFOR, RFOR, and FOR, with each part due at the time specified in the WFRP Policy.

Farm premium rate: The premium rate for coverage under this policy calculated based on the commodities on the insured's farm operation.

Farm tax forms: IRS income tax forms (such as Form 1040, Form 1120, Form 1041, Form 1065, Form 1102S, and Form 4835) used to report farm revenue and expenses for a signed and filed Federal tax return, specifically including Schedule F (from 1040) but also other forms used to report farm revenue and used under this policy to develop a Substitute Schedule F, if needed.

FCIC reinsured policy: An insurance policy offered under the authority of the Act and reinsured by the FCIC.

Fiscal year: A period of 12 consecutive months used for accounting and tax purposes and ending on the last day of the twelfth month provided the twelfth month is not December (a twelve-month period ending the last day of December is a calendar year).

Generally recognized: When agricultural experts or organic agricultural experts, as applicable, are aware of the production method or practice and there is no genuine dispute regarding whether the production method or practice allows the commodity to make normal progress toward maturity.

Good farming practices: The production methods utilized to produce the insured commodities and allow them to make normal progress toward maturity resulting in at least the approved revenue, which are: (1) For conventional or sustainable farming practices, those generally recognized by agricultural experts for the area; or (2) for organic farming practices, those generally recognized by organic agricultural experts for the area or contained in the organic system plan. The AIP or the insured may request the AIP to contact FCIC to determine whether or not production methods will be considered "good farming practices."

Household: A domestic establishment including individuals with a familial relationship and others who live on the same property.

Indexed Revenue: The allowable revenue of a tax year adjusted to reflect growth during the whole-farm history period.

Indexed average revenue: The average for all years in the insured's whole-farm history period after any adjustment to reflect revenue growth during the whole-farm history period.

Industrial Hemp: The plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-THC concentration of not more than 0.3 percent on a dry weight basis.

Insurable interest: The percentage of the commodity that is at financial risk of loss.

Insurance period: The 12-month period corresponding to the producer's tax year beginning in the calendar year in which the SCD occurs.

Insured: The named person as shown on the accepted application. This term does not extend to any other person having a share or interest in the crop, such as a partnership, landlord, or any other person, unless specifically indicated on the accepted application.

Insured commodity: A commodity the insured will produce or purchase for resale during the insurance period.

Insured revenue: The total amount of insurance provided to the insured.

Intended commodity: A commodity the insured reported on their IFOR.

Lag year: The tax year immediately preceding the insurance period.

Late fiscal year filer: An insured with a fiscal year that begins September 1 or later.

Local market price: The average price offered by buyers of the commodity in the area where the applicant/insured normally sells that commodity.

Market readiness operations: The on-farm activities that are the minimum required to remove the commodity from the field and make the commodity market ready, such as washing, packing, etc. Market readiness activities are not considered to be post-production operations and do not have to be excluded from allowable revenue in accordance with section 45. Since it is the minimum required to remove the commodity from the field, the activity must occur on or in close proximity to the field where the commodity is produced. Market readiness operations do not include any activities that occur off-farm or on-farm in in-field that increases the value of the crop, such as canning, freezing, and processing activities that alter the physical nature of insurable commodities including, but not limited to, slicing apples, putting commodities into gift baskets, jams, jellies, wine, or cider, etc.

Marketing contract: A written agreement between the applicant/insured and a buyer for the purchase of a commodity the applicant/insured will produce on their farm operation at a specified price.

Native sod: Acreage that has no record of being tilled (determined in accordance with information collected and maintained by an agency of the USDA or other verifiable records that applicant/insured provides and are acceptable to the AIP) for the production of an annual crop on or before February 7, 2014, and on which the plant cover is composed principally of native grasses, grass-like plants, forbs, or shrubs suitable for grazing and browsing.

Negligence: The failure to use such care as a reasonably prudent and careful person experienced in the production of commodities would use under similar circumstances.

Net value: The value of a commodity at the beginning of the insurance period minus the cost of the commodity.

Noninsured Crop Disaster Assistance Program: A program administered by FSA which provides coverage to producers of crops that do not have a permanent crop insurance program available or, if such coverage is available, it is only available under a policy that provides coverage for specific intervals based on weather indexes or WFRP.

Notice of loss: A written notice the insured is required to file in the agent's office whenever they initially discover that any commodity insured under WFRP has been damaged by a cause of loss that could result in a loss of production or reduction in value or that allowable revenue for the policy year may be less than insured revenue.

Nursery and greenhouse commodities: Plants which are propagated or grown to be sold as plants, not including commodities produced by plants (e.g., tomato plants, but not tomatoes). For the purposes of this policy, plants for nursery and greenhouse commodities must be propagated or grown in a controlled environment.

Offset: The act of deducting one amount from another amount.

Organic agricultural experts: Persons who are employed by the following organizations: Appropriate Technology Transfer for Rural Areas, Sustainable Agriculture Research and Education or the Cooperative Extension System, the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific organic crop or practice for which such expertise is sought.

Organic farming practice: A system of plant or animal production practices used to produce the commodity that is approved by a certifying agent in accordance with 7 CFR part 205.

Organic system plan: A written plan, in accordance with the National Organic Program published in 7 CFR part 205 that describes the organic farming practices to be carried out on the farm operation.

Organic standards: Standards in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) and 7 CFR part 205.

Originating entity: An entity that actually physically produces the commodity.

Pass-through entity: An entity that reports to the IRS but does not pay taxes on portions of the revenue, instead passing it to each individual owner who then pays income tax on their portion of the revenue from the business.

Perennial commodity: A commodity produced on a plant, bush, tree, or vine that has a lifespan of more than one year, as identified in the AD.

Person: An individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State or a political subdivision or agency of a State. "Person" does not include the United States Government or any agency thereof.

Policy year: The calendar year that begins after the CCD (for late fiscal year filers the policy year will differ from the tax year insured under the WFRP policy).

Post-production operations: Any operations not included in the definition of market readiness operations, performed after producing and harvesting an insured commodity to prepare it for sale. These include, but are not limited to, any activity occurring on-farm or off-farm to prepare the commodity for sale or any activity that increases the value of the crop, such as canning, freezing, and processing activities that alter the physical nature of insurable commodities such as slicing apples, putting commodities into gift baskets, making jams, jellies, wine, or cider, or costs for cold and controlled atmosphere storage.

Primary insurance: A policy that pays an indemnity for a covered cause of loss first, even when the policyholder has other policies that cover the same cause of loss.

Produced: An insured commodity will be considered produced when it has matured to the extent that it is generally saleable at established markets, regardless of whether or not it is actually harvested by the end of the insurance period.

Production capacity: Physical land or structures used for the production of commodities on the insured's farm operation.

Prohibited substance: Any biological, chemical, or other agent that is prohibited by Federal statute from use or is not included in the organic standards for use on any certified organic, transitional or buffer zone acreage. Lists of such substances are contained at 7 CFR part 205.

Qualifying revenue threshold: The minimum amount of revenue a commodity must be expected to generate to qualify as a commodity for the purpose of the insured's commodity count.

Rate code: A code designating a specific commodity, type, and practice for premium rate calculations. Each rate code has an associated premium rate specified in the actuarial documents.

Replanted commodity: The same annual commodity replanted on the same acreage as the first insured commodity for harvest in the same insurance period.

Replanting: Performing the cultural practices necessary to prepare the land and then replacing the seed or plants of the damaged or destroyed commodity on the same acreage.

Revenue protection: A plan of insurance offered under the Common Crop Insurance Policy, reinsured by FCIC, and identified as plan 02 or 03 in the AD.

Revenue trend factor: A factor that is used to measure the year-to-year growth in revenue of the insured's farm operation.

Sales closing date: The date contained in the AD for the tax filer type by which an application must be filed and the last date by which the insured may change coverage for a policy year.

Schedule F: A tax form commonly used to file Federal taxes for a farm.

Short tax year: A period of less than twelve consecutive months for which a tax entity may be required to file a tax return due to changing from a calendar year to fiscal year or vice versa or from changing the dates of a fiscal year.

Simple average allowable revenue: The simple average of the allowable revenue for all years in the applicant/insured's whole-farm history period.

Simple average indexed revenue: The simple average of the indexed revenue for all years in the whole-farm history period.

Special Provisions: The part of the policy that contains specific provisions of insurance that may vary by geographic area.

Substantial beneficial interest: An interest held by any person of at least 10 percent in you (e.g., there are two partnerships that each have a 50 percent interest in you and each partnership is made up of two individuals, each with a 50 percent share in the partnership. In this case, each individual would be considered to have a 25 percent interest in you, and both the partnerships and the individuals would have a substantial beneficial interest in you. The spouses of the individuals would not be considered to have a substantial beneficial interest unless the spouse was one of the individuals that made up the partnership. However, if each partnership is made up of six individuals with equal interests, then each would only have an 8.33 percent interest in you and although the partnership would still have a substantial beneficial interest in you, the individuals would not). The spouse of any individual applicant or individual insured will be presumed to have a substantial beneficial interest in the applicant or insured unless the spouses can prove they are legally separated or otherwise legally separate under the applicable state dissolution of marriage laws. Any child of an individual applicant or individual insured will not be considered to have a substantial beneficial interest in the applicant or insured unless the child has a separate legal interest in such person.

Substitute Schedule F: A form used in place of a Schedule F form if the applicant/insured files farm tax forms for their farm operation that do not include a Federal Schedule F tax form.

Summary of coverage: The AIP's statement to the insured, based upon the FOR that provides specific information about the insured's policy including the amount of insurance coverage.

Tax entity: Any person that has a tax reporting requirement.

Tax filer type: The type of tax filer for purposes of the WFRP policy, determined according to the producer's tax year. The tax filer types are calendar year filer, early fiscal year filer, and late fiscal year filer.

Tax year: The annual accounting period for the farm operation defined by the 12-month period used for tax purposes. The tax years are (1) a calendar year or (2) a fiscal year. For the purposes of the WFRP policy, tax years are designated by the calendar year in which the 12-month period begins.

Total expected revenue: The total amount of expected revenue the applicant/insured expects to receive from all commodities on their farm operation in the insurance period, as stated on the FOR, including expected revenue from commodities lost to a covered cause of loss.

Transitional acreage: Acreage on which organic farming practices are being followed but the acreage does not yet qualify to be designated as organic acreage.

Verifiable records: Contemporaneous records provided from a disinterested third party (such as records from a warehouse, elevator, processor, packer, broker, input vendor, etc.), or by measurement of farm stored commodities. Except for those commodities sold through direct marketing, if the insured processes or packs their insured commodities, they must provide final settlement sheets showing disposition of the insured commodities and marketing records reconcilable with revenue reported for tax purposes for their farm operation.

Vertically integrated operation: A person that has a substantial beneficial interest in multiple entities that may buy and sell commodities from each other or move commodities from one entity to the other to conduct post-production operations on the commodities.

Veteran farmer or rancher: An individual who has served active duty in the United States Armed Forces, including the Army, Navy, Marine Corps, Air Force, Space Force, and Coast Guard, and their reserve components, was discharged, or released under conditions other than dishonorable, and:

(1) has not operated a farm or ranch;

(2) has operated a farm or ranch for not more than 5 years; or

(3) first obtained status as a veteran during the most recent 5-year period.

(4) a person, other than an individual, may be eligible for veteran farmer or rancher benefits if all substantial beneficial interest holders qualify as a veteran farmer or rancher, except when there is only a married couple. Then a veteran and non-veteran spouse are considered a veteran farmer or rancher.

Void: The policy is considered not to have existed for a policy year.

Whole-farm historic average revenue: The historic, average allowable revenue generated from the farm operation, adjusted according to the policy, and stated on the WFHR.

Whole-farm history period: The five consecutive tax years prior to the lag year. For the purpose of Micro Farm, the whole-farm history period means the series of consecutive tax years preceding the policy year, with a minimum of three years and a maximum of five years (including the lag year).

Whole-Farm History Report: The report that documents the applicant's/insured's farm operation's allowable revenue for each tax year used to determine their whole-farm historic average revenue, and other information necessary to determine the farm operation's whole-farm historic average revenues.

Exhibit 3 Form Standards

This exhibit provides form standards that are in addition to or in lieu of the standards and elements provided in the DSSH and for forms that are unique to WFRP, including completion procedures.

Subparagraphs A through F refer to forms provided in DSSH. All other subparagraphs refer to forms unique to WFRP.

A. Conditions of Acceptance Statement

(1) The following sentences in the Conditions of Acceptance Statement must be removed.

"Unless rejected or the SCD has passed at the time you signed this application, insurance will be in effect for the crop(s) and policy years specified and will continue for each succeeding policy year, unless otherwise specified in the policy, until canceled, terminated or voided. The insurance contract, which includes the accepted application, is defined in the regulation published at 7 CFR chapter IV."

(2) The following sentence must be added to the Conditions of Acceptance Statement.

"Unless rejected or the SCD has passed at the time you signed this application, insurance will be in effect for the policy year specified and will continue for each succeeding policy year, unless otherwise specified in the policy, until canceled, terminated or voided."

B. Anti-Rebating Certification

(1) Substitute "Policy Year" as a substantive element in place of "Crop Year."

(2) Substitute "I certify, for the policy year indicated," in place of "I certify, for the crop year indicated," at the beginning of the applicant/insured and agent substantive anti-rebating statements.

C. Application, Policy Transfer/Application, and Policy Change

(1) Substitute "Effective Policy Year" as a substantive element in place of "Effective Crop Year."

(2) The following substantive elements, as provided by DSSH, are not required. If they are included, complete each by entering "N/A."

(a) "Name of Crop"

Exception: For the Micro Farm Provisions, include and enter "Micro Farm."

(b) "Options, Elections, or Endorsements"

(c) "Percentage of Price Election, Projected Price or Amount of Insurance"

(d) "Added County Election"

(e) "Designated County"

(f) "Landlord/Tenant insuring other's share"

C. Application, Policy Transfer/Application, and Policy Change (Continued)

(3) The following statement must be within a box above the insured's signature line and date.

"I understand that:

(a) my approved revenue for the five years in the whole-farm history period and my expected revenue for the current year may be adjusted as required under the terms of the WFRP policy, and that such adjustments may affect the amount of insured revenue and any indemnity;

(b) no insurance will be provided unless this application and all required forms are completed and filed on or before the SCD for the policy year in which I am requesting WFRP coverage; and

(c) although insurance under this application is continuous from year to year, policy terms, premium rates, and the amount of revenue insured may change from year to year."

The following table provides the information to enter for substantive elements that are not self-explanatory. The information to enter for substantive elements not provided in the following table are self-explanatory or provided in this handbook or the DSSH.

Element	Information to be Entered
Applicant's/Insured's Name	Enter the name of the applicant/insured. The applicant/insured must be the same person and person type as the person designated on the United States Income Tax form(s).
Policy Year	Enter the policy year for which WFRP insurance will be in effect if the application is approved. Enter the month and year the insurance period begins and ends if the applicant files Federal taxes on a fiscal year basis.
State/Code and County/Code	Enter the state/code and county/code where the majority of the total expected revenue for the policy year will be derived. It can be any county in which the insured has established or intends to establish any commodity. However, the same state and county must appear on all the applicant's/insured's WFRP reports that require a state/county. **Exception**: When no county, within the 50 states (including Washington, D.C.), exists in the AD for which the farm operation earns revenue (i.e., Washington D.C.), the county listed on the application should be the county nearest to the location of the farm operation.

(4) Substitute the required language for request of policy transfer with the following.

C. Application, Policy Transfer/Application, and Policy Change (Continued)

"Part I

I hereby request cancellation of my WFRP insurance policy with (Ceding Approved Insurance Provider Name) for the (Policy year of policy cancelled and transferred) because I have applied for insurance with another Approved Insurance Provider. I understand that if this form is not executed on or before the established cancellation date, the cancellation of my WFRP insurance will not become effective until the following policy year."

(5) Substitute the required language to provide insurance for policy transfer with the following.

"Part II

By submission of this form, we agree to provide WFRP insurance to this applicant for the policy year specified above unless this form is not executed on or before the established cancellation date, in which case WFRP insurance will be provided for the following policy year."

(6) Add the following language to provide the insured an option to exclude FCIC reinsured policies from becoming primary insurance:

☐ Yes Check "Yes" if you want to exclude FCIC reinsured policies from becoming primary insurance?

D. Policy Cancellation

(1) Substitute "Effective Policy Year" as a substantive element in place of "Effective Crop Year."

(2) Substitute the cancellation request statement in DSSH with the following statement.

"I hereby request cancellation of my WFRP insurance policy shown on this cancellation. I understand that if this form is not executed on or before the cancellation date listed, the cancellation of my WFRP insurance will not become effective until the following policy year."

(3) The following substantive elements, as provided by DSSH, are not required on a policy cancellation for WFRP policies. If they are included, complete each by entering "N/A."

(a) "Name of Crop"

(b) "Endorsements" ***

The information to enter in all substantive elements are self-explanatory, provided in this handbook or the DSSH, or taken from the insured's application.

E. Summary of Coverage and Policy Confirmation

(1) Substitute "Effective Policy Year" as a substantive element in lieu of "Effective Crop Year."

(2) The following substantive elements, as provided by DSSH, are not required. If they are included, complete each by entering "N/A."

E. Summary of Coverage and Policy Confirmation (Continued)

(a) "Endorsements" ***

(b) "Percentage of Price Election, Projected Price or Amount of Insurance"

(c) "Crop(s) Insured"

(d) "Crop/Practice/Type"

The information to enter in all substantive elements are self-explanatory, provided in this handbook or the DSSH, or taken from the insured's application.

F. Withdrawal of Claim for Indemnity

(1) The following substantive elements, as provided by DSSH, are not required. If they are included, complete each by entering "N/A."

(a) "Name of Crop(s)"

(b) "Unit Number(s)"

(2) Substitute the following sentence in lieu of the first sentence in the "Withdrawal Statement."

"As of this date, I withdraw this claim for indemnity against the Approved Insurance Provider for the policy listed above."

G. Whole-Farm History Report

(1) The AIPs are responsible for developing the WFHR form. The WFHR must be titled "WHOLE-FARM HISTORY REPORT." The AIPs are NOT authorized to modify or delete any of the required elements. Refer to Exhibit 4 for the WFHR required elements and example.

(2) In place of the certification statement in the DSSH, the WFHR must include the following certification statement immediately above the applicant/insured signature.

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand the information on this form may be reviewed and audited. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of the insured revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

(3) The WFHR must include:

(a) Collection of Information and Data (Privacy Act) Statement;

(b) Nondiscrimination Statement; and

G. Whole-Farm History Report

(c) AIP Name and Address.

H. Inventory Report

(1) The AIPs are responsible for developing the Inventory Report form. The Inventory Report must be titled "INVENTORY REPORT." The AIPs are not authorized to modify or delete any of the required elements. See Exhibit 5 for the Inventory Report required elements and example.

(2) In place of the certification statement in DSSH, the Inventory Report must include the following certification statement immediately above the applicant/insured signature.

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand the information on this form may be reviewed and audited. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of insured revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

(3) The Inventory Report form must include:

(a) Collection of Information and Data (Privacy Act) Statement;

(b) Nondiscrimination Statement; and

(c) AIP Name and Address.

I. Accounts Receivable

(1) The AIPs are responsible for developing the Accounts Receivable Report form. The Accounts Receivable Report must be titled "ACCOUNTS RECEIVABLE REPORT."

(2) The AIPs are not authorized to modify or delete any of the required elements. Refer to Exhibit 8 for the Accounts Receivable Report required elements and example.

(3) In place of the certification statement in DSSH, the Accounts Receivable Report must include the following certification statement immediately above the applicant/insured signature.

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand the information on this form may be reviewed and audited. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of insured revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

I. Accounts Receivable (Continued)

(4) The Accounts Receivable Report must include:

(a) Collection of Information and Data (Privacy Act) Statement;

(b) Nondiscrimination Statement; and

(c) AIP Name and Address.

