Whole Farm Revenue Protection
Federal Crop Insurance Corporation Pilot Insurance Program
Risk Management Agency
What does WFRP cover?

- Revenue from all commodities produced on the farm:
  - Including animals and animal products
  - Commodities purchased for resale (up to