J. Market Animal and Nursery Inventory Report

(1) AIPs are responsible for developing the "Market Animal and Nursery Inventory Report" form. If a farm has animals or nursery, this form will be used in addition to the Inventory and Accounts Receivable form to handle the inventory for the animals and nursery. The AIPs are NOT authorized to modify or delete any of the required elements. Refer to Exhibit 7 for the Market Animal and Nursery Inventory Report required elements and example.

(2) If applicable, beginning and ending inventories are necessary to determine the RTC for animals and nursery plants marketed during the insurance period on an accrual basis. A complete inventory of breeding and market animals and nursery stock must be documented in Part 2 of the Market Animal and Nursery Inventory. Part 3 is used to support the number of (inventory) market animals and to document culled breeding animals transferred from the breeding category to the market category and sold during the insurance period. Breeding animals produced on the farm or purchased as assets are accounted for using breeding animal inventories. Sales of breeding stock, including culls, are normally reported on Form 4797 (Sale of Business Property). Such income should not be reported on Schedule F but may be. However, there may be instances where culls are placed in a finishing operation and may be reclassified as market animals. Any culls that are reclassified as market animals and the sale of such animals is reported on the Schedule F, adjustments to the beginning inventory and the FOR are required. Otherwise, the sale of breeding animals or culls that is reported on Form 4797 are considered uninsured animals and not included as allowable revenue or RTC. When applicable, a complete beginning inventory for animals and nursery commodities that will be marketed, including breeding or cull animals transferred to the market category, must be provided to the AIP on or before the SCD for calendar year tax filers. For an early or late fiscal year filer, it must be provided the later of the date the insured submits their application or last day of the month in which the fiscal year begins.

(3) An ending inventory must also be completed if an indemnity is to be claimed. Part 4 calculates the RTC for claim purposes using increases or decreases in inventory values during the insurance period. The cost or basis for animals or nursery commodities purchased for resale during the insurance period and are not sold by the end of the insurance period are transferred to the Market Animal and Nursery Inventory Report and must be removed from the ending inventory prior to making inventory adjustments on the claim. Animals must be grouped according to the type/category corresponding to how they will be marketed to accurately value them. Local market value is determined at the beginning of the insurance period for beginning inventories, and for ending inventories at the end of the insurance period for each applicable type/category.

J. Market Animal and Nursery Inventory Report (Continued)

(4) If animals are marketed in pounds, gross inventory values will be determined by multiplying the number of animals × the average lbs. per animal for the type/category × applicable value/price per lb.

(5) For animals sold individually (by the head/animal), inventory values will be measured by multiplying the number of animals/livestock × the average value/price per animal for the type/category.

(6) Complete the beginning inventory (breeding animal inventory and market animal inventory for each applicable type/category of animals on hand at the beginning of the insurance period. Complete the ending inventory for animals that are on hand at the end of the insurance period. Include on the breeding animal inventory animals/livestock from which income is accounted for as gains or losses on Schedule D (Form 1040), Form 4797 (animals held for breeding, dairy purposes, or not held primarily for sale), or is depreciated on Form 4799.

(7) In place of the certification statement in DSSH, the Market Animal and Nursery Inventory Report must include the following certification statement immediately above the applicant/insured signature.

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand the information on this form may be reviewed and audited, and used to determine my loss, if any, for the policy listed above. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of insured revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

(8) The Market Animal and Nursery Inventory Report must include:

(a) Collection of Information and Data (Privacy Act) Statement;

(b) Nondiscrimination Statement; and

(c) AIP Name and Address.

K. Farm Operation Report

(1) The AIPs are responsible for developing the FOR form. The FOR must be titled "FARM OPERATION REPORT." The AIPs are not authorized to modify or delete any of the required elements. Refer to Exhibit 8 for the FOR required elements and example.

(2) In place of the certification statement in the DSSH, the FOR must include the following certification statements immediately above the applicant/insured signature.

K. Farm Operation Report (Continued)

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand that changes to intended commodities grown will result in changes to the insured revenue, premium rate, and indemnity. I understand the information on this form may be reviewed and audited. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of approved revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

(3) The FOR must include:

(a) Collection of Information and Data (Privacy Act) Statement;

(b) Nondiscrimination Statement; and

(c) AIP Name and Address.

L. Replant Payment Worksheet

(1) The AIPs are responsible for developing the Replant Payment Worksheet form. The Replant Payment Worksheet must be titled "REPLANT PAYMENT WORKSHEET." The AIPs are not authorized to modify or delete any of the required elements. Refer to Exhibit 11 for the Replant Payment Worksheet required elements and example.

(2) In place of the certification statement in DSSH, the Replant Payment Worksheet must include the following certification statement immediately above the applicant/insured signature.

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand the information on this form may be reviewed and audited. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of insured revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

(3) The Replant Payment Worksheet form must include:

(a) Collection of Information and Data (Privacy Act) Statement;

(b) Nondiscrimination Statement; and

(c) AIP Name and Address.

M. Substitute Schedule F

(1) The Substitute Schedule F is a required document used to document an applicant's/insured's farm income and expenses for each year the applicant/insured did not file a Schedule F with the IRS. This form is used in the same manner as the Schedule F. The Substitute Schedule F is the current year Schedule F used by the IRS and must be titled "SUBSTITUTE SCHEDULE F FOR WFRP PURPOSES." Refer to Exhibit 13 for the Substitute Schedule F required elements and example.

(2) In place of the certification statement in DSSH, the Substitute Schedule F must include the following certification statement immediately above the applicant/insured signature.

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand the information on this form may be reviewed and audited. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of insured revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

(3) The Substitutes Schedule F must include:

(a) Collection of Information and Data (Privacy Act) Statement;

(b) Nondiscrimination Statement; and

(c) AIP Name and Address.

N. Yield and Revenue Report

(1) The AIPs are responsible for developing the Yield and Revenue Report. The Yield and Revenue Report must be titled "YIELD AND REVENUE REPORT." The AIPs are not authorized to modify or delete any of the required elements. Refer to Exhibit 10 for the Yield and Revenue Report required elements and example.

(2) In place of the certification statement in DSSH, the Yield and Revenue Report must include the following certification statement immediately above the applicant/insured signature.

N. Yield and Revenue Report (Continued)

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand that changes to intended commodities grown will result in changes to the insured revenue, premium rate, and indemnity. I understand the information on this form may be reviewed and audited. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of approved revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

O. Allowable Revenue Worksheet

(1) The Allowable Revenue Worksheet is a required worksheet that the AIPs must use to determine an applicant's/insured's allowable revenue for each year in the whole-farm history period. The worksheet assists in identifying and documenting required adjustments to the applicant's/insured's tax reported revenue. The Allowable Revenue Worksheet must be titled "ALLOWABLE REVENUE WORKSHEET." Refer to Exhibit 14 for the Allowable Revenue Worksheet required elements and example.

(2) In place of the certification statement in DSSH, the Allowable Revenue Worksheet must include the following certification statement immediately above the applicant/insured signature.

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand the information on this form may be reviewed and audited. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of insured revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

(3) The Allowable Revenue Worksheet must include:

(a) Collection of Information and Data (Privacy Act) Statement;

(b) Nondiscrimination Statement; and

(c) AIP Name and Address.

P. Claim for Indemnity Report

(1) The AIPs are responsible for developing the Claim for Indemnity Report. The Claim for Indemnity Report must be titled "CLAIM FOR INDEMNITY REPORT." The AIPs are not authorized to modify or delete any of the required elements. Refer to Exhibit 15 for the Claim for Indemnity Report required elements and example.

(2) In place of the certification statement in DSSH, the Claim for Indemnity Report must include the following certification statement immediately above the applicant/insured signature.

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand the information on this form may be reviewed and audited, and used to determine my loss, if any, for the policy listed above. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of insured revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

(3) The Claim for Indemnity Report must be:

(1) Collection of Information and Data (Privacy Act) Statement;

(2) Nondiscrimination Statement; and

(3) AIP Name and Address.

Q. Expected Value and Yield Source Document Certification Worksheet

(1) The AIPs are responsible for developing the Expected Value and Yield Source Document Certification Worksheet. The Expected Value and Yield Source Document Certification Worksheet must be titled "EXPECTED VALUE AND YIELD SOURCE DOCUMENT CERTIFICATION WORKSHEET." The AIPs are not authorized to modify or delete any of the required elements. Refer to Exhibit 9 for the Expected Yield and Value Source Document Certification Worksheet required elements and example.

(2) In place of the certification statement in DSSH, the Expected Value and Yield Source Document Certification Worksheet must include the following certification statement immediately above the applicant/insured signature.

Q. Expected Value and Yield Source Document Certification Worksheet (Continued)

"I certify that to the best of my knowledge and belief all of the information on this form is correct. I understand the information on this form may be reviewed and audited, and used to determine my loss, if any, for the policy listed above. I understand that inaccurate information or my failure to retain or provide, upon request, records supporting the information on this form may result in denial of coverage, cancellation of my policy, ineligibility for indemnity, or recalculation of insured revenue. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes)."

(3) The Expected Value and Yield Source Document Certification Worksheet must include:

(a) Collection of Information and Data (Privacy Act) Statement;

(b) Nondiscrimination Statement; and

(c) AIP Name and Address.

Exhibit 4 Whole-Farm History Report

The following table provides descriptions of the WFHR form required elements.

Item Number/Element	Description
1. Producer Information:	Name, address, telephone number, and tax ID, such as social security number or employer identification number for the applicant/insured. Also includes the person type the applicant/insured used to file their Federal income taxes. The applicant/insured must be the same person and person type as the person designated on the United States Federal Income Tax form(s).
2. Agency Information:	Name, address, telephone number and code number of the agent. Include policy number for carryover insureds.
3. Policy Year:	The current policy year. Includes beginning and ending month of fiscal year if applicant/insured filed Federal taxes on fiscal year basis.
4. IRS Accounting Method:	IRS accounting method, cash or accrual, used by applicant/insured.
5. State/County:	State and county where the majority of the total expected revenue for the policy year will be derived.
6(a-e). Tax Year	The five consecutive tax years prior to the policy year, not including the lag year.
7(a-e). Allowable Revenue	Enter the allowable revenue that corresponds to each year entered in items 6(a-e) (item 12 of Allowable Revenue Worksheet). **Exceptions**: (1) For a qualifying person with four years of farm tax forms in their whole-farm history period enter: (a) in item 7(a) the allowable revenue that corresponds to the lag year; and (b) in items 7(b-e), the allowable revenue that corresponds to the tax year entered in items 6(b-e). (2) For a qualifying person with three years of farm tax forms in their whole farm history period enter: (a) in item 7(a), the allowable revenue that is the lowest of items 7(b-e); (b) in item 7(b), the allowable revenue that corresponds with the lag year; and (c) in items 7(c-e), the allowable revenue that corresponds with the tax years entered in item 6(c-e). (3) For a qualifying person that elects Micro Farm with four years of tax records in the whole-farm history period enter:

Item Number/Element	Description
7(a-e). Allowable Revenue (Continued)	(a) in item 7(a) the allowable revenue that is the lowest of items 7(b-e); and (b) in items 7(b-e) the allowable revenue that corresponds with the tax years entered in items 6(b-e). (4) For a qualifying person that elects Micro Farm with three years of tax records in the whole-farm history period enter: (a) in item 7(a) and (b) the allowable revenue that is the lowest of items 7(c-e); and (b) in items 7(c-e), the allowable revenue that corresponds with the tax years entered in items 6(c-e).
8(a-e). Indexed Revenue	Enter the indexed revenue for each year that corresponds with the tax years entered in items 6(a-e). Refer to Subparagraph 71C.
9(a-e).	MAKE NO ENTRY.
10. Total	
a. Total Allowable Revenue	Enter the result of adding the allowable revenue for all tax years entered in item 6.
b. Total Indexed Revenue	Enter the result of adding the indexed revenue for all tax years entered in item 6.
c.	MAKE NO ENTRY.
11. Simple Average	
a. Simple Average Allowable Revenue	Enter the result of dividing item 10a by five. Refer to Subparagraph 71A.
b. Simple Average Indexed Revenue	Enter the result of dividing item 10b by five, not to exceed the highest allowable revenue amount in column 7(a-e). Refer to Subparagraph 71C(2).
12. Revenue Substitution	
a. Revenue Substitution Average Revenue	If elected, enter the sum of the allowable revenue for all tax years divided by five after following procedures in Subparagraph 71B(1).
b. Revenue Substitution Average Indexed Revenue	If elected, enter the sum of the indexed revenue for all tax years divided by five after following procedures in Subparagraph 71B(1).
13. Revenue Exclusion	
a. Revenue Exclusion Average Revenue	If elected, enter the sum of the allowable revenue for all tax years divided by four after following procedures in Subparagraph 71B(2).
b. Revenue Exclusion Average Indexed Revenue	If elected, enter the sum of the indexed revenue for all tax years divided by four after following procedures in Subparagraph 71B(2).
14. Revenue Cup	Carryover Insureds Only: If elected, enter the result of multiplying the insured's previous year's approved revenue by 0.90.

Item Number/Element	Description
15. Expanded Operation	(1) For WFRP, if applicable, enter the result of the calculation in Subparagraph 71E. (2) For Micro Farm, if applicable, enter the result of the calculation in Subparagraph 161C(2)(e).
16. Average	
a. Average Allowable Revenue	(1) If no insurance option elected, enter the simple average (item 11a). (2) If an insurance option is elected, enter the amount for the applicable option elected (12a or 13a). (3) If the insured elects more than one option, enter the amount for the option with the highest result (12a or 13a).
b. Indexed Average Revenue	(1) If indexing is elected, but no insurance options are elected, enter the simple average indexed revenue (item 11b), not to exceed the highest allowable revenue amount in items 7(a-e). (2) If indexing is elected and an insurance option is elected, enter the amount for the applicable option elected (item 12b or 13b), not to exceed the highest allowable revenue amount in items 7(a-e). (3) If the insured elects more than one option, enter the amount for the option with the highest result (12b or 13b) not to exceed the highest allowable revenue amount in items 7(a-e).
c.	MAKE NO ENTRY.
17. Indexing: Yes ☐ No ☐	Check Yes if the producer chooses to use the indexed average, otherwise check No. **Note**: Indexed Average not allowed for persons with less than five years of farm tax forms in their whole-farm history period.
18. Insurance Options: Substitution: ☐ Exclusion: ☐ Cup: ☐ **Important**: If more than one option is selected, the option with highest amount will be considered elected in determination of their whole-farm historic average.	Select the insurance option(s) the insured elects to use in determination of their whole-farm historic average.
19. Whole-Farm Historic Average	Enter the greater of item 14 (if elected), 15, 16a, or 16b.

The following required entries are not illustrated on the WFHR example below.

Item Number/Element	Description
20. Applicant/Insured Signature and Date	Applicant/insured signature and date.
21. AIP Representative Signature and Date	AIP Representative signature and date.

Refer to Exhibit 3 for required certification and other statements.

Exhibit 4 Whole-Farm History Report (Continued)

The following is an example only. It is an example WFHR. AIPs must develop a WFHR using the required elements and statements.

Whole-Farm History Report								
1. Producer Information: I.M. Insured Person Type: Individual Anytown, USA, 11111 Phone: 999.999.9999 SSN: xxx xx xxxx					2. Agency Information: Agent Code: XX I.M. Agent Policy: xxxx Anytown, USA 11111 Phone: 111.111.1111			
3. Policy Year: 2023			4. IRS Accounting Method: Cash			5. State/County: Michigan/Van Buren		
	6. Tax Year		7. Allowable Revenue		8. Indexed Revenue		9.	
a.	2019		$250,500		$331,913			
b.	2020		$300,256		$379,524			
c.	2021		$99,350		$119,816			
d.	2022		$98,750		$113,661			
e.	2023		$215,515		$236,635			
10.	Total	a.	$964,371	b.	$1,181,549	c.		
11.	Simple Average	a.	$192,874	b.	$236,310			
12.	Revenue Substitution	a.	$199,544	b.	$246,239			
13.	Revenue Exclusion	a.	$216,405	b.	$266,972			
14.	Revenue Cup		$179,678					
15.	Expanded Operation		$260,380					
16.	Average	a.	$216,405	b.	$266,972	c.		
17. Indexing: Yes. ☒ No: ☐			18. Insurance Options: Substitution: ☒ Exclusion: ☒ Cup: ☒ **Important:** If more than one option is selected, the option with highest amount will be considered elected in determination of their whole-farm historic average.					
19. Whole-Farm Historic Average			$266,972					

EXAMPLE

Exhibit 5 Inventory Report

The following table provides descriptions of the Inventory Report required elements.

PART 1: Producer Information

Item Number/Element	Description
1. IRS Accounting Method:	The accounting method, cash or accrual, the applicant/insured used to file Federal income tax with IRS for the policy year.
2. Policy Year:	The current policy year. Includes beginning and ending month of fiscal year if applicant/insured filed Federal tax on fiscal year basis.
3. Producer Information:	Name, address, telephone number, and tax ID, such as social security number or employer identification number for the applicant/insured. Also includes the person type the applicant/insured used to file their Federal taxes. The applicant/insured must be the same person and person type as the person designated on the United States Income Tax form(s).
4. Agency Information:	Name, address, telephone number and code number of the agent. Include policy number.
5. State/County:	State and county where the majority of the total expected revenue for the policy year will be derived.
6. Commodity Name	Name of each commodity required to be inventoried. For beginning inventory commodities, include all commodities on hand at the beginning of the insurance period that were not sold, or were not under contract with a buyer for a specified price, including but not limited to, commodities stored on the farm, in commercial storage, and delivered to a processor/warehouse but not sold. For ending inventory commodities, include all commodities produced or purchased for resale during the insurance period on hand at the end of the insurance period that were not sold, or were not under contract with a buyer for a specified price, including but not limited to, commodities stored on the farm, in commercial storage, and delivered to a processor/warehouse but not sold. Each different commodity must be on a separate line. In addition, list the same commodity on separate line items when the same commodity has substantially different value or will be fed. **Example**: Part of the production of a commodity is sold to a processor and part is sold direct in the fresh market. The value of the production sold to a processor is substantially different than the value of production sold direct in the fresh market.

PART 2: Beginning Inventory (First day of the Insurance Period)

Item Number/Element	Description
7. Location(s)	Location of the commodity. **Example**: Insured has corn stored on his farm and potatoes stored at CA Storage Inc., a commercial storage facility. The location of the corn is the insured's farm address and the location of the potatoes is the address for the CA Storage Inc. warehouse where the potatoes are stored.
8. Beginning Inventory	Total amount of the commodity produced or purchased for resale in a year previous to the current insurance period that was not sold, fed, lost during storage, bartered, or otherwise disposed of prior to the beginning of the current insurance period, and will be sold, fed, bartered, or otherwise disposed of during the current insurance period. Amounts must be in the unit of measure in which the commodity is marketed, such as bushels, pounds, tons, boxes, cartons, etc. Enter the applicable unit of measure immediately after the amount. **Important**: Verifiable records supporting the amount reported must be provided.

PART 3: Beginning Inventory (Value end of Insurance Period)

Item Number/Element	Description
9. Value	For beginning inventories of commodities: (1) sold on or before the end of the insurance period, enter the amount received, not less than zero; (2) bartered on or before the end of the insurance period and the fair market price of the barter was reported to IRS, enter "0"; (3) bartered on or before the end of the insurance period but the price of the barter was not reported to IRS, enter the fair market value of the barter; (4) not sold but will be otherwise disposed of, such as fed, on or before the end of the insurance period, enter "0"; and (5) carried over to the subsequent insurance period, enter the local market value, not less than zero, of the commodity on the last day of the insurance period. For claims purposes, beginning inventories will be valued at the: (1) actual price received if the commodity is sold prior to the time the claim is finalized, not less than zero; or

Item Number/Element		Description
9.	Value (Continued)	(2) local market value, not less than zero, on the first day of the month in which the claim is finalized based on the same applicable source used to determine the expected value on the FOR. **Example**: If a local source was approved as the basis for the expected value, the AIP should make every effort to value the ending inventory at claim time under the same basis. **Important**: Verifiable records supporting the amount reported must be provided.
10.	Cost or Basis	Make no entry.
11.	Value Received	Result of multiplying item 8 × item 9. Separate entries are required when the commodity is disposed of in more than one method. **Example**: Insured had 1,000 bushels of farm stored corn in beginning inventory. During the insurance period, they sold 900 bushels, fed 70 bushels to his pet donkey, and 30 bushels were lost during storage. Each amount (900, 70 and 30) is a separate entry.

PART 4: Ending Inventory (Last Day of Insurance Period)

Item Number/Element		Description
12.	Location	Location of the commodity. **Example**: Insured has corn stored on his farm and potatoes stored at CA Storage Inc., a commercial storage facility. The location of the corn is the insured's farm address and the location of the potatoes is the address for the CA Storage Inc. warehouse where the potatoes are stored.
13.	Ending Inventory	Total amount of the commodity produced or purchased for resale in the current insurance period that was not sold or otherwise disposed of prior to the end of the current insurance period. Amount must be in the unit of measure in which the commodity is marketed, such as bushels, pounds, tons, boxes, cartons, etc. Enter the applicable unit of measure immediately after the amount. **Important**: Verifiable records supporting the amount reported must be provided.

Item Number/Element		Description
14.	Average Value	For ending inventories, enter the local market value, not less than zero, of the commodity on the last day of the insured's insurance period. For commodities produced but not intended to be sold, such as livestock feed, enter "0." For claims purposes, ending inventories will be valued at the local market value, not less than zero, on the first day of the month in which the claim is finalized based on the same applicable source used to determine the expected value on the FOR. For commodities produced but not intended to be sold, such as livestock feed, enter "0." **Example**: If a local source was approved as the basis for the expected value, the AIP should make every effort to value the ending inventory at claim time under the same basis.
15.	Cost or Basis	The cost of inventoried commodities purchased for resale during the insurance period but was not sold or otherwise disposed of prior to the end of the insurance period.
16.	Net Value	Result of multiplying item 13 × item 14, then subtracting the amount in item 15 if applicable.
17.	Total Beginning Value	Total of column 11.
18.	Total Ending Value	Total of column 16.

PART 5: Inventory Adjustment (To be completed only if a claim is filed)

Item Number/Element		Description
19.	Adjustments	Subtract the amount in item 17 from the amount in item 18. The result, either a positive or negative number, will be entered in item 26 on the Claim for Indemnity Form.

The following required entries are not illustrated on the Inventory Report example below.

Item Number/Element		Description
20.	Applicant/Insured Signature and Date	Applicant/Insured signature and date.
21.	Agent's Signature and Date	Agent's signature and date.

Refer to Exhibit 3 for required certification and other statements.

The following is provided as an example only. AIPs must develop an Inventory and Accounts Receivable Report using the required elements and statements.

INVENTORY REPORT

PART 1: PRODUCER INFORMATION

1. IRS Accounting Method: Accrual	2. Policy Year: YYYY	3. Producer Information: I.M. Insured Box 1 Anytown, USA, 11111 Phone: 999.999.9999 SSN: xxx xx xxxx Person Type: Individual	4. Agency Information: Agent Code: XX I.M. Agent Box 2 Anytown, USA 11111 Phone: 111.111.1111 Policy: xxxx	5. State/County: Michigan/Van Buren

INVENTORIED COMMODITIES

	PART 2: Beginning Inventory (First Day of Insurance Period		**PART 3: Beginning Inventory (Value End of Insurance Period)**			**PART 4: Ending Inventory (Last Day of the Insurance Period)**				
6. Commodity Name	7. Location(s)	8. Beginning Inventory	9. Value	10. Cost or Basis	11. Value Received	12. Location(s)	13. Ending Inventory	14. Average Value	15. Cost or Basis	16. Net Value
Corn	Storage	100 bu.	$5.00	--	$500		0			$0
17. TOTAL BEGINNING VALUE					$500	18. TOTAL ENDING VALUE				$0

PART 5: Inventory Adjustment (To be completed ONLY if a claim is filed)

19. Adjustment:
ITEM 18 AMOUNT: ($0) - ITEM 17 AMOUNT: ($500) = (-$500) Inventory Adjustment. Enter this amount, (+) or (-) in item 22 on the Claim for Indemnity Form.

EXAMPLE

Exhibit 6 Accounts Receivable Report

The following table provides descriptions of the Accounts Receivable Report required elements.

PART 1: PRODUCER INFORMATION

Item Number/Element		Description
1.	Name	The name of the applicant/insured. The applicant/insured must be the same person and person type as the person designated on the United States Income Tax form(s).
2.	Policy Number	The insured's assigned policy number.
3.	Policy Year	The current policy year. Includes beginning and ending month of fiscal year if applicant/insured filed Federal tax on fiscal year basis.
4.	Agency Information	The name, address, telephone number, and code number of the agent that provides insurance service to the insured.

PART 2: ACCOUNTS RECEIVABLE

Item Number/Element		Description
5.	Commodity Name	Name of insured commodity sold at a specified price, but which full payment has not been received at the beginning or ending of the insurance period, regardless of the location of the commodity. **Example**: Insured had sold and delivered 100 pounds of cucumbers to CA Processor Inc. for $0.10 per pound. However, at the beginning of the insurance period, insured has not received full payment for the commodity. The cucumbers are included in item 5 even though they were delivered because full payment has not been received.
6.	Name and Address of Buyer	Name of buyer for each commodity in item 5.
7.	Beginning Amount (Dollars)	Total dollar amount receivable for each insured commodity in item 5 that have been sold at a specified price but which full payment has not been received at the beginning of the insurance period, regardless of the location of the commodity. **Important**: Verifiable records supporting the amount must be provided. Verifiable records must be provided for each commodity for which full payment has not been received. **Example**: Insured sold and delivered 100 pounds of cucumbers to CA Processor Inc. for $0.10 per pound and 100 pounds of apples to WA Processor Inc. for $0.12 per pound. At the beginning of the insurance period, the insured has not received full payment for either commodity. Insured would report $10.00 in item 7 as the amount receivable for cucumbers and $12.00 in item 7 as the amount receivable for apple. Insured must provide verifiable records for the cucumbers and apples sold.

Item Number/Element		Description
8.	Ending Amount (Dollars)	Total dollar amount receivable for each insured commodity in item 5 that has been sold at a specified price, but which full payment has not been received at the end of the insurance period, regardless of the location of the commodity. **Important**: Verifiable records supporting the amount must be provided for each commodity for which full payment has not been received. **Example**: Insured produced and sold 1,000 bushels of corn during the insurance period. At the end of the insurance period, the insured has not received full payment for the corn. Insured would report $4,000.00 in item 8 as the amount receivable for corn. Insured would have to provide verifiable records for the amount of corn sold. The ending amount for the current insurance period becomes the beginning amount for the subsequent insurance period.
9.	Balance (8 - 7)	The change in accounts receivable for each commodity in item 5. For each commodity, subtract the beginning amount (item 7) from the ending amount (item 8). The result can be positive or negative.
10.	Total Accounts Receivable Adjustments to Claim (Dollars)	Total change in accounts receivable from all insured commodities. Sum the result of item 9 for each commodity. The result can be positive or negative. Round to the nearest whole dollar. This entry will be transferred to item 27 of the Claim for Indemnity form at claim time.

The following required entries are not illustrated on the Accounts Receivable Report example below.

Item Number/Element		Description
11.	Applicant/Insured Signature and Date	Applicant/Insured signature and date.
12.	AIP Representative Signature and Date	AIP representative signature and date.

Refer to Exhibit 3 for required certification and other statements.

The following is provided as an example only. AIPs must develop an Accounts Receivable Report using the required elements and statements.

ACCOUNTS RECEIVABLE REPORT				
PART 1: PRODUCER INFORMATION				
1. NAME		2. POLICY NUMBER	3. POLICY YEAR	4. AGENCY INFORMATION
I.M. INSURED		XXXXXXXXX	YYYY	I.M. AGENT XXXXX
PART 2: ACCOUNTS RECEIVABLE				
5. Commodity Name	6. Name and Address of Buyer	7. Beginning Amount	8. Ending Amount	9. Balance (8 - 7)
		10. Total Accounts Receivable Adjustments to Claim		

EXAMPLE

Exhibit 7 Market Animal and Nursery Inventory Report

The following table provides descriptions of the Market Animal and Nursery Inventory Report form required elements.

Part 1: Producer Information

Item Number/Element	Description
1. Name	The name of the applicant/insured. The applicant/insured must be the same person and person type as the person designated on the IRS Income Tax form(s).
2. Policy Number	The insured's assigned policy number.
3. Policy Year	The current policy year. Includes beginning and ending month of fiscal year insured is an early or late fiscal year filer.
4. Agency Information	The name, address, telephone number, and code number of the agent that provides insurance service to the insured.

Part 2: Breeding Livestock

Type of Animal or Commodities

Item Number/Element	Description
5. Type/Category	The type/category of breeding animals. A separate line entry must be made for each type of animal.

Section A: Beginning Inventory the First Day of the Insurance Period

Item Number/Element	Description
6. Number	For each type/category) of animals in Column 5, enter the number on hand at the beginning of the insurance period.

Section B: Ending Inventory on the Last Day of the Insurance Period

Item Number/Element	Description
7. Number	The number of breeding animals on hand at the end of the insurance period. If breeding animals in beginning inventory will be carried over to the subsequent policy year, enter the number to be carried over. If all breeding animals in the beginning inventory on the line were disposed of, enter "0." For breeding animals purchased or produced during the insurance period that will be carried over, enter number purchased and the number produced on separate lines. If applicable, enter the applicable type/category in Column 5.

Part 3: Market Animals or Nursery

Type of Animals or Commodities

Item Number/Element	Description
8. Type/Category	Make a separate line entry for each type/category of animal, animal products, nursery, or greenhouse commodities. Do not include breeding animals that are not intended to be sold during the insurance period. Make a separate line entry for each type/category of animal, nursery, or greenhouse commodity that was on hand at the beginning of the insurance period and died due to insured causes during the insurance period. Make a separate line entry for each type/category of animal, nursery, or greenhouse commodity that was on hand at the beginning of the insured's tax year but sold prior to insurance attaching. Make a separate line entry for each type/category of animal, nursery, or greenhouse commodity when the cost/basis is greater than the sold price of the commodity. Refer to AD for additional information concerning type/category.

Section A: Beginning Inventory - First Day of The Insurance Period

Item Number/Element	Description
9. Number	For each type/category of animals, animal products, nursery, or greenhouse commodities in column 8, enter the number on hand at the beginning of the insurance period.
10. Average Weight, Container Size, etc.	**Animals or Animal Products**: The average weight at the beginning of the insurance period for animals marketed in pounds. For animals sold individually or that died (e.g., baby calves or weaning pigs sold by the head), enter a dash (-). **Nursery or Greenhouse**: The average container size (or other applicable unit) at the beginning of the insurance period. For those nursery or greenhouse commodities that died during the insurance period, enter a dash (-).
11. Average Value	**Animals or Animal Products**: Enter: (1) for animals marketed in pounds, the average value per animal at the beginning of the insurance period; (2) for animals sold individually, the average value per animal at the beginning of the insurance period or the insured' tax year but sold prior to insurance attaching, if applicable; or (3) for animals that died due to insured causes during the insurance period, a dash (-).

Item Number/Element		Description
11.	Average Value (Continued)	**Nursery or Greenhouse**: Enter: (1) for commodities raised or purchased for resale, enter the average value per commodity at the beginning of the insurance period or the insured' tax year but sold prior to insurance attaching, if applicable; or (2) for commodities that died during the insurance period, a dash (-).
12.	Average Value/Unit	The average value per animal, animal products, nursery, or greenhouse commodities entered on the line. (1) For animals marketed in pounds, multiply the average weight (column 10) × the average value (column 11). (2) For animals sold individually and nursery and greenhouse commodities enter the same value as column 11.
13.	Total $ Value	The total value of all the animals, animal products, nursery, or greenhouse commodities entered on the line. Multiply the number of commodities (column 9) × the average value (column 12). This value is the cost/basis that is transferred to the FOR.
14.	Actual Cost (Claims Only)	**For Claim Purposes Only**: Enter the actual cost, when purchased, for those commodities that were purchased in a previous year(s). If commodities listed on the line were not purchased, make no entry.
15.	Net Value (Claims Only)	Enter the result of subtracting item 14 from item 13. If no entry in item 14, enter the value from item 13.

Section B: Ending Inventory - Last Day of the Insurance Period

Item Number/Element		Description
16.	Number	**Animals or Animal Products**: The number of animals on hand at the end of the insurance period, including those animals that died due to insured causes or the cost/basis was greater than sold price during the insurance period. If animals in beginning inventory will be carried over to the subsequent insurance period, enter the number to be carried over. If all animals in the beginning inventory on the line were disposed of, enter "0." For animals purchased or produced during the insurance period that will be carried over, enter number purchased and the number produced on separate lines. **Nursery or Greenhouse**: The number of plants on hand at the end of the insurance period, including those commodities that died due to insured causes or the cost/basis was greater than sold price during the insurance period. If plants in beginning inventory will be carried over to the subsequent insurance period, enter the number to be carried over. If all plants in the beginning inventory on the line were disposed of, enter "0." For plants purchased or produced during the insurance period that will be carried over, enter number purchased and the number produced on separate lines.

Item Number/Element	Description
17. Average Weight, Container Size, etc. (Continued)	**Animals or Animal Products**: Enter: (1) for animals marketed in pounds, enter the average weight at the end of the insurance period for the type/category reported. (2) for animals sold individually, being depreciated, or the cost/basis is greater than the sold price, a dash (-). (3) for animals that died due to insured causes during the insurance period, transfer the entry from column 10 of the same type/category. **Nursery or Greenhouse**: Enter: (1) for plants sold individually or the cost/basis is greater than the sold price, a dash (-). (2) for plants that died due to insured causes during the insurance period, the entry from column 10 of the same type/category.
18. Average Value	**Animals or Animal Products**: Enter: (1) for animals marketed in pounds at the end of the insurance period, the average value per pound; (2) for animals sold individually, the average value per animal at the end of the tax year; or (3) for animals that died due to insured causes during the insurance period, the entry from column 11 of the same type/category. (4) for animals that have a cost/basis greater than the sold price, the result of subtracting the sold price from the cost/basis. **Nursery or Greenhouse**: Enter: (1) for plants sold individually, enter the average value per plant at the end of the insurance period; or (2) for plants that died due to insured causes during the insurance period, the entry from column 11 of the same type/category. (3) for plants that have a cost/basis greater than the sold price, the result of subtracting the sold price from the cost/basis.
19. Average Value/Unit	The average value per animal, animal products, nursery, or greenhouse commodities entered on the line. (1) for animals marketed in pounds, multiply the average weight (column 17) × the average value (column 18).

Item Number/Element		Description
19.	Average Value/Unit (Continued)	(2) for animals sold individually, and nursery and greenhouse commodities, and commodities that have a cost/basis greater than the sold price, enter the same value as column 18.
20.	Total $ Value	Enter the result of multiplying the number of commodities (column 16) × the average value (column 19).
21.	Cost or Basis	Enter the actual cost, when purchased, for commodities that were purchased in the insurance period and previous year(s), if applicable. If commodities listed on the line were not purchased, make no entry.
22.	Net Value	The net value of animals, animal products, nursery, and greenhouse commodities on hand at the end of the insurance period. Enter the result of subtracting the amount in column 21 from column 20.
23.	Total Beginning Value	Total of Column 15.

Part 4: Inventory Adjustment (To Be Completed Only if a Claim Filed)

Item Number/Element		Description
24.	Total Ending Value Less Cost or Basis	Total of Column 22.
25.	Adjustment	Subtract the amount in item 23 from the amount in item 24. The amount can be either a positive number or a negative number. Transfer the amount to the Claim for Indemnity for (item 28).

The following required entries are not illustrated on the Market Animal and Nursery Inventory Report example below.

Item Number/Element		Description
26.	Applicant/Insured Signature and Date	Applicant/Insured Signature and Date @ SCD.
27.	AIP Representative Signature and Date	AIP Representative Signature and Date @ end of insurance period.

Refer to Exhibit 3 for required certification and other statements.

The following is provided as an example only. AIPs must develop a Market Animal and Nursery Inventory Report using the required elements and statements.

MARKET ANIMAL AND NURSERY INVENTORY REPORT

Part 1: Producer Information

1. NAME	2. POLICY NUMBER	3. POLICY YEAR	4. AGENCY INFORMATION
I.M. INSURED	XXXXXXXXX	YYYY	I.M. AGENT XXXXX

Part 2: Breeding Livestock Only

Type of Animals or Commodity	Section A - Beginning Inventory First Day of the Insurance Period		Section B - Ending Inventory Last Day of the Insurance Period	
Type/Category 5.	Number 6.		Number 7.	

Part 3: Market Animals or Nursery

Type of Animals or Commodities	Section A - Beginning Inventory First Day of the Insurance Period							Section B - Ending Inventory Last Day of the Insurance Period						
Type/Category 8.	Number 9.	Average Weight or Container Size 10.	Average Value 11.	Average Value/Unit 12.	Total $ Value 13.	Actual Cost (Claims Only) 14.	Net Value (Claims Only) 15.	Number 16.	Average Weight or Container Size 17.	Average Value 18.	Average Value/Unit 19.	Total $ Value 20.	Cost or Basis 21.	Net $ Value 22.
Mums	1,000-	-	$2.00/plant	$2.00/Plants-	$2,000	$500	$1,500	0	-	-	-	-	-	0
Hogs	125 hd.	50 lbs.	$1.00/lb.	$50.00/hd.	$6,250		$6,250	0	-	-	-	-	-	0
					23 Total Beginning Value		$7,750					24 Total Ending Value		$0

Part 4: Inventory Adjustment (to be completed ONLY if a claim is filed)

25. Adjustment:						
Amount in item 24	$0	Amount in item 23	$7,750	=	-$7,750	Inventory Adjustment. Enter result, (+) or (-), in item 28 on the Claim for Indemnity Form.

EXAMPLE

The following is provided as Livestock example only. Refer to the second FOR in Exhibit 8 for livestock example.

MARKET ANIMAL AND NURSERY INVENTORY REPORT

Part 1: Producer Information

1. NAME	2. POLICY NUMBER	3. POLICY YEAR	4. AGENCY INFORMATION
I.M. INSURED	XXXXXXXXX	YYYY	I.M. AGENT XXXXX

Part 2: Breeding Livestock Only

Type of Animals or Commodity	Section A - Beginning Inventory First Day of the Insurance Period		Section B - Ending Inventory Last Day of the Insurance Period	
Type/Category 5.	Number 6.		Number 7.	
Bulls	3		3	
Bred Cows	67		67	
Bred Heifers	8		8	
Replacement	8		8	

Part 3: Market Animals or Nursery

Type of Animals or Commodities	Section A - Beginning Inventory First Day of the Insurance Period							Section B - Ending Inventory Last Day of the Insurance Period						
Type/Category 8.	Number 9.	Average Weight or Container Size 10.	Average Value 11.	Average Value/Unit 12.	Total $ Value 13.	Actual Cost (Claims Only) 14.	Net Value (Claims Only) 15.	Number 16.	Average Weight or Container Size 17.	Average Value 18.	Average Value/Unit 19.	Total $ Value 20.	Cost or Basis 21.	Net $ Value 22.
Feeders	-	-	-	-				34	588	$1.35	$794/hd.	$26,996	-	$26,996
Feeders	62	590	1.30	$767/hd.	$47,554		$47,554	0	-	-	-	-	-	0
Bulls (Calves)	-	-	-	-				2	-	$2,250	$2,250/hd.	$4,500	-	$4,500
Bulls (yearlings)	2	-	$2,250/hd.	$2,250/hd.	$4,500		$4,500	1	-	$5,250	$5,250/hd.	$5,250	-	$5,250
Bulls (2 Year)	1	-	$5,250/hd.	$5,250/hd.	$5,250		$5,250	0	-	-		-	-	0
Bull (yearling) Deceased								1		$2,250	$2,250/hd.	$2,250		$2,250
Cow (basis higher than sold price)	1							1	-	$200	$200	$200		$200
Feeders (2019 Purchase)	10	560	$1.30	$728/hd.	$7,280	$1,500	$5,780	10	800	$1.19	$952/hd.	$9,520	$1,500	$8,020
Feeders (2020 Purchase)								10	580	$1.25	$725/hd.	$7,250	$1,650	$5,600
					23 Total Beginning Value		$63,084					24 Total Ending Value		$52,816

Part 4: Inventory Adjustment (to be completed ONLY if a claim is filed)

25. Adjustment:						
Amount in item 24	$52,816	Amount in item 23	$63,084	=	-$10,268	Inventory Adjustment. Enter result, (+) or (-), in item 28 on the Claim for Indemnity Form.

EXAMPLE

The following table provides descriptions of the FOR form required elements.

Item Number/Element		Description
1.	Policy Year:	The current policy year. Indicate whether the applicant is a fiscal year filer and, if they are, include the beginning month and year of the fiscal year and the ending month and year of the fiscal year.
2.	Producer Information:	Name, address, telephone number, and tax ID, such as social security number or employer identification number for the applicant/insured. Also includes the person type the applicant/insured used to file their Federal income taxes. The applicant/insured must be the same person and person type as the person designated on the United States Federal Income Tax form(s).
3.	Agency Information:	Name, address, telephone number, code number of the agent and policy number.
4.	State/County:	State and county where the majority of the total expected revenue for the policy year will be derived. If the answer to item 4a is "Yes," enter the new county.
4a.	Did the county where the majority of revenue is expected to be earned change within the policy year? Yes or No.	Check Yes if the county in which the majority of the expected revenue is expected to be earned within the policy year changed. Otherwise, check No. If answer is yes, update county in item 4.
5.	Other Insurance:	Commodities and corresponding policy numbers by state and county on which other Federally reinsured insurance is in force for commodities to be insured under WFRP.

Intended

Item Number/Element		Description
6.	Commodity Name	**Intended**: Name of each intended commodity that is or will be purchased for resale or produced for revenue during the insurance period. Refer to Subparagraph 48(2)(e) and (f). **Revised**: List any additional commodities purchased for resale or produced for revenue. Refer to Paragraph 49.
7.	Commodity Code	Enter the commodity code for the intended commodity listed in the AD.
8.	Rate Code	Enter the rate code for the intended commodity listed in AD.
9.	Method of Establishment	Method of how the intended commodity is produced, such as acres, head, or square feet. For intended commodities that are certified organic, use the organic code associated with the method. Refer to Exhibit 19.

Item Number/Element	Description
10. Yield	Expected yields used will be in accordance with the section 18 of the policy and Exhibit 18 of this handbook. For animals that will be sold by the head enter 1.0. For animals that are sold by the pound, enter the expected average weight at which the insured expects to sell the animal in the insurance period. The unit of measure must be consistent with how the intended commodity is marketed, such as bushels, tons, pounds, hundredweight, boxes, cartons, head, etc. Include the unit of measure immediately after the yield amount. Refer to Exhibit 20 for units of measure. Make no entry if item 7 is the combined direct marketing or micro farm commodity code. **Intended**: Enter the expected yield for the intended commodity per unit of measure in accordance with Exhibit 18. **Revised:** If additional commodities were added, enter the expected yield per unit of measure in accordance with Exhibit 18.
11. Expected Value	**Intended**: The expected value in dollars and cents per unit of measure. The expected value must be consistent with how the intended commodity is marketed, such as bushels, tons, pounds, hundredweight, boxes, cartons, head, etc. Include the unit of measure immediately after the dollar amount. **Revised**: If additional commodities were added, enter the expected value in dollars and cents in accordance with Exhibit 18. Refer to Exhibit 20 for units of measure.
12. Expected Revenue (10x11)	Enter the result of multiplying item 10 by item 11. Enter method of establishment immediately after the dollar amount. Make no entry if item 7 is the combined direct marketing or micro farm commodity code.
13A. Intended Quantity	The amount of the intended commodity the applicant/insured plans to produce or purchase and obtain revenue from in the insurance period. Enter the method of establishment immediately following the quantity. Enter the: (1) total number of acres, rounded to tenths, for field grown commodities;

Item Number/Element	Description
13A. Intended Quantity (Continued)	**Important**: Include only bearing acres for perennial field grown commodities. (2) total number/amount that will be produced and/or purchased for resale; (3) total number of animals to be sold by the head; and (4) total tons, hundredweight, or pounds, as applicable, for animals or animal products. When the same intended commodity is planted and harvested more than once in the insurance period, enter the total number of acres planted. Refer to Subparagraph 48(5) for more information. **Example**: Insured A intends to plant and harvest carrots on the same five acres two separate times during the insurance period. This is a normal practice for the insured and is considered a GFP for the area. Enter 10 acres of carrots for the year. Make no entry for commodities added to FOR after SCD.
13B. Cost/Basis and/or Value	The cost/basis and/or value of the intended commodity the insured plans to produce or purchase and obtain revenue from in the insurance period. Enter only: (1) The "Total Value" (item 13 of the Market Animal and Nursery Inventory Report) for the intended commodity listed. (2) The cost/basis of the intended commodity that will be purchased for resale during the insurance period. (3) The sum of (1) and (2), if both (1) and (2), apply to the intended commodity listed. **Example**: The insured has 500 mums on the Market Animal and Nursery Inventory Report with a "Total Value" of $400. The insured intends to purchase 500 mums during the insurance period for $1.00 each. The insured enters $900 in item 13B calculated as $400 + (500 × $1.00). Make no entry for commodities added to FOR after SCD.

Item Number/Element	Description
13C. Share	Enter the insured's share in the commodity at the time the IFOR is submitted to four decimal places.
13D. Percent Produced to Sell	Enter the percent of the commodity produced to sell in decimal form, rounded to four places (i.e., 50% entered as 0.5000).
13E. Total Expected Revenue [(12 × 13A) - 13B) × 13C] × 13D.	(1) Enter the result of multiplying (item 12 × item 13A, minus item 13B) × item 13C. Multiply the result by item 13D. Round to the nearest whole dollar. If the result is a negative number, enter zero. (2) If item 7 is the combined direct marketing or micro farm commodity code, enter the result of multiplying (item 11 × item 13A, minus item 13B) × item 13C. Multiply the result by item 13D. Round to the nearest whole dollar. If the result is a negative number, enter zero.

Revised

Item Number/Element	Description
14A. Actual Quantity	Enter the amount of each commodity the insured has already or still intends to produce or purchase to obtain revenue from during the insurance period. (1) If the quantity of commodities the insured has already or still intends to produce or purchase for revenue during the insurance period are the same as intended, transfer the entry from item 13A. (2) If changes were made on the farm so that during the insurance period the actual commodities to be produced, purchased, or otherwise added to the farm operation for revenue during the year are not the same as shown on the intended report: (a) Carry over the quantity of any commodity that was planted or purchased but lost due to an insured or uninsured cause from item 13A. (b) If a commodity was planted or purchased to replace a commodity that failed enter the actual quantity of the replacement commodity planted or purchased. **Important**: Include only bearing acres for perennial field grown commodities. (c) Enter the quantity of additional commodities listed in item 6. Refer to Paragraph 49.

Item Number/Element	Description
14B. Actual Cost/Basis and/or Value	Enter the actual cost/basis and/or value of each commodity the insured has already or still intends to produce or purchase to obtain revenue from during the insurance period. (1) If the cost/basis and/or value of commodities the insured has already or still intends to produce or purchase for revenue during the insurance period are the same as intended, transfer the entry from item 13B. (2) If the cost/basis of commodities the insured has already or still intends to produce or purchase for revenue during the insurance period is different than as intended, enter the actual cost/basis of the commodity. (3) If changes were made on the farm so that during the insurance period the actual commodities to be produced, purchased, or otherwise added to the farm operation for revenue during the year are not the same as shown on the intended report: (a) Carry over the cost/basis and/or value of any commodities that were planted or purchased but lost due to an insured or uninsured cause from item 13B. (b) Enter the cost/basis of any additional commodities purchased for resale listed in item 6. Refer to Paragraph 49.
14C. Share	Carry over the share from item 13C of any commodity not changed during the insurance period. If the insured share in a commodity has changed, enter the insured's actual share, to four decimal places.
14D. Percent Produced to Sell	Enter the percent of the commodity produced to sell in decimal form, rounded to four places (i.e., 50% entered as 0.5000).
14E. Total Expected Revenue	(1) For additional commodities, or those which item 14C is not the same as 13C, enter the result of multiplying (item 12 × item 14A minus item 14B) × item 14C. Round to the nearest whole dollar. If the result is a negative number, enter zero. If item 7 is the combined direct marketing or micro farm commodity code, enter the result of multiplying (item 11 × item 14A minus item 14B) × item 14C. Multiply the result by item 14D. Round to the nearest whole dollar. If the result is a negative number, enter zero.

Item Number/Element		Description
14E.	Total Expected Revenue (Continued)	(2) Carry over the total expected revenue from item 13D of any commodity not changed during the insurance period. (3) If changes were made on the farm so that during the insurance period any actual commodity to be produced, purchased, or otherwise added to the farm operation for revenue during the insurance period is not the same as shown on the intended report: (a) Carry over the total expected revenue from item 13D of any intended commodity that was lost due to an insured or uninsured cause and not replaced with another commodity; (b) Carry over the total expected revenue from item 13D of any intended commodity that was lost due to an uninsured cause and replaced with another commodity; or (c) If a commodity was planted or purchased to replace an intended commodity that was lost due to an insured cause; subtract the total expected revenue of the replacement commodity from the total expected revenue of the intended commodity as shown in item 13D. (i) Enter the result of (b) if the result is a positive number. (ii) Enter zero if the result of (b) is a negative number

Final

Item Number/Element		Description
15A.	Final Production	Enter the total amount of production of each commodity produced for the insurance period.
15B.	Final Revenue	Enter the total amount of revenue actually received for the production of the commodity entered in item 15A less the cost or basis, if applicable.
16.	Total Expected Revenue at SCD	Enter the sum all amounts in column 13D.
17.	Total Expected Revenue	Enter the sum all amounts in column 14D and column 15B as applicable.
18.	Total Expected Revenue @ SCD (Total of item 16 and 17 @ SCD)	Enter the sum of item 16 and 17 at SCD.
19.	Whole-Farm Historic Average Revenue (item 19 of WFHR)	Enter the amount from item 19 of the applicant's/insured's current WFHR.
20.	Total Expected Revenue @ Revised Reporting Date (item 17)	Total expected revenue for the farm operation for the policy year. Enter the result of item 17.

Item Number/Element		Description
21.	Approved Revenue (Lesser of item 18 and 19 @ SCD or item 19 and 20 @ RRD)	Approved revenue for the farm operation for the policy year.
21a.	Approved Revenue @ SCD	Enter the lesser of item 18 or item 19 as of the SCD.
21b.	Approved Revenue @ Revised Reporting Date	Enter the lesser of item 19 or item 20 as of the Revised Reporting Date.
22.		MAKE NO ENTRY.
22a.		MAKE NO ENTRY.
22b.		MAKE NO ENTRY.
23.	Narrative, Expected Values and Report of Changes:	A detailed narrative of all changes to the farm operation from the prior year. List any adjustments made to each commodity to remove revenue that is not allowable (section 18 of WFRP policy) and any additional information needed to explain or clarify the information provided on the FOR (i.e., two separate plantings of the same commodity on the same acreage during the insurance period). Document the insured's license number or authorization verification to produce industrial hemp.
24.	Integrated/Post-Production Operations:	Check "YES" or "NO" as applicable. Refer to Paragraphs 142 and 147 for further instructions.

The following required entries are not illustrated on the FOR example below.

Item Number/Element		Description
25.	Applicant/Insured Signature @ SCD and Date	Applicant/insured signature @ SCD and date. Insured must sign and date FOR each time it is updated.
26.	Agent's Signature @ SCD and Date	Agent's signature @ SCD and date. Agent must sign, and date FOR each time it is updated.
27.	Insured Signature @ Revised Reporting Date and Date	Insured signature @ Revised Reporting Date and date. Insured must sign and date FOR each time it is updated.
28.	Agent's Signature @ Revised Reporting Date and Date	Agent's signature @ Revised Reporting Date and date. Agent must sign, and date FOR each time it is updated.
29.	Insured Signature @ Final Reporting and Date	Insured signature @ Final Reporting and Date and date.
30.	Agent's Signature @ Final Reporting and Date	Agent's signature @ Final Reporting and Date and date.

Refer to Exhibit 3 for required certification and other statement.

The following is provided as an example only. AIPs must develop a Farm Operations Report using the required elements and statements.

FARM OPERATION REPORT

1.Policy Year: YYYY	2. Producer Information: I.M. Insured Person Type: Individual Anytown, USA, 11111 Phone: 999.999.9999 SSN: xxx xx xxxx	3. Agency Information: Agent Code: XX I.M. Agent Policy: xxxx Anytown, USA 11111 Phone: 111.111.1111	4. State/County: Michigan/Van Buren 4a. Did the county where the majority of the revenue is expected to be earned change within the policy year? ☐ Yes ☒ No	5. Other Insurance: Corn Policy xxxx

Intended												Revised					Final	
6. Commodity Name	7. Commodity Code	8. Rate Code	9. Method of Establishment	10. Yield	11. Expected Value	12. Expected Revenue (10x11)	13A. Intended Quantity	13B. Cost/Basis and/or Value	13C. Share	13D. Percent Produced to Sell	13E. Total Expected Revenue [(12x13A) – 13B) x 13C] x 13D.	14A. Actual Quantity	14B. Actual Cost/Basis and/or Value	14C. Share	14D. Actual Percent Produced to Sell	14E. Total Expected Revenue	15A. Final Total Production	15B. Final Revenue
Corn NIRR	004100	1002	Acres	150 bu.	$5.00/bu.	$750.00/ac.	250.00 ac.		1.0000	0.5000	$93,750	250 ac.		1.0000	0.5000	$88,750	11,250 bu.	$56,250
Mums	007300	0073	Plants	1 Plant	$10.00/plant	$10.00/plant	1000 plants	$2,000	1.0000		$8,000	1000 plants	$2,000	1.0000		$8,000	200 plants	$1,800
Geraniums	007300	0073	Plants	1 Plant	$10.00/plant	$10.00/plant	1000 plants	$1,000	1.0000		$9,000	1000 plants	$1,000	1.0000		$9,000	1000 plants	$8,000
Hogs – Farrow/Finish	081500	0804	Head	225 lbs.	$1.00/lbs.	$225.00/head	250 head	$6,250	1.0000		$50,000	250 head	$6,250	1.0000		$50,000	125 head	$21,875
Soybeans NIRR	008100	1009	Acres	50 bu.	$10.00/bu.							10 ac.		1.0000		$5,000	500 bu.	$5,000
16. Total at SCD											$160,750							
17. Total																$160,750		$92,925

18. Total Expected Revenue @ SCD (Total of Item 16 and 17 @ SCD)			$160,750
19. Whole-Farm Historic Average Revenue (Item 19 of WFHR)			$184,200
20. Total Expected Revenue @ Revised Reporting Date (Item 17)			$160,750
21. Approved Revenue (Lesser of item 18 and 19 @ SCD or item 19 and 20 @ RRD)	21a.	$160,750	21b. $160,750
22.	22a.		22b.

23. ***Narrative and Report of Changes:

Mums - Item 15A and 15B 800 plants lost due to uninsured cause of loss. $6,400 adjustment must be made to Claim for Indemnity Form (all other adjustments) if completed.

Hogs - Item 15A and 15B 125 head lost to insured cause of loss (facilities destroyed by adverse weather).

Corn - 250 acres intended. 200 ac. planted, and 50 ac prevented from being planted. 10 ac of the prevented acres were planted to soybeans. Calculated: $93,750 (corn) - $5,000 (soybeans) = $88,750 (corn)

Soybeans – 10 ac planted to replace corn that was prevented from planting.

24. Integrated/Post-production Operations: ( ) YES or (x) NO Refer to Special Circumstances in Section 6.

EXAMPLE

The following is provided as an example to include the combined direct marketing commodity code.

FARM OPERATION REPORT

1.Policy Year: YYYY	2. Producer Information: I.M. Insured Person Type: Individual Anytown, USA, 11111 Phone: 999.999.9999 SSN: xxx xx xxxx	3. Agency Information: Agent Code: XX I.M. Agent Policy: xxxx Anytown, USA 11111 Phone: 111.111.1111	4. State/County: Michigan/Van Buren 4a. Did the county where the majority of the revenue is expected to be earned change within the policy year? ☐ Yes ☒ No	5. Other Insurance: Corn Policy xxxx

Intended												Revised					Final	
6. Commodity Name	7. Commodity Code	8. Rate Code	9. Method of Establishment	10. Yield	11. Expected Value	12. Expected Revenue (10x11)	13A. Intended Quantity	13B. Cost/Basis and/or Value	13C. Share	13D. Percent Produced to Sell	13E. Total Expected Revenue [(12x13A) – 13B) x 13C] x 13D.	14A. Actual Quantity	14B. Actual Cost/Basis and/or Value	14C. Share	14D. Actual Percent Produced to Sell	14E. Total Expected Revenue	15A. Final Total Production	15B. Final Revenue
Corn NIRR	004100	1002	Acres	150 bu.	$5.00/bu.	$750.00/ac.	250.00 ac.		1.0000	0.5000	$93,750	250 ac.		1.0000	0.5000	$93,750	18,750 bu.	$93,750
Hogs – Farrow/Finish	081500	0804	Head	225 lbs.	$1.00/lbs.	$225.00/head	250 head	$6,250	1.0000		$50,000	250 head	$6,250	1.0000		$50,000	125 head	$21,875
Combined Direct Marketing	000606	1009	Acres		$662.31/ac.		14.30 ac.		1.000		$9,471	14.3 ac.		1.0000		$9,471	20 ac.	$9,741
16. Total at SCD											$153,221							
17. Total																$153,221		$125,366

18. Total Expected Revenue @ SCD (Total of Item 16 and 17 @ SCD)			$153,221		
19. Whole-Farm Historic Average Revenue (Item 19 of WFHR)					
20. Total Expected Revenue @ Revised Reporting Date (Item 17)					
21. Approved Revenue (Lesser of item 18 and 19 @ SCD or item 19 and 20 @ RRD)	21a.		21b.		
22.	22a.		22b.		

23. ***Narrative and Report of Changes: Hogs - Item 15A and 15B 125 head lost to insured cause of loss (facilities destroyed by adverse weather).

24. Integrated/Post-production Operations: ( ) YES or (x) NO Refer to Special Circumstances in Section 6.

EXAMPLE

The following is provided as Livestock example only.

FARM OPERATION REPORT

1.Policy Year: YYYY	2. Producer Information: I.M. Insured Person Type: Individual Anytown, USA, 11111 Phone: 999.999.9999 SSN: xxx xx xxxx	3. Agency Information: Agent Code: XX I.M. Agent Policy: xxxx Anytown, USA 11111 Phone: 111.111.1111	4. State/County: Michigan/Van Buren 4a. Did the county where the majority of the revenue is expected to be earned change within the policy year? ☐ Yes ☒ No	5. Other Insurance: Corn Policy xxxx

Intended												Revised					Final	
6. Commodity Name	7. Commodity Code	8. Rate Code	9. Method of Establishment	10. Yield	11. Expected Value	12. Expected Revenue (10x11)	13A. Intended Quantity	13B. Cost/Basis and/or Value	13C. Share	13D. Percent Produced to Sell	13E. Total Expected Revenue [(12x13A) – 13B) x 13C] x 13D.	14A. Actual Quantity	14B. Actual Cost/Basis and/or Value	14C. Share	14D. Actual Percent Produced to Sell	14E. Total Expected Revenue	15A. Final Total Production	15B. Final Revenue
Cow	082300	0823	Head	1,200 lbs.	$1.00/lbs.	$1,200/hd.	1 head	$1,000	1.0000		$200	1 head	$1,000	1.0000		$200	1,000 lbs.`	$0
Bull (2 yr. old)	082300	0823	Head	1 head	$6,000/hd.	$6,000/hd.	21 head	$5,250	1.0000		$750	1 head	$5,250	1.0000		$750	1 head	$750
Bull (yearling)	082300	0823	Head	1 head	$5,250/hd.	$5,250/hd.	2 head	$4,500	1.0000		$6,000	2 head	$4,500	1.0000		$6,000	1 head	$6,000
Bull (calves)	082300	0823	Head	2 head	$2,250/hd.	$2,250/hd.	2 head		1.0000		$4,500	2 head	-	1.0000		$4,500	2 head	$4,500
Feeders	080000	0801	Head	650 lbs.	$1.35	$878	62 head	$47,554	1.0000		$6,882	62 head	$47,554	1.0000		$6,882	62 head	$6,882
Feeders	080000	0801	Head	550 lbs.	$1.25	$678	66 head		1.0000		$45,408	66 head	-	1.0000		$45,408	66 head	$45,408
Feeders (2021)	080000	0801	Head	800 lbs.	$1.20	$960	10 head	$7,280	1.0000		$2,320	10 head	$7,280	1.0000		$2,320	10 head	$2,320
Feeders (2022)	080000	0801	Head	580 lbs.	$1.25	$725	10 head	$1,650	1.0000		$5,600	10 head	$1,650	1.0000		$5,600	10 head	$5,600
16. Total at SCD											$71,660							
17. Total																$71,660		$71,460

18. Total Expected Revenue @ SCD (Total of Item 16 and 17 @ SCD)					
19. Whole-Farm Historic Average Revenue (Item 19 of WFHR)					
20. Total Expected Revenue @ Revised Reporting Date (Item 17)					
21. Approved Revenue (Lesser of item 18 and 19 @ SCD or item 19 and 20 @ RRD)	21a.		21b.		
22.	22a.		22b.		

23. ***Narrative and Report of Changes: EXAMPLE LIVESTOCK FARM OPERATION:
Producer has 67 Bred Cows, 8 Bred Heifers, 8 Replacement Heifers, and 3 Bulls (refer to exhibit 9). Producer is expecting 68 calves (34 heifers, 32 steers, and 2 pure bred bulls). The 66 calves will be sold as feeders the following year and the 2 pure bred bulls will be sold as 2-year-olds for $6000 (valued at $250/ month growth). One pure bred died as a yearling. Producer also purchased one cow for $1,000 expecting to sell for $1,200. Later sold it for $800 (cost basis more than sold price). The producer purchased 10 feeders in 2023 and carries them over into 2024. The producer also intends to purchase 10 feeders in 2024 to carry over into 2025.

24. Integrated/Post-production Operations: ( ) YES or (x) NO Refer to Special Circumstances in Section 6.

EXAMPLE

The following table provides descriptions of the Expected Value and Yield Source Document Certification Worksheet required elements.

Expected Value and Yield Source Document Certification Worksheet

Part 1: Producer Information

Item Numbers/Element		Standard
1.	Name:	The name of the insured as it appears on the application.
2.	Policy Number:	The insured's assigned policy number.
3.	Policy Year:	The current policy year. Includes beginning and ending month of fiscal year if insured is an early or late fiscal year filer.
4.	Agency Information:	The name, address, telephone number, and code number of the agent that provides insurance service to the insured.

Part 2: Commodity Information

Item Numbers/Element		Standard
5.	Commodity	Enter the name of the insured commodity and commodity code.
6.	Commodity Code	Enter the commodity code for the intended commodity listed in the AD.
7.	Rate Code	Enter the rate code for the intended commodity listed in AD.
8.	Practice	Enter the practice, if applicable.
9.	Type	Enter the type of the commodity, if applicable.
10.	Variety	Enter the variety of the commodity, if applicable.
11.	Unit of Measure	Enter the unit of measure consistent with how the commodity is marketed.
12.	Expected Yield	Enter the expected yield per method of establishment the producer can expect during the insurance period. Refer to Exhibit 18. Make no entry if item 6 is the combined direct marketing commodity code.
13.	Source	Identify the source used to determine the expected yield. Insureds must provide verifiable documentation in accordance with section 18 of the policy for the expected yield certified on this worksheet by SCD or the date the RFOR is submitted or revised if the commodity was not on the IFOR.
14.	Expected Value	Enter the expected value per method of establishment the producer can expect to receive during the insurance period. The expected values must be determined using Section 18 of the WFRP policy and Exhibit 18 of this handbook.
15.	Source	Identify the source used to determine the expected value. The source must be consistent with those in Section 18 of the WFRP policy. Insureds must provide verifiable documentation in accordance with section 18 of the policy for the expected value certified on this worksheet by the SCD or the date the RFOR is submitted or revised if the commodity was not on the IFOR.

The following will only be completed when the insured has listed the Combined Direct Marketing or Micro Farm Commodity Code on the FOR.

Part 3: Combined Direct Marketing Commodity or Micro Farm Information

Item Numbers/Element		Standard
16.	Name of Market	Enter the name of the market that sells the direct market commodities. For Micro Farm, MAKE NO ENTRY.
17.	Years Produced	(a) For Combined Direct Marketing Commodities, enter the last three years preceding the policy year, including the lag year. (b) For Micro Farm, enter the last three up to a maximum of five years preceding the policy year.
18.	Total Number of Planted Acres	Enter the total number of planted acres (or method of establishment, as applicable), for each year listed in item 17, of all commodities reported as Combined Direct Marketing or Micro Farm.
19.	Revenue	Enter the allowable revenue from the complete marketing record of all commodities on the farm operation reported as Combined Direct Marketing or Micro Farm for each year listed in item 17.
20.	Exclude	For Micro Farm Only: Check the box for the applicable year, if the insured has provided five years of history and elects to exclude one of the years.
21.	Average	(a) For Combined Direct Marketing, enter the three-year average number of acres and allowable revenue in the respective column. (b) For Micro Farm, the insured has: (i) three years of history, enter the three-average number of acres (or method of establishment as applicable) and allowable revenue in the respective column. (ii) four years of history, enter the four-average number of acres (or method of establishment as applicable) and allowable revenue in the respective column. (iii) five years of history and does not elect to exclude one of the years, enter the five-average number of acres (or method of establishment as applicable) and allowable revenue in the respective column. (iv) five years of history and elects to exclude one of the years, enter the four-average number of acres (or method of establishment as applicable) and allowable revenue in the respective column.
22.	Expected Value per Acre	Enter the result of dividing the average allowable revenue by the average number of acres (or method of establishment, as applicable) in item 20.
23.	Remarks	Enter any pertinent information relating the information provided on this worksheet.

The following required entries are not illustrated on the Expected Value and Yield Source Document Certification Worksheet example below.

Item Numbers/Element		Standard
24.	Applicant/Insured Signature and Date	Applicant/Insured Signature and Date.
25.	AIP Representative Signature and Date	AIP Representative Signature and Date.

Refer to Exhibit 3 for required certification and other statements.

The following is provided as an example only for commodities insured by an FCIC reinsured policy, not insured under an FCIC reinsured policy, and Combined Direct Marketing commodities. AIPs must develop an Expected Value and Yield Source Document Certification Worksheet using the required elements and statements.

Expected Value and Yield Source Document Certification Worksheet

Part 1: Producer Information

1. Name: I.M Insured	**2. Policy Number:** XXXXXX	**3. Policy Year:** YYYY/Mar.- Feb.	**4. Agency Information:** I.M Agent

Part 2: Commodity Information

5. Commodity Name	6. Commodity Code	7. Rate Code	8. Practice	9. Type	10. Variety	11. Unit of Measure	12. Expected Yield	13. Source	14. Expected Value	15. Source
Corn	04100	1002	NIRR	Grain	NA	Bushels	180.0	MPCI Avg yield	$3.75	FCIC published price less local basis
Soybeans	008100	1008	NIRR	NA	NA	Bushels	75.0	MPCI Avg Yield	$9.56	Local cash bid price – Lewiston Elevator, October Delivery
Oats	001600	0915	NIRR	Certified Organic	NA	Bushels	120.0	MPCI Avg Yield	6.65	Market Contract – Lewiston Organic Coop
Bulls	082300	0823	Registered	Black Angus	2-Year-Old	Head	10	NA	$3,000.00	3 yr. producer historic average sales records 2022-2024.
Calves	080000	0800	Fall Calves	Steers/ Heifers	NA	Lb.	600	3-year Avg Sale Weight 2022-2024	$1.35/lb.	CME Cattle Futures Market Oct 2024 Quote

Part 3: Combined Direct Marketing Commodity or Micro Farm Information

16. Name of Market: Insured's Farmers Market

17. Years Produced	18. Total Planted Acres	19. Revenue	20. Exclude	23. Remarks:
			☐	
			☐	
2022	15.2	$10,540	☐	
2023	15.2	$9,983	☐	
2024	16.0	$11,125	☐	
21. Average	15.5	$10,549		
22. Expected Value per Acre		$680.58		

EXAMPLE

The following is provided as an example only for Micro Farm.

Expected Value and Yield Source Document Certification Worksheet										
Part 1: Producer Information										
1. Name: I.M Insured			**2. Policy Number:** XXXXXX			**3. Policy Year:** YYYY/Mar.- Feb.			**4. Agency Information:** I.M Agent	
Part 2: Commodity Information										
5. Commodity Name	6. Commodity Code	7. Rate Code	8. Practice	9. Type	10. Variety	11. Unit of Measure	12. Expected Yield	13. Source	14. Expected Value	15. Source

Part 3: Combined Direct Marketing Commodity or Micro Farm Information				
16. Name of Market: Insured's Farmers Market				
17. Years Produced	18. Total Planted Acres	19. Revenue	20. Exclude	23. Remarks:
2020	12.5	$7,890	☒	
2021	15.2	$10,540	☐	
2022	15.2	$9,983	☐	
2023	14.8	$10,250	☐	
2024	16.0	$11,125	☐	
21. Average	15.3	$10,475		
22. Expected Value per Acre		$684.64		

EXAMPLE

Exhibit 10 Yield and Revenue Report

The Yield and Revenue Report is used to report yield and revenue history for commodities not insured under an individual yield or ARH coverage policy.

Part 1: Producer Information

Item Numbers/Element	Standard
1. Name:	The name of the insured as it appears on the application.
2. Policy Number:	The insured's assigned policy number.
3. Policy Year:	The current policy year. Includes beginning and ending month of fiscal year if insured is an early or late fiscal year filer.
4. Agency Information:	The name, address, telephone number, and code number of the agent that provides insurance service to the insured.

Part 2: Commodity Information

Item Numbers/Element	Standard
5. Commodity:	Enter the name of the insured commodity and commodity code.
6. Commodity Code:	Enter the commodity code for the intended commodity listed in the AD.
7. Rate Code:	Enter the rate code for the intended commodity listed in AD.
8. Practice:	Enter the practice, if applicable.
9. Type/Variety:	Enter the type/variety of the commodity, if applicable.
10. Unit of Measure:	Enter the unit of measure consistent with how the commodity is marketed.
11. Year Produced	Enter up to a maximum of ten consecutive years preceding the policy year.
12. Total Production	Enter the total production for the commodity corresponding to the year in item 11. The amount should be in the unit of measure listed in item 10. If a replacement yield is used, MAKE NO ENTRY.
13. Acres	Enter the number of acres planted to the commodity for the year corresponding to item 11. If a replacement yield is used, MAKE NO ENTRY.
14. Average Yield	(1) For insured's that have production history, enter the result of dividing item 12 by item 13. Refer to the GSH for the applicable rounding rules. (2) For insured's that have no production history or to get to the minimum four years, enter a replacement yield.
15. Net Revenue	For commodities that are listed on the FOR that are direct marketed, enter the total amount of revenue, for the last three years preceding the policy year, including the lag year, received for the commodity less any required adjustments.
16. Average Revenue	To calculate the average revenue per unit of measure for commodities that are listed on the FOR that are direct marketed, enter the result of dividing item 15 by item 12, round to the nearest cent.
17. Insured's Share:	For commodities that are listed on the FOR that are direct marketed, enter the insured's share of the insured commodity.
18. 100% Share Equivalent Revenue	To calculate the 100% share equivalent revenue per unit of measure for commodities that are listed on the FOR that are direct marketed, enter the result of item 16 divided by item 17.
19. Replacement Yield:	Enter a replacement yield for the commodity. Refer to Exhibit 18.

Item Numbers/Element	Standard
20. Expected Yield:	Enter the result of adding all column 14 entries, including replacement yields, if applicable and dividing by the number of years.
21. Expected Value:	Enter the result of adding the three most recent revenues in column 16 and dividing by three. This amount may only be used as an expected value for the commodity if the insured's three-year average is determined to be the expected value.
22. Record Type: ☐ Farm Stored – measured by the insured/AIP ☐ Pick/Daily Sales Record ☐ Yield Monitoring System ☐ Appraisal (non-loss) ☐ Field Harvest Record ☐ Claim for Indemnity ☐ Livestock Feeding Records ☐ Third-party Record ☐ Direct Market ☐ Other	Select the type of record the insured can submit if requested. **Important**: Insured must provide copies of the record, if requested by the AIP.
23. Remarks:	Enter any pertinent information relating the information provided on this report.

The following required entries are not illustrated on the Expected Value and Yield Source Document Certification Worksheet example below.

Item Numbers/Element	Standard
24. Applicant/Insured Signature and Date	Applicant/Insured Signature and Date.
25. Agent's Signature and Date	Agent's Signature and Date.

Refer to Exhibit 3 for required certification and other statements.

The following is provided as an example only. AIPs must develop a Yield and Revenue Report using the required elements and statements.

Yield and Revenue Report

Part 1: Producer Information

1. Name:	2. Policy Number:	3. Policy Year:	4. Agency Information:
I.M Insured	XXXXXX	YYYY	I.M Agent

Part 2: Commodity Information

5. Commodity:	6. Commodity Code:	7. Rate Code:	8. Practice:	9. Type/Variety:	10. Unit of Measure:
Triticale	015800	0158	Irrigated	Spring	Bushel

11. Year Produced	12. Total Production	13. Acres	14. Average Yield	15. Net Revenue	16. Average Revenue	17. Insured's Share	18. 100% Share Equivalent
2015	25,236	280	90.13				
2016	26,756	285	93.88				
2017	21,645	300	72.15				
2018	28,942	290	99.80				
2019	29,941	300	99.80				
2020	26,149	280	93.39				
2021	29,312	300	97.71				
2022	27,687	280	98.88	$100,000	$3.61	67%	$5.39
2023	28,429	290	98.03	$121,000	$4.26	67%	$6.36
2024	26,342	285	92.43	$98,000	$3.72	67%	$5.55

19. Replacement Yield:	20. Expected Yield: 93.62	21. Expected Value: $5.77

22. Record Type:

- ☐ Farm Stored – measured by the insured/AIP
- ☐ Pick/Daily Sales Record
- ☐ Yield Monitoring System
- ☐ Appraisal (non-loss)
- ☐ Field Harvest Record
- ☐ Claim for Indemnity
- ☐ Livestock Feeding Records
- ☐ Third-party Record
- ☒ Direct Market
- ☐ Other

23. Remarks:

EXAMPLE

Exhibit 11 Replant Payment Worksheet

The following table provides descriptions of the Replant Payment Worksheet (if applicable) required elements.

Item Numbers/Element		Description
1.	Policy Year:	The current policy year. Includes beginning and ending month of fiscal year if applicant/insured filed Federal tax on fiscal year basis.
2.	State/County:	State and county where the majority of the total expected revenue for the policy year will be derived.
3.	Policy Number:	Policy number for which payment is being calculated.
4.	Claim Number:	Claim Number assigned by AIP.
5.	Insured Information:	Name, address, telephone number, and tax ID, such as social security number or employer identification number for the insured. Also includes the person type the insured used to file their Federal taxes. The insured must be the same person and person type as the person designated on the United States Income Tax form(s).
6.	Agency Information:	Name, address, telephone number and code number of the agent. Include policy number.
7.	Companion Policy(s):	List of producers, other than the insured, that have WFRP coverage on any of the commodities covered under the insured's policy. Enter "NONE" when the insured has 100 percent share in all commodities insured under their WFRP policy, or when all other producers with an interest in the commodities do not have a WFRP policy.
8.	Date of Damage:	Month and year in which most of the damage causing a loss in revenue occurred. Enter the specific date of damage when known, such as damage from hail, fire, or flood.
9.	Cause of Damage:	Event(s) that caused the damage resulting in loss of revenue. Cause must be an insurable cause of loss. List all insurable causes that created damage. Describe cause of loss in narrative, item 20, if additional space is required.
10.	Primary Cause (%):	Percentage of the primary cause of the damage, when more than one insurable cause created the damage. Must be whole percent and exceed 50 percent.
11.	Dates of Notice:	Date(s) insured provided notice of loss.
12.	Commodity Name/Code	Name and commodity code number of the commodity replanted. For commodities with varying shares of replant costs, make separate line entries.
13.	Determined Acres Replanted	Number of acres of the commodity the AIP determines were actually replanted, and that the AIP agreed were practical to replant and gave consent to replant.
14.	Actual Replant Cost	The actual per acre cost to replant the commodity the AIP determines from records provided by the insured.
15.	Maximum Replant Payment	The maximum dollar amount per acre (20% of the expected revenue of the commodity (column 10 of the FOR) × coverage level).

Item Numbers/Element		Description
16.	Replant payment per Acre (Lesser of Column 14 or 15)	Enter the lesser of the actual replant cost (column 14) or the maximum replant payment (column 15).
17.	Replant Cost Allowed (Column 13 × Column 16)	Enter the result of the determined acres replanted (column 13) multiplied by the replant payment per acre (column 16).
18.	Share	Enter the insured's share, from item 14C on the RFOR, of the replanting payment for the acres of the commodity replanted.
19.	Replant Payment	Enter the result of column 17 multiplied by column 18.
20.	Total	Total is the sum of all monetary entries in column 19.
21.	Narrative:	Document: (1) reason no replant payment due, if applicable; (2) calculation of item 15 (maximum replant payment); and (3) any additional information required to explain entries for all items of form. If more space is needed, include applicable information on a separate document. Include the insured's name, policy number, and claim number on the separate document. Title the document "Narrative to Replant Payment Continued" and attach it to the Replant Payment Worksheet.
22.	Similar Damage on Other Farms in the Area?	Indication of whether other farms in the area had similar damage as reported by the insured. Enter "Yes" if other farms in the area had similar damage, otherwise enter "No."
23.	Assignment of Indemnity?	Indication of whether insured has an assignment of indemnity in effect for policy year. Enter "Yes" if insured has assignment of indemnity in effect for policy year, otherwise enter "No."

The following required entries are not illustrated on the Replant Payment Worksheet example below.

Item Numbers/Element		Description
24.	Insured's Signature and Date	Insured signature and date.
25.	AIP Representative Signature and Date	AIP representative's signature and date.

Refer to Exhibit 3 for required certification and other statements.

Exhibit 11 Replant Payment Worksheet (Continued)

The following is provided as an example only. AIPs must develop a Replant Payment Worksheet using the required elements and statements.

REPLANT PAYMENT WORKSHEET

1. Policy Year: YYYY	2. State/County: MI / Van Buren	5. Insured Information: I.M. Insured Box 1 Anytown, USA, 11111 Phone: 999.999.9999	6. Agency Information: Agent Code: XX I.M. Agent Box 2 Anytown, USA 11111 Phone: 111.111.1111	7. Companion Policy(s): NONE
3. Policy Number: xxxxxxxxxx	4. Claim Number: xxxxxxx	Person Type: Individual SSN: xxx xx xxxx		
8. Date of Damage: MAY 25, YYYY		9. Cause of Damage: HAIL	10. Primary Cause (%): 100%	11. Date(s) of Notice: 5/27/YYYY

12. Commodity Name/Code	13. Determined Acres Replanted	14. Actual Replant Cost	15. Maximum Replant Amount	16. Replant Payment per Acre (Lesser of Column 14 or 15)	17. Replant Cost Allowed (Column 13 x Column 16)	18. Share	19. Replant Payment
Corn NIRR/004100	50.0	$75.00	$127.50	$75.00	$3,750	1.0000	$3,750
20. TOTAL							$3,750

21. Narrative: Consent given to replant 50 acres of Corn. Actual replant cost verified with insured's receipts. Maximum replant payment allowed calculation .20 x (150bu./acre x $5.00/bu.) x .85(coverage level).

22. Similar Damage on Other Farms in the Area? YES	23. Assignment of Indemnity? NO

EXAMPLE

Example of Completed Schedule F Form:

SCHEDULE F (Form 1040)
Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

► Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
► Go to *www.irs.gov/ScheduleF* for instructions and the latest information.

OMB No. 1545-0074
2020
Attachment Sequence No. **14**

Name of proprietor: I.M Insured
Social security number (SSN): 000-00-0000

A Principal crop or activity: Grain Farming
B Enter code from Part IV: ► 1 1 1 1 0 0
C Accounting method: ☑ Cash ☐ Accrual
D Employer ID number (EIN) (see instr.)

E Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on passive losses ☑ Yes ☐ No
F Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions ☐ Yes ☑ No
G If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☑ No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a	Sales of livestock and other resale items (see instructions)					1a	0	
b	Cost or other basis of livestock or other items reported on line 1a					1b	0	
c	Subtract line 1b from line 1a							1c 0
2	Sales of livestock, produce, grains, and other products you raised							2 192,400
3a	Cooperative distributions (Form(s) 1099-PATR)	3a	3,800	3b	Taxable amount			3b 3,800
4a	Agricultural program payments (see instructions)	4a	18,200	4b	Taxable amount			4b 18,200
5a	Commodity Credit Corporation (CCC) loans reported under election							5a 0
b	CCC loans forfeited	5b	0	5c	Taxable amount			5c 0
6	Crop insurance proceeds and federal crop disaster payments (see instructions):							
a	Amount received in 2020	6a	31,875	6b	Taxable amount			6b 31,875
c	If election to defer to 2021 is attached, check here ► ☐			6d	Amount deferred from 2019			6d 0
7	Custom hire (machine work) income							7 5,000
8	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)							8 4,600
9	**Gross income.** Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions ►							9 255,875

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10	Car and truck expenses (see instructions). Also attach **Form 4562**	10	3,250	23	Pension and profit-sharing plans	23	0
11	Chemicals	11	6,520	24	Rent or lease (see instructions):		
12	Conservation expenses (see instructions)	12	2,640	a	Vehicles, machinery, equipment	24a	1,000
13	Custom hire (machine work)	13	3,900	b	Other (land, animals, etc.)	24b	5,750
14	Depreciation and section 179 expense (see instructions)	14	3,500	25	Repairs and maintenance	25	5,500
15	Employee benefit programs other than on line 23	15	0	26	Seeds and plants	26	10,410
16	Feed	16	15,000	27	Storage and warehousing	27	95,000
17	Fertilizers and lime	17	9,200	28	Supplies	28	4,780
18	Freight and trucking	18	3,550	29	Taxes	29	5,450
19	Gasoline, fuel, and oil	19	9,350	30	Utilities	30	5,550
20	Insurance (other than health)	20	3,650	31	Veterinary, breeding, and medicine	31	4,000
21	Interest (see instructions):			32	Other expenses (specify):		
a	Mortgage (paid to banks, etc.)	21a	10,000	a	Association Membership	32a	350
b	Other	21b	4,500	b	Computer Software	32b	750
22	Labor hired (less employment credits)	22	10,300	c	Legal Fees	32c	950
				d		32d	
				e		32e	
				f		32f	

33	**Total expenses.** Add lines 10 through 32f. If line 32f is negative, see instructions ►	33	224,850
34	**Net farm profit or (loss).** Subtract line 33 from line 9	34	31,025

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.

35 Reserved for future use.

36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
a ☐ All investment is at risk. b ☐ Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H **Schedule F (Form 1040) 2020**

Schedule F (Form 1040) 2020 Page **2**

Part III Farm Income—Accrual Method (see instructions).

37	Sales of livestock, produce, grains, and other products (see instructions)					37	
38a	Cooperative distributions (Form(s) 1099-PATR)	38a		38b	Taxable amount	38b	
39a	Agricultural program payments	39a		39b	Taxable amount	39b	
40	Commodity Credit Corporation (CCC) loans:						
a	CCC loans reported under election					40a	
b	CCC loans forfeited	40b		40c	Taxable amount	40c	
41	Crop insurance proceeds					41	
42	Custom hire (machine work) income					42	
43	Other income (see instructions)					43	
44	Add amounts in the right column for lines 37 through 43 (lines 37, 38b, 39b, 40a, 40c, 41, 42, and 43)					44	
45	Inventory of livestock, produce, grains, and other products at beginning of the year. Do not include sales reported on Form 4797	45					
46	Cost of livestock, produce, grains, and other products purchased during the year	46					
47	Add lines 45 and 46	47					
48	Inventory of livestock, produce, grains, and other products at end of year	48					
49	Cost of livestock, produce, grains, and other products sold. Subtract line 48 from line 47*					49	
50	**Gross income.** Subtract line 49 from line 44. Enter the result here and on Part I, line 9 ►					50	

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 48 is larger than the amount on line 47, subtract line 47 from line 48. Enter the result on line 49. Add lines 44 and 49. Enter the total on line 50 and on Part I, line 9.

Part IV Principal Agricultural Activity Codes

CAUTION

Do not file Schedule F (Form 1040) to report the following.

- *Income from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis. Instead, file Schedule C (Form 1040).*
- *Income from breeding, raising, or caring for dogs, cats, or other pet animals. Instead, file Schedule C (Form 1040).*
- *Sales of livestock held for draft, breeding, sport, or dairy purposes. Instead, file Form 4797.*

These codes for the Principal Agricultural Activity classify farms by their primary activity to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the code that best identifies your primary farming activity and enter the six-digit number on line B.

Crop Production

111100 Oilseed and grain farming
111210 Vegetable and melon farming
111300 Fruit and tree nut farming
111400 Greenhouse, nursery, and floriculture production
111900 Other crop farming

Animal Production

112111 Beef cattle ranching and farming
112112 Cattle feedlots
112120 Dairy cattle and milk production
112210 Hog and pig farming
112300 Poultry and egg production
112400 Sheep and goat farming
112510 Aquaculture
112900 Other animal production

Forestry and Logging

113000 Forestry and logging (including forest nurseries and timber tracts)

Schedule F (Form 1040) 2020

(1) The Substitute Schedule F is a required worksheet used by entities in the business of farming that do not complete and file a Schedule F. This form is used to document income and expenses for the purpose of WFRP in the same manner as those who file a Schedule F.

(2) The Substitute Schedule F will be completed by the insured using the instructions provided by the IRS for the Schedule F.

(3) The following table provides descriptions of the Substitute Schedule F required elements not provided for by the IRS instruction.

The following required entries are not illustrated on the Substitute Schedule F example below.

Required Element	Description
Insured's Signature and Date	Insured signature and date.
AIP Representative Signature and Date	AIP representative's signature and date.

The following is provided as an example only:

SCHEDULE F (Form 1040)
Department of the Treasury Internal Revenue Service (99)

Profit or Loss From Farming

► Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
► Go to *www.irs.gov/ScheduleF* for instructions and the latest information.

OMB No. 1545-0074
2020
Attachment Sequence No. **14**

Name of proprietor	Social security number (SSN)
I.M Insured	000-00-0000

A Principal crop or activity: Grain Farming

B Enter code from Part IV: ► 1 1 1 1 0 0

C Accounting method: ☑ Cash ☐ Accrual

D Employer ID number (EIN) (see instr.)

E Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on passive losses ☑ Yes ☐ No

F Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions ☐ Yes ☑ No

G If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☑ No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a	Sales of livestock and other resale items (see instructions)					1a	0		
b	Cost or other basis of livestock or other items reported on line 1a					1b	0		
c	Subtract line 1b from line 1a							1c	0
2	Sales of livestock, produce, grains, and other products you raised							2	192,400
3a	Cooperative distributions (Form(s) 1099-PATR)	3a	3,800	3b	Taxable amount			3b	3,800
4a	Agricultural program payments (see instructions)	4a	18,200	4b	Taxable amount			4b	18,200
5a	Commodity Credit Corporation (CCC) loans reported under election							5a	0
b	CCC loans forfeited	5b	0	5c	Taxable amount			5c	0
6	Crop insurance proceeds and federal crop disaster payments (see instructions):								
a	Amount received in 2020	6a	31,875	6b	Taxable amount			6b	31,875
c	If election to defer to 2021 is attached, check here ► ☐			6d	Amount deferred from 2019			6d	0
7	Custom hire (machine work) income							7	5,000
8	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)							8	4,600
9	**Gross income.** Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions ►							9	255,875

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10	Car and truck expenses (see instructions). Also attach **Form 4562**	10	3,250	23	Pension and profit-sharing plans	23	0
11	Chemicals	11	6,520	24	Rent or lease (see instructions):		
12	Conservation expenses (see instructions)	12	2,640	a	Vehicles, machinery, equipment	24a	1,000
13	Custom hire (machine work)	13	3,900	b	Other (land, animals, etc.)	24b	5,750
14	Depreciation and section 179 expense (see instructions)	14	3,500	25	Repairs and maintenance	25	5,500
15	Employee benefit programs other than on line 23	15	0	26	Seeds and plants	26	10,410
16	Feed	16	15,000	27	Storage and warehousing	27	95,000
17	Fertilizers and lime	17	9,200	28	Supplies	28	4,780
18	Freight and trucking	18	3,550	29	Taxes	29	5,450
19	Gasoline, fuel, and oil	19	9,350	30	Utilities	30	5,550
20	Insurance (other than health)	20	3,650	31	Veterinary, breeding, and medicine	31	4,000
21	Interest (see instructions):			32	Other expenses (specify):		
a	Mortgage (paid to banks, etc.)	21a	10,000	a	Association Membership	32a	350
b	Other	21b	4,500	b	Computer Software	32b	750
22	Labor hired (less employment credits)	22	10,300	c	Legal Fees	32c	950
				d		32d	
				e		32e	
				f		32f	

33	**Total expenses.** Add lines 10 through 32f. If line 32f is negative, see instructions ►	33	224,850
34	**Net farm profit or (loss).** Subtract line 33 from line 9	34	31,025

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.

35 Reserved for future use.

36 Check the box that describes your investment in this activity and see instructions for where to report your loss:

a ☐ All investment is at risk. b ☐ Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H **Schedule F (Form 1040) 2020**

A. Use of Allowable Revenue Worksheet

The Allowable Revenue Worksheet is a required worksheet that AIPs must use in determining an applicant's/insured's allowable revenue for each year in the whole-farm history period, and for the policy year when determining an indemnity amount. The worksheet assists in identifying and documenting required adjustments to the applicant's/insured's tax reported income.

B. Information Directly from Schedule F

Completion of the Allowable Revenue Worksheet requires information taken directly from the applicant's/insured's Schedule F tax form. The items to be listed in the required element titled "Schedule F Part I or III Revenue" on the Allowable Revenue Worksheet are taken directly from the list of farm revenue listed in Part I (cash) or Part III (accrual) of the Schedule F tax form. The farm revenue items listed on the Schedule F has changed over time and may change in future years. Therefore, the items to be listed in the required element titled "Schedule F Part I or III Revenue" may vary from year to year.

C. Required Elements Description

The following table provides descriptions of the required elements for the Allowable Revenue Worksheet.

Note: The descriptions provided in the table are based on the 2020 Schedule F form.

Item Numbers/Element		Description
1.	Producer Information:	Name, address, and telephone number for the applicant/insured. Also includes the person type the insured used to file their Federal taxes. The applicant/insured must be the same person and person type as the person designated on the United States Income Tax form(s).
2.	Policy Number:	Policy number. Enter "N/A" if no policy number has been assigned to applicant.
3.	State/County:	State and county where the majority of the total expected revenue for the policy year will be derived.
4.	Tax Year:	Tax year of the corresponding Schedule F from which the information is being taken.
5.	Adjustment Code:	Codes to identify specific types of adjustments made to revenue amounts listed on applicant's/insured's Schedule F. Enter: (a) "A = Schedule F income specifically excluded"; (b) "B = Cost of post-production operations"; (c) "C = Co-op distributions not directly related"; (d) "G = Net gain from commodity hedges"; (e) "H = Not directly related to production"; and

C. Required Elements Description

Item Numbers/Element		Description
5.	Adjustment Code: (Continued)	(f) "I = Other." **Note**: "I" includes, but is not limited to, adjustments made due to a different tax filing method than any year within the whole-farm history period.
6.	Schedule F Part I (cash) or III (accrual) Revenue	List of farm revenue items taken from Part I or Part III of the applicant's/insured's Schedule F.
7.	Schedule F Line Number	Line number on the Schedule F for the required entry.
8.	Amount on Schedule F	Dollar amount entered on Schedule F for each farm revenue item listed in item 6. For farm revenue item "Sales of animals and other resale items, less the cost, or other basis, of such items," enter the dollar amount the applicant/insured entered in item 1c or 37 on their Schedule F. **Note for Accrual Filers Only**: Item 37 of the Schedule F represents the total amount of revenue received from the sale of animals or other commodities purchased for resale and produced during the insurance period. Revenue from animals or other commodities that were purchased for resale and sold during the insurance period must be determined and, that amount, entered in the line titled "Sales of animals and other resale items, less the cost, or other basis, of such items." For farm revenue item "Sale of livestock, produce, grains, and other products you raised," enter the dollar amount the applicant/insured entered in item 2 or 37 on their Schedule F. **Note for Accrual Filers Only**: Item 37 of the Schedule F represents the total amount of revenue received from the sale of animals or other commodities purchased of resale and produced during the insurance period. Revenue from animals or other commodities that were produced during the insurance period must be determined and, that amount, entered in the line titled "Sale of livestock, produce, grains, and other products you raised." For farm revenue item "cooperative distributions," enter the taxable amount the applicant/insured entered in item 3b or 38b on their Schedule F. (Include only those amounts directly related to the sale of commodities.)

C. Required Elements Description

Item Numbers/Element		Description
8.	Amount on Schedule F (Continued)	For farm revenue item "agricultural program payments," enter the taxable amount the applicant/insured entered in item 4b or 39b on their Schedule F. For farm revenue item "Commodity Credit Corporation (CCC) loans reported under election," enter the dollar amount the applicant/insured entered in item 5a or 40a of their Schedule F. For farm revenue item "CCC loans forfeited," enter the taxable amount the applicant/insured entered in item 5c or 40c on their Schedule F. For farm revenue item "crop insurance proceeds and crop disaster payments," enter the total of the amounts the applicant/insured entered in items 6b and 6d or 41 on their Schedule F. For farm revenue item "Custom hire (machine work) income," enter the dollar amount the applicant/insured entered in item 7 or 42 of their Schedule F. For farm revenue item "Other income, including federal and state gasoline or fuel tax credit or refund," enter the dollar amount separately for each of the following farm revenue entered in item 8 or 43 of their Schedule F. (a) Federal and state gasoline or fuel tax credit or refund. (b) Income from bartering. (c) Payments from buyers of commodities for bypassed acreage. (d) Payments from marketing orders. (e) Other commodity income not reported elsewhere. Enter "0" if no dollar amount was entered for the farm revenue item on the Schedule F.
9.	Revenue Adjustment Amount and Code	Dollar amount to be subtracted from the dollar amount in item 8, and the applicable adjustment code from item 5. **Note**: The following entries are applicable to both CASH and ACCURAL METHODS of filing unless otherwise stated.

C. Required Elements Description

Item Required Elements	Description
9. Revenue Adjustment Amount and Code (Continued)	The following farm revenue reported on the Schedule F must be excluded from allowable revenue for WFRP non-claim purposes. Therefore, enter the exact dollar amount the applicant/insured entered on their Schedule F for the following farm revenue items. Immediately after the dollar amount, enter adjustment code "(A)." (a) Agricultural Program Payments. (b) Crop insurance proceeds and crop disaster payments. (c) Custom hire (machine work) income. (d) CCC loans repaid (except those repaid by a third-party buyer). (e) Commodity Credit Corporation (CCC) loans reported under election. **FOR CASH FILERS**: For farm revenue item "sales of animals and other resale items, less the cost, or other basis, of such items," enter "0." **FOR ACCRUAL FILERS**: For farm revenue item "sales of animals and other resale items, less the cost, or other basis, of such items" enter the exact dollar amount the applicant/insured entered in item 46 of their Schedule F, immediately followed by adjustment code "(A)." For farm revenue item "cooperative distributions," enter the amount of such distributions that are not directly related to the production of commodities insured under the WFRP policy immediately followed by adjustment code "(C)." For farm revenue item "other income, including federal and state gasoline or fuel tax credit or refund," enter the amount equal to the revenue received from federal and state gasoline or fuel tax credits or refunds, immediately followed by an adjustment code "(A)." Also enter any amount that meets any of the conditions listed below for any other revenue identified in this farm revenue item. For each farm revenue item not listed above, enter the amount equal to: (a) the post-production costs, including any prepaid amounts reimbursed from a previous tax year, immediately followed by adjustment code "(B)";

C. Required Elements Description

Item Numbers/Element		Description
9.	Revenue Adjustment Amount and Code (Continued)	(b) all revenue earned from commodities not insurable under WFRP, immediately followed by adjustment code "(I)"; (c) all revenue not directly related to production of commodities, immediately followed by adjustment code "(H)"; (d) the net gain from commodity hedges, immediately followed by adjustment code "(G)"; and (e) all other revenue not allowed to be included in allowable revenue for WFRP purposes according to the WFRP policy, such as revenue from a contract grower, immediately followed by adjustment code "(I)." Enter "0" if the amount entered in item 8 does not include any revenue that must be excluded. **Exception**: For Micro Farm, revenue generated from post-production operations and value-added may be included in allowable revenue. Verifiable records must be provided to determine the amount of post-production costs, indirect revenue, revenue from commodities not insurable under WFRP, and other revenue enter in item 9.
10.	Allowable Revenue Per Item	Amount of allowable revenue for each farm revenue item listed in item 6. Determine the amount of allowable revenue for each farm revenue item listed in item 6 by subtracting the amount(s) entered in item 9 from the amount entered in item 8.
11.	Total Schedule F Part I or III Revenue	Enter the total for: (a) farm revenue on Schedule F, by summing all amounts in item 8; (b) revenue adjustment amount, by summing all amounts in item 9; and (c) allowable revenue per item, by summing all amounts in item 10.
12.	Allowable Revenue for Tax Year	WFRP allowable revenue for the tax year in item 4. Enter the total for the allowable revenue per item from item 10.

C. Required Elements Description

The following required entries are not illustrated on the Allowable Revenue Worksheet example below.

Item Numbers/Element		Description
13.	Applicant/Insured Signature and Date	Applicant/Insured signature and date.
14.	AIP Representative Signature and Date	Signature of AIP representative that completed the worksheet, and date completed.

Refer to Exhibit 3 for required certification and other statements.

The farm revenue listed on the Schedule F has changed over time and may change in future years. Therefore, the items to be listed in the required element titled "Schedule F Part I Income" may vary from year to year. The following example Allowable Revenue Worksheet provides the farm revenue items listed on the 2020 Schedule F.

Allowable Revenue Worksheet				
1. Producer Information: I.M. Insured Person Type: Individual Box 1 Anytown, USA, 11111 Phone: 999.999.9999	2. Policy Number: XXXXXX		3. State/County: Michigan/Van Buren	
	4. Tax Year: YYYY			
5. Adjustment Codes: A = Schedule F income specifically excluded B = Cost of post-production operations C = Co-op distributions not directly related	G = Net gain from commodity hedges H = Not directly related to production I = Other			
6. Schedule F Part I (cash) or III (accrual) Revenue	7. Schedule F Line Number	8. Amount on Schedule F	9. Revenue Adjustment Amount and Code	10. Allowable Revenue Per Item
a. Sales of animals and other resale items, less the cost or other basis of such items	1c or 37	0	0	
b. Sales of livestock, produce, grains, and other products you raised	2 or 37	$192,400	$96,100 (B) (For S&W and packing supplies)	$96,300
c. Cooperative distributions	3b or 38b	$3,800	$3,240 (C)	$560
d. Agricultural program payments	4b or 39b	$18,200	$18,200 (A)	$0
e. Commodity Credit Corporation (CCC) loans reported under election	5a or 40a	0	0	0
f. CCC loans forfeited	5c or 40c	0	0	0
g. Crop insurance proceeds and federal crop disaster payments	6b or 41	$31,875	$31,875 (A)	0
h. Custom hire (machine work) income	7 or 42	$5,000	$5,000 (A)	0
i. Other income, including federal and state gasoline or fuel tax credit or refund:				
Federal and state gasoline or fuel tax credit or refund	8 or 43	$2,400	$2,400 (A)	0
Income from bartering		$200	0	$200
Payments from buyers of commodities for bypassed acreage		$1,000	0	$1,000
Payments from marketing orders		$1,000	0	$1,000
Other commodity income not reported elsewhere		0	0	0
11. Total Schedule F Part I or III Revenue		$255,875	$156,815	$99,060
	12. Allowable Revenue for Tax Year			$99,060

EXAMPLE

Exhibit 15 Claim for Indemnity Form

The following table provides descriptions of the Claim for Indemnity Report required elements.

Item Numbers/Element	Description
1. Policy Year:	The current policy year. Includes beginning and ending month of fiscal year if applicant/insured filed Federal tax on fiscal year basis.
2. State/County:	State and county where the majority of the total expected revenue for the policy year will be derived.
3. Policy Number:	Policy number for which indemnity is being calculated.
4. Claim Number:	Claim Number assigned by the AIP.
5. Insured Information:	Name, address, telephone number, and tax ID, such as social security number or employer identification number for the insured. Also includes the person type the insured used to file their Federal taxes. The insured must be the same person and person type as the person designated on the United States Income Tax form(s).
6. Agency Information:	Name, address, telephone number and code number of the agent. Include policy number.
7. Companion Policy(s):	List of producers, other than the insured, that have WFRP coverage on any of the commodities covered under the insured's policy. Enter "NONE" when the insured has 100 percent share in all commodities insured under their WFRP policy, or when all other producers with an interest in the commodities do not have a WFRP policy.
8. Date of Damage:	Month and year in which most of the damage causing a loss in revenue occurred. Enter the specific date of damage when known, such as damage from hail, fire or flood.
9. Cause of Damage:	Event(s) that caused the damage resulting in loss of revenue. Cause must be an insurable cause of loss. List all insurable causes that created damage. Describe cause of loss in narrative, item 28, if additional space is required.
10. Primary Cause (%):	Percentage of the primary cause of the damage, when more than one insurable cause created the damage. Must be whole percent and exceed 50 percent.
11. Dates of Notice:	Date(s) insured provided notice of loss.
12. – 16	MAKE NO ENTRY.
17. Approved Revenue	Approved revenue for the policy year. Enter amount from item 21b on the FOR.
18.	MAKE NO ENTRY.
19. Coverage Level	Coverage level elected by insured.
20. Insured Revenue	The amount of revenue insured under WFRP. Enter result of multiplying item 17 by item 19. Round to nearest whole dollar.

Item Numbers/Element	Description
21. Other Indemnities	The total of all indemnities received from NAP payments, indemnities from FCIC reinsured policies purchased at the CAT level of coverage, indemnities from insurance policies not authorized by the Act, and if applicable, indemnities from FCIC reinsured policies excluded from becoming primary insurance or has a Micro Farm policy.
22. Deductible	The amount of revenue not insured by the WFRP policy. Enter the result of Item 17 - (item 17 × coverage level).
23.	MAKE NO ENTRY.
24. RTC Adjustment	If item 22 is equal to or greater than item 21, enter "0." If item 22 if less than item 21, enter the result of subtracting item 22 from item 21.
25. Allowable Revenue for Policy Year	Allowable revenue for the policy year. Enter the amount from item 12 on Allowable Revenue Worksheet for the policy year. Refer to Paragraph 44.
26. Inventory Adjustment	Total dollar amount of adjustments made for policy year for inventoried commodities from Inventory Report. Enter the amount from item 19 on the Inventory Report. This amount may be positive or negative.
27. Accounts Receivable Adjustment	Total dollar amount of adjustments made for policy year for accounts receivable on Accounts Receivable Report. Enter the amount from item 10 on the Accounts Receivable Report. This amount may be positive or negative.
28. Market Animal and Nursery Adjustment	Total dollar amount of adjustments made for the policy year for animals and nursery commodities on the Market Animal and Nursery Inventory Report. Enter the amount from item 22 on the Market Animal and Nursery Inventory Report. This amount may be positive or negative.
29. All Other Adjustments	Total dollar amount of adjustments made for policy year for all adjustments (do not include adjustments from items 26-28). Adjustments include but are not limited to: (a) value assigned for uninsured cause of loss; (b) value assigned for abandoned acreage/commodities; (c) indemnities from other FCIC reinsured policies purchased at a buy-up coverage level, unless Subparagraph 123(3) applies; (d) net gains from commodity hedging; and (e) the amount in item 24 (NAP payments, indemnities from FCIC reinsured policies purchased at the CAT level of coverage, indemnities from insurance policies not authorized by the Act, and if applicable, indemnities from FCIC reinsured policies excluded from becoming primary insurance that exceed the deductible).

Item Numbers/Element		Description
29.	All Other Adjustments (Continued)	(f) any expense amounts which reduced the price the insured received for a commodity that were not considered when determining the expected value of that commodity unless the AIP determines that the reduction was due to an insurable COL occurring prior to the harvest or EOIP on the commodity. **Exceptions**: Do not include: (a) ARC/PLC payments; (b) Replant payments; or (c) indemnities paid by another policy for damage or loss to a commodity that is not covered by WFRP such as timber, animals for show, pasture or rangeland insured under the Rainfall Index or Vegetation Index policies, or commodities or portions of commodities produced for feed for use on the insured's operation. All other adjustments must be documented in the Narrative or on a Special Report and attached to the Claim for Indemnity Form.
30.	Revenue-to-Count (25+26+27+28+29)	RTC for determining indemnity. Sum the result of item 25 + item 26 + item 27 + item 28 + item 29. Enter "0" if sum of all items is negative.
31.	Revenue Loss	Dollar amount of revenue loss for the policy year. Enter the result item 20 minus item 30.
32.	Narrative:	Document: (a) reason no indemnity due, if applicable; (b) all adjustments made to insured's revenue on tax form(s) used to determine item 25; (c) individual values used to determine item 29; and (d) document any other pertinent information used in calculation of indemnity. If more space is needed, include applicable information on a Special Report. Include the insured's name, policy number, and claim number on the separate document. Title the document "Narrative to Claim for Indemnity Continued" and attach it to the Claim for Indemnity Report.
33.	Date Policy Year IRS Federal Taxes Filed:	Month, day, and year the insured's farm tax forms were sent to the IRS for the policy year.
34.	Similar Damage on Other Farms in the Area?	Indication of whether other farms in the area had similar damage as reported by the insured. Enter "Yes" if other farms in the area had similar damage, otherwise enter "No."

Item Numbers/Element	Description
35. Assignment of Indemnity?	Indication of whether insured has an assignment of indemnity in effect for policy year. Enter "Yes" if insured has assignment of indemnity in effect for policy year, otherwise enter "No."

The following required entries are not illustrated on the Claim for Indemnity Report example below.

Item Numbers/Element	Description
37. Applicant/Insured's Signature and Date	Insured signature and date.
38. AIP Representative Signature and Date	AIP representative's signature and date.

The following is provided as an example only. AIPs must develop a Claim for Indemnity Form using the required elements and statements.

CLAIM FOR INDEMNITY FORM								
1. Policy Year: YYYY	2. State/County: MI / Van Buren	5. Insured Information: I.M. Insured Box 1 Anytown, USA, 11111 Phone: 999.999.9999 Person Type: Individual SSN: xxx xx xxxx			6. Agency Information: Agent Code: XX I.M. Agent Box 2 Anytown, USA 11111 Phone: 111.111.1111		7. Companion Policy(s): NONE	
3. Policy Number: xxxxxxxxxx	4. Claim Number: xxxxxxx							
8. Date of Damage: July YYYY		9. Cause of Damage: Drought			10. Primary Cause (%): 100		11. Date(s) of Notice: 8/1/ YYYY	
CALCULATION OF CLAIM								
12.	13.	14.	15.	16.	17. Approved Revenue	18.	19. Coverage Level	20. Insured Revenue (18 x 19)
					$160,750		85%	$136,638
21. Other Indemnities	$9,000	22. Deductible	$24,112	23.			24. RTC Adjustment	0
25. Allowable Revenue for Policy Year	26. Inventory Adjustment	27. Accounts Receivable Adjustment	28. Market Animal and Nursery Adjustment	29. All Other Adjustments	30. Revenue-to-Count (25+26+27+28+29)		31. Revenue Loss (20 - 30)	
$99,060	-$500	$0	-$7,750	$30,075	$120,885		$15,753	
32. Narrative: Item 29 is the sum of MPCI indemnity and uninsured cause of loss revenue adjustment.								
33. Date Policy Year IRS Federal Income Taxes Filed: 4/15/YY		34. Similar Damage on Other Farms in the Area? YES				35. Assignment of Indemnity? NO		

Exhibit 16 Direct Marketing Sales Records

The following forms are examples only for commodities not considered combined direct marketing.

Estimated Daily Commodity Receipts		
1. INSURED'S NAME	2. DATE	
I.M. INSURED	JUNE 11, YYYY	
3. NAME OF MARKET	4. TOTAL CASH RECEIPTS	
FARMERS MARKET	$524.00	
5. CROP	6. ESTIMATED PERCENT OF TOTAL CASH RECEIPTS	7. REVENUE PER CROP
APPLES	15%	$78.60
BEANS	30%	$157.20
CARROTS	40%	$209.60
POTATOES	15%	$78.60
8. TOTAL	100%	$524.00
9. Remarks		

EXAMPLE

Exhibit 16 Direct Marketing Sales Records

The following forms are examples only for commodities not considered combined direct marketing.

DAILY MARKET RECORD					
1. Insured's Name			2. Date		
I.M. Insured			June 11, YYYY		
3. Name of Market			4. Total Cash Receipts		
Anytown Farmers Market			$620.00		
5. Commodity	6. Amount Taken to Market	7. Amount Returned Home	8. Amount Sold	9. Today's Price	10. Revenue By Commodity
Apples	100 Lbs.	25 Lbs.	75 Lbs.	$1.00	$75.00
Beans	100 Lbs.	15 Lbs.	85 Lbs.	$2.00	$170.00
Carrots	100 Lbs.	31 Lbs.	69 Lbs.	$3.00	$207.00
Red Potatoes	100 Lbs.	4 Lbs.	96 Lbs.	$0.75	$72.00
White Potatoes	100 Lbs.	4 Lbs.	96 Lbs.	$1.00	$96.00
				11. TOTAL	$620.00
12. Remarks:					

EXAMPLE

A. Unit of Measure

Commodities listed in inventory must be listed in the unit of measure, such as bushels, pounds, tons, boxes, etc., in which the commodity will be marketed. Refer to Exhibit 20 for units of measure, abbreviations, and the numeric code for RMA processing.

B. Local Market Value

Values listed for inventoried commodities, regardless of which inventory report applies, should be local market values from sources in the expected values section of the policy and Exhibit 18. AIPs must ensure that values are realistic and consistent with actual local market values supported by verifiable or direct marketing sales records.

The local market value must not include any amounts for post-production operations. Refer to Exhibit 2 for the definition of post-production operations.

C. Animals, Animal Products and Nursery Commodities Held to Realize Gain

Inventories for animals, animal products and nursery and greenhouse will be recorded on the Market Animal and Nursery Inventory Report.

(1) Beginning inventories will be valued using the expected value guidelines on:

(a) January 1 of the policy year for insured's who file taxes on a calendar year basis; and

(b) the first day of the month in which the fiscal year begins for insured's who file taxes on a fiscal year basis.

(2) Ending inventories will be valued at the using the expected value guidelines on:

(a) December 31 of the policy year for insured's who file taxes on a calendar year basis; and

(b) the last day of the month in which the fiscal year ends for insured's who file taxes on a fiscal year basis.

D. Commodities Purchased for Resale

The value of inventoried commodities purchased for resale during the insurance period must not include the cost, or other basis, of the commodity purchased.

E. Commodities Other Than Commodities Held to Realize Gain, Purchased for Resale, Animals, Animal Products, Nursery, and Greenhouse

(1) Beginning and ending inventories will be valued at the end of the insurance period, unless there is a claim, on the Inventory Report at the:

(a) actual price received if the commodity is sold prior to the end of the insurance period; or

E. Commodities Other Than Commodities Held to Realize Gain, Purchased for Resale, Animals, Animal Products, Nursery, and Greenhouse (Continued)

(b) local market value on:

(i) December 31 of the policy year for insured's who file taxes on a calendar year basis; or

(ii) the last day of the month in which the fiscal year ends for insured's who file taxes on a fiscal year basis.

(2) For claims purposes, beginning and ending inventories will be valued (in order of precedence) at the:

(a) actual price received if the commodity is sold prior to the time the claim is finalized;

(b) local market value on the first day of the month in which the claim is finalized by the AIP based on the same applicable expected value source used to determine the expected value if available; or

(c) the source the AIP agrees is the most accurate in Exhibit 18. This only applies when the original source is not available or when it is not regularly updated to provide timely estimates of commodity value (i.e., FCIC prices).

Example: If a local source was approved as the basis for the expected value, the AIP should make every effort to value the ending inventory at claim time under the same basis.

Exhibit 18 Expected Value and Yield Guidelines

This exhibit provides instructions and guidelines for determining the expected value and expected yield of commodities the applicant/insured intends to produce or purchase for resale in the insurance period, as provided on the FOR. Refer to Exhibit 2 for the definition of expected value.

A. Determinations

(1) Expected values and expected yields used must be in accordance with the section 18 of the policy and this exhibit and will be calculated as of:

(a) The date the IFOR is submitted for commodities on the IFOR;

(b) The date the RFOR is submitted for commodities that are different than those submitted on the IFOR (expected values will be carried forward from the IFOR for commodities on the IFOR);

(c) The date of planting for commodities that were planted and reported after the RFOR date and for which a late revision is allowed by the AIP; or

(d) The date the marketing contract becomes effective for commodities produced under a marketing contract for the portion of expected production under contract (subject to the limitation in section 17(c)(3) of the policy.

(2) Expected values for combined direct marketing commodities must be determined in accordance with section 51 of the policy and Paragraph 150 of this handbook.

(3) For Micro Farm, expected values must be determined in accordance with the Micro Farm Provisions and Paragraph 161 of this handbook.

(4) The insured cannot increase the expected value of a commodity on the FOR after they have submitted their IFOR (unless a marketing contract is applicable).

(5) Expected value and yields must be documented on the Expected Value and Yield Source Document Certification Worksheet.

B. Expected Value

(1) Expected Value by Commodity

Each commodity the applicant/insured intends to produce or purchase for resale in the insurance period must be listed on a separate line on the FOR. An expected value per unit of measure, such as bushels, pounds, tons, boxes, etc., must be determined for each commodity listed. Refer to Exhibit 20 for units of measure, abbreviations, and the numeric code for RMA processing.

If the same commodity has different rate codes or significantly different expected values, it must be listed on multiple lines of the FOR with a line for each expected value to accurately determine the expected revenue. The same commodity may have different expected values due to some of the following (but not limited to these):

B. Expected Value (Continued)

(a) different practice, type or variety of the same commodity;

(b) different markets used, such as fresh, processed, retail, direct marketed, or wholesale;

(c) some production may be contracted for a specified price with remaining production that will be sold on the open market;

(d) multiple planting/harvest of the commodity at different times of the year;

(e) some production may be from organically grown commodity and the remaining production may be conventionally grown; and

(f) free tonnage raisins versus reserve tonnage raisins.

Note: The commodity count that is used for: (1) the diversification discount for the farm premium rate, (2) qualification of farms growing potatoes for eligibility of WFRP, and (3) for the determination of what type of unit and therefore subsidy percentage applies, will be determined based on the summed commodity information.

(2) Adjustments in Expected Value

(a) The following items must be subtracted from the expected value:

(i) cost of post-production operations, including those that add value; or

(ii) cost, or other basis, of commodities purchased for resale.

(b) If adjustments to the expected value for a commodity or line on the FOR or inventory reports result in a negative value, the expected value for that commodity or line entry must be zero. Negative values are not allowed as expected values. Weighted average values for a commodity cannot be used to compensate for negative values for a specific type or variety of a commodity.

(c) The expected value for a commodity may be adjusted to reflect any customary charges, such as, but not limited to, seed costs or drying expenses, not included in the price source.

(d) For commodities insured under an ARH Policy, the expected yields and values should reflect the yields and values the insured's ARH policy is insured at. If the insured has produced the commodity in years prior to the first year of their whole-farm history period and the AIP agrees the years prior to their whole-farm history period do not reflect the yields and values of the commodity the insured can expect to produce during the insurance period, the yields and values may be adjusted as determined by the AIP, using all years within the whole-farm history period, including the lag year, if available when the IFOR is submitted.

B. Expected Value (Continued)

(3) Required Adjustments to Expected Values for Vertically Integrated Operations and Related Taxpayers

The integrated relationship between the divisions or related operations of an integrated operation and the interaction between related taxpayers can affect the value, cost, and price of commodities, goods, and services used by such persons. It can also affect the expected value an insured may report. The expected value reported for these farm operations must be reasonable and comparable with expected values for the commodity from objective third party market information.

Adjustments made for the cost of post-production operations from such persons must also be customary and comparable to the costs of disinterested third parties.

Refer to the CIH for acceptable record requirements. The Market Certification is not applicable to WFRP and Micro Farm.

(4) Methods for Determining Expected Values

The expected value on the FOR and the Expected Value and Yield Source Document Certification Worksheet will be based on the information reported by the insured and reviewed by the AIP at the time the expected value is determined as required in accordance with Section 17(c)(4) of the WFRP policy. They must be realistic and consistent with available market information supported by verifiable or direct marketing sales records and take into account current local markets, cycles, and trends. Post-production operations and the cost of commodities purchased for resale, if applicable, must be removed from the expected values. Market readiness expenses may be left in the expected values.

The following provides the methods and sources for determining and reviewing expected values for commodities, in order of priority:

(a) IF THE COMMODITY is under a marketing contract, THEN USE the price contained in the marketing contract. Refer to Subparagraph B(5) below for more information.

(b) IF THE COMMODITY is produced and sold during the current insurance period, but prior to the time the IFOR is completed, THEN USE the actual sale price the commodity was sold for.

(c) IF THE COMMODITY is not under a marketing contract to be sold at a specified price and has not been sold during the insurance period prior to the IFOR being completed, THEN USE the price that the AIP agrees best reflects the price the insured can expect to receive on the insured's farm and for the market where the commodity will be sold, obtained from the most applicable following source for the insured's farm operation (the following sources do not have an order of priority):

B. Expected Value (Continued)

(i) Prices reported by AMS, including Market News Reports, NASS, ERS, or other government agency for the commodity in the area where the applicant/insured normally sells the commodity. Prices that represent open market sales by first handlers, i.e., shipping point prices, generally include post-production costs that must be removed from the expected value, if applicable.

Example: The AMS price reported for a variety of apples in the area is $17.00 per box. The post-production expenses are $12.00 per box. The price the insured can expect to receive is $5.00 per box.

(ii) The FCIC published price or other price election used to determine the insured's guarantee for an FCIC reinsured policy, less local basis, where the insured normally sells the commodity. These prices may include post-production costs that must be removed and/or the prices may require an adjustment to accounts for packouts and utilization values, i.e., apple prices should be adjusted for a normal packout by variety considering percent packed for fresh and processing local market prices that results in an expected value that is reasonable for a loose field box of apples by variety. These prices may also require adjustment for average production quality, i.e., alfalfa prices adjusted for average quality of all yearly cuttings.

Example 1: The FCIC published price for potatoes is $15.00 per hundredweight. The post-production costs are $5.00 per hundredweight. The price the insured can expect to receive is $10.00 per hundredweight.

Example 2: The FCIC published price for Honeycrisp apples is $37.95, the packing costs average $6.90/box, and average 56% of the loose field box packs fresh, the price the insured can expect to receive is $18/box after adjusting for packing costs and weighting the loose field box average yield for fresh and processing apple prices.

(iii) The current local, average, cash bid price for the commodity in the local area for the month of harvest where the insured normally sells the commodity.

(iv) The average new crop price offered by at least two commercial buyers, one selected by the insured and one by the AIP.

(v) Prices from a reliable disinterested third-party source that the AIP approves. Refer to Subparagraph B(6)(b) below. These prices may include post-production costs that must be removed.

(vi) The average market price used to calculate NAP payments for the area where the insured normally sells their commodity (including direct market price if applicable).

B. Expected Value (Continued)

(vii) Other price information provided or approved by RMA.

(viii) The average price the insured received for the three most recent years if the AIP agrees no disinterested third-party source in (i)-(vii) will accurately reflect the price of the commodity based on the prices the insured received in those three years in the area and market where the commodity will be sold.

Important: The insured must provide acceptable supporting sales records for each year and detailed documentation summarizing such records to arrive at the three-year average expected value, including a written explanation detailing why there is a difference between the price the insured received and the third-party sources available for the area and market where the commodity will be sold. These records must be provided at the time the expected value of the commodity is determined and must identify post-production and value-added expenses removed for each year.

Note: The AIP may adjust the three-year average to reflect local market cycles and trends as stated in Subparagraph B(4).

(d) IF THE COMMODITY is not under a marketing contract to be sold at a specified price, has not been sold during the insurance period prior to the IFOR being completed, and no acceptable price source exists, THEN USE zero as the expected value and all revenue will be considered RTC for claim purposes.

(5) Marketing Contract Price

(a) To be considered a marketing contract under WFRP, there must be an agreement in writing between the insured and a buyer containing at a minimum:

(i) the insured's commitment to produce the commodity on their farm operation during the insurance period;

(ii) the insured's commitment to deliver the production to the buyer;

(iii) the buyer's commitment to purchase all of the production stated in the contract; and

(iv) a contract price, including a specified price for the commodity or an amount over a base price that will be paid for the production. The contract price is the amount specified without regard to any discount or incentive that may apply.

(b) Multiple contracts with the same buyer may be reported on separate lines for the commodity or, if they are for the same type of the commodity, can be considered a single marketing contract, with the contract price reported as a weighted average of all the applicable contract prices.

B. Expected Value (Continued)

(c) Contracts that do not meet the requirements of (a) above are not considered marketing contracts for WFRP.

(d) For the amount of insured commodities produced under a marketing contract, the expected value will be calculated as of the date the marketing contract becomes effective within the limitation in Subparagraph 49(1)(b).

(6) Sources of Expected Values

(a) The source used to determine the expected value in Subparagraph (4) above must reflect the price of the commodity:

(i) During the insurance period and when the commodity will be produced. For example, if the commodity is traded on the futures market (not including specialty types or organic practice) and the price of the commodity on the market is below the FCIC published price, the AIP will not agree to using the FCIC published price to determine the expected value;

(ii) In the marketing area where the insured's commodity will be sold. For example, the basis used to determine the price of the commodity (if any) will be the insured's local basis;

(iii) When the commodity will be harvested. For example, the AIP will not agree to using a source that includes a price premium for storing the commodity after harvest;

(vi) At the time the expected value is determined in accordance with section 17(c)(4) of the WFRP policy. For example, if FCIC published a price for the commodity in November which is significantly different from the price the insured can reasonably expect to receive at harvest at the time the insured submits their IFOR the following March, the AIP will not agree to using the FCIC published price to determine the expected value;

(vii) Must be recorded on the Expected Yield and Value Source Document Certification Worksheet; and

(viii) Verifiable records or direct marking sales records submitted with the Expected Yield and Value Source Document Worksheet, by the SCD.

(b) Reliable disinterested third-party sources of pricing information may include, but not limited to:

(i) Commodity Broker Reports;

(ii) District Crush Reports;

B. Expected Value (Continued)

(iii) Packer/Processor Reports;

(iv) Marketing Cooperative Reports; and

(v) Futures Market Prices for the month of harvest with basis removed to adjust to the local market basis.

Important: The policy does NOT allow the use of alternative insurance prices that may be offered by privately administered non-reinsured supplemental products that are available.

C. Expected Yield

(1) Expected Yield by Commodity

Each commodity by rate code, if applicable, the insured intends to produce in the insurance period must be listed on a separate line on the FOR. An expected yield must be determined for each commodity and rate code listed. Expected yields must be:

(a) reasonable, realistic, and consistent with available local agronomic information; and

(b) supported by verifiable records submitted by the insured by SCD for commodities on their IFOR or at the time the RFOR is submitted for other commodities. The records provided must include yield and acreage for all years used to determine the expected yield. Insured's approved APH records must be provided for commodities covered with an underlying policy authorized by the Act.

The same commodity by rate code may have different expected values or expected yields based on practices, types or varieties, markets, planting seasons, or other reasons (see below).

(2) Methods for Determining Expected Yields

The expected yield of the commodity listed on the FOR and the Expected Value and Yield Source Document Certification Worksheet is the yield that the insured can expect to produce on their farm operation under normal growing conditions, as determined by the insured's entire farm operation's production history or other data sources. If yields for a commodity on different parts of the operation are expected to differ, use a weighted average yield, and document the entire commodity by rate code. The yield reported on your FOR must reflect:

(a) the yield the insured can expect to produce on their entire farm operation;

(b) for the first year of insurance (new insureds) any damage to the commodity that occurred prior to the beginning of the insurance period;

(c) any change in practice (e.g., adding drip irrigation, removing irrigation, or beginning production of certified organic commodities) or production method used during the insurance period; and

C. Expected Yield (Continued)

(d) in the case of perennials consider:

(i) the impact on yield caused by the existence of any disease and the lack of or excessive pruning prior to or during the insurance period.

(ii) when perennial commodities with underlying coverage under another FCIC policy have insurable tree or vines that were planted/set out, grafted, or dehorned in the orchard, vineyard, grove, or bog and insured reports a yield greater than the average yield for the underlying coverage. Blocks where expected yields are adjusted from what is reported on the underlying coverage due to planting, grafting, dehorning, etc. should be recorded on the Expected Value and Yield Source Document Certification Worksheet separately. Refer to Paragraph 22.

(iii) any alternate bearing or downward trending tendencies of the insured commodity.

(iv) when an insured's underlying FCIC policy is not reported by variety or varietal group, the expected yield based on the average approved yield must be reflective of the specific varieties insured under the WFRP policy.

Example: The insured has an FCIC reinsured policy at the CAT coverage level on apples. The insured reports an approved yield for only fresh apples for the entire operation. The farm operation produces two varieties of apples that have different prices and yields. The insured must provide yield records for each variety to determine the expected yield for WFRP. If the insured fails to provide acceptable yield records for each variety, then apples will be considered uninsurable, and any revenue received from those apples would be considered RTC at claim time.

Important: For commodities showing alternate bearing or downward trending tendencies, refer to the CIH for the variance, alternate bearing, and downward trending tests and procedures. When referencing those procedures, APH database refers to the whole-farm history period and the approved APH yield refers to the expected yield.

(3) The following provides the methods and sources for determining and reviewing expected yields for commodities:

(a) IF THE COMMODITY is insured by another FCIC reinsured policy that provides individual yield or ARH coverage in the county where the commodity will be produced;

(i) AND THE INSURED:

C. Expected Yield (Continued)

(A) cannot provide detailed documentation based on their past production practices and any changes to the production practices during the insurance period the AIP agrees demonstrates a higher or lower expected yield; or

(B) has produced the commodity in years prior to the first year of your whole-farm history period and the AIP agrees the years prior to your whole-farm history period does reflect the yield the insured can expect to produce during the insurance period.

(ii) THEN THE EXPECTED YIELD will be that policy's average (simple or weighted) approved yield for all units (by practice/type/variety) on the farm's FCIC reinsured policy, whether planted or not, that provides individual yield coverage.

(b) IF THE COMMODITY is insured by another FCIC reinsured policy that provides individual yield or ARH coverage in the county where the commodity will be produced, AND THE INSURED provides detailed documentation based on their past production practices and any changes to the production practices during the insurance period the AIP agrees demonstrates a higher or lower expected yield, THEN THE EXPECTED YIELD may be based on the expected yield determined by the AIP to be appropriate based on the provided documentation and the average yields produced under the new production practice approved by the AIP.

Note: Actual yield data under the new practice must be provided and serve as the base for the expected yield.

(c) IF THE COMMODITY is insured by another FCIC reinsured policy that provides individual yield or ARH coverage in the county where the commodity will be produced, AND THE INSURED has produced the commodity in years prior to the first year of your whole-farm history period and the AIP agrees the years prior to your whole-farm history period do not reflect the yield the insured can expect to produce during the insurance period, THEN THE EXPECTED YIELD may be an expected yield, as determined by the AIP, using all years within the whole-farm history period, including the lag year, if available when the IFOR is submitted.

(d) IF THE COMMODITY is not insured under an individual yield or ARH coverage policy, the insured must complete a Yield and Revenue Report for the commodity. The Yield and Revenue Report must:

(i) Be submitted on or before the SCD for commodities reported on the IFOR or at the time they submit their RROR for commodities added to their farm operation after the SCD; and

(ii) Contain a continuous record of production history of the commodity beginning with the most recent year for a maximum of ten years preceding the insurance period, including the lag year.

C. Expected Yield (Continued)

(e) IF THE COMMODITY is not insured under an individual yield or ARH coverage policy;

(i) AND:

(A) the commodity has been produced on the insured's farm operation during the ten years preceding the insurance period, including the lag year;

(B) the insured has at least four years of production history of the commodity in their ten-year history period, including the lag year; and

(C) the insured certifies and/or provides yield records for at least four years preceding the insurance period without a break in continuity, including the lag year.

(ii) THEN THE EXPECTED YIELD will be the average yield for the years the commodity was produced on the insured's farm operation during the ten years preceding the insurance period without a break in continuity, including the lag year, if available when the IFOR is submitted.

Note: There is not a break in continuity, if for any previous year the commodity was not planted, prevented from being planted by an insurable cause, or not produced for an insurable purpose.

(f) IF THE COMMODITY is not insured under an individual yield or ARH coverage policy;

(i) AND:

(A) the commodity has been produced on the insured's farm operation;

(B) the insured cannot certify and/or provide at least four years of production history for the ten years preceding the insurance year without a break in continuity, including the lag year; and

(C) the insured certifies and/or provides yield records for the lag year, if available when the IFOR is submitted, or at least one consecutive year starting with the most recent year in the ten years the commodity was produced, immediately preceding the lag year.

Note: There is not a break in continuity, if for any previous year the commodity was not planted, prevented from being planted by an insurable cause, or not produced for an insurable purpose.

C. Expected Yield (Continued)

(ii) THEN THE EXPECTED YIELD will be based on the average yield produced on the insured's farm operation for four years preceding the insurance period, as determined by the AIP using the certified and/or provided yield records for production history:

(A) for the lag year or the most recent year in the ten years the commodity was produced; and

(B) for the remaining year(s) to get to four of the ten years preceding the insurance year the insured cannot certify and/or provide yield records, a replacement yield will be entered using the most applicable following source for the insured's farm operation:

1 FCIC published transitional yields in the county or nearest county with similar agronomic conditions to the county where commodity will be produced;

2 Yields published or used by other USDA programs (e.g., yields used to establish NAP coverage); or

3 Yield information provided by participants in the Cooperative Extension System, or a successor organization that does not include:

a university yield trial data; or

b crop budget reports.

(g) IF THE COMMODITY is not insured under an individual yield or ARH coverage policy;

(i) AND:

(A) the commodity has been produced on the insured's farm operation;

(B) the insured is a carryover insured;

(C) the expected yield of the prior year's policy was determined using a replacement yield and available certified and/or yield records; and

(D) the insured does not certify and/or provide yield records for any year after they previously certified and/or provided yield records for the most recent years within the ten years preceding the insurance year without a break in continuity, including the lag year.

(ii) THEN THE EXPECTED YIELD will be based on the average yield produced on the insured's farm operation for the four years preceding the insurance period, as determined by the AIP:

C. Expected Yield (Continued)

(A) using the previously certified and/or provided yield records for production history for the most recent years within the ten years preceding the insurance year without a break in continuity, including the lag year;

Note: There is not a break in continuity, if for any previous year the commodity was not planted, prevented from being planted by an insurable cause, or not produced for an insurable purpose.

(B) using a replacement yield from the most applicable following sources (as applicable to get a four-year average), for the insured's farm operation, for each year prior to the first year the insured first certified or provided yield records for production history for the most recent four years preceding the insurance year, including the lag year:

1 FCIC published transitional yields in the county or nearest county with similar agronomic conditions to the county where commodity will be produced;

2 Yields published or used by other USDA programs (e.g., yields used to establish NAP coverage); or

3 Yield information provided by participants in the Cooperative Extension System, or a successor organization that does not include:

a university yield trial data; or

b crop budget reports; and

(C) using a zero yield for each year after the insured previously certified and/or provided yield records for the most recent year(s) within the ten years preceding the insurance year for each year the insured produced the commodity, including the lag year.

(h) IF THE COMMODITY is not insured under an individual yield or ARH coverage policy;

(i) AND:

(A) the commodity has been produced on the insured's farm operation;

(B) the insured is a carryover insured;

(C) the expected yield of the prior year's policy was determined solely using a replacement yield; and

C. Expected Yield (Continued)

(D) the insured does not certify and/or provide yield records for the lag year if the commodity was produced.

(ii) THEN THE EXPECTED YIELD will be based on the average yield produced on the insured's farm operation for the four years preceding the insurance period, as determined by the AIP:

(A) using a replacement yield for the years prior to the lag year from the most applicable following sources, for the insured's farm operation:

1 FCIC published transitional yields in the county or nearest county with similar agronomic conditions to the county where commodity will be produced;

2 Yields published or used by other USDA programs (e.g., yields used to establish NAP coverage); or

3 Yield information provided by participants in the Cooperative Extension System, or a successor organization that does not include:

a university yield trial data; or

b crop budget reports; and

(B) using a zero yield for the lag year.

(i) IF THE COMMODITY is not insured under an individual yield or ARH coverage policy;

(i) AND:

(A) the insured is not a carryover insured; and

(B) the commodity has not been produced on the insured's farm operation; or

(C) has been produced and the insured cannot certify and/or provide any yield records for the production history for most recent years within the ten years preceding the insurance year, including the lag year.

(ii) THEN THE EXPECTED YIELD will be based on the replacement yield, as determined by the AIP, obtained from the most applicable following sources for the insured's farm operation:

(A) FCIC published transitional yields in the county or nearest county with similar agronomic conditions to the county where commodity will be produced;

C. Expected Yield (Continued)

(B) Yields published or used by other USDA programs (e.g., yields used to establish NAP coverage); or

(C) Yield information provided by participants in the Cooperative Extension System, or a successor organization that does not include:

1 university yield trial data; or

2 crop budget reports; and

(j) IF THE COMMODITY is not insured under an individual yield or ARH coverage policy, AND an expected value cannot be established, THEN THE EXPECTED YIELD will be zero.

D. Expected Value and Yield Corrections

(1) At any time, the AIP determines the price or yield used to establish the expected revenue of a commodity does not reflect the price the insured could have expected to receive when the commodity was harvested or the yield the insured could expect to produce on their farm operation under normal growing conditions, the AIP will correct the price or yield used to establish the expected revenue to:

(a) a price consistent with the amount the insured can expect to receive for the amount of the commodity the insured will harvest in the market where the commodity will be sold if the price:

(i) includes post-production expenses; or

(ii) is significantly different (at least 10 percent) from the other prices received for the commodity in the local market where the commodity is sold, and the insured cannot demonstrate the price difference is due to an insured COL.

Important: The 10 percent tolerance does not apply at the time the expected value is determined. Refer to Subparagraph (A).

(b) a yield consistent with the amount the insured can expect to produce on their farm operation if the yield:

(i) reported is significantly different (at least 10 percent) from other yields in the county where the commodity is produced or the insured's other yields for the commodity; and

(ii) the insureds cannot provide a valid agronomic basis for the difference in yields.

Important: The 10 percent tolerance does not apply at the time the expected yield is determined. Refer to Subparagraph (A).

C. Expected Yield (Continued)

(c) an amount consistent with the practice or production method actually carried out if the price or yield was based on a practice or production method used in previous years.

(2) If the AIP determines the error in reporting the price or yield was inadvertent the AIP will modify the RFOR to reflect the correct information and the insured's amount of insurance, premium, and any indemnity will be based on the modified report. Otherwise, Section 15(j) of the WFRP policy will apply.

Important: A simple statement from the insured stating the error or omission was inadvertent is not sufficient to prove the error or omission was inadvertent.

Exhibit 19 Method of Establishment

The following table provides methods of establishment, abbreviations, and the numeric code for RMA processing.

Method of Establishment	Abbreviation	Numeric Code
Acre	AC	20
Acre – Native Sod	AC	19
Acre – Organic	AC	21
Acre – Transitional Organic	AC	16
Head	HEAD	17
Head – Organic	HEAD	18
Head – Transitional Organic	HEAD	15
Linear Feet	LN/FT	96
Linear Feet – Organic	LN/FT	97
Linear Feet – Transitional Organic	LN/FT	90
Number	NUM	95
Number – Organic	NUM	93
Number – Transitional Organic	NUM	88
Other	OTHER	99
Other – Organic	OTHER	98
Other – Transitional Organic	OTHER	91
Plant	PLANT	22
Plant – Organic	PLANT	25
Plant – Transitional Organic	PLANT	24
Square Feet	SQ/FT	23
Square Feet – Organic	SQ/FT	26
Square Feet – Transitional Organic	SQ/FT	27
Weight	WT	94
Weight – Organic	WT	92
Weight – Transitional Organic	WT	89

Exhibit 20 Unit of Measure

The following table provides units of measure, abbreviations, and the numeric code for RMA processing.

Unit of Measure	Abbreviation	Numeric Code
Bag/Sack	BG/SK	11
Bale	BALE	12
Barrel	BBL	10
Bin	BIN	24
Box	BOX	13
Bushel	BU	01
Carton	CTN	14
Dozen	DOZ	15
Each	EACH	97
Flat	FLAT	16
Gallon	GAL	07
Head	HEAD	17
Hive	HIVE	18
Hundredweight	CWT	03
Lug	LUG	19
Nursery/Greenhouse	NUG	96
Other	OTHER	99
Ounce	OZ	05
Package	PKG	21
Peck	PECK	09
Pint	PINT	06
Plant	PLANT	22
Pound	LB	02
Purchased for Resale	PFR	98
Quart	QT	08
Square Foot	SQ/FT	23
Ton	TON	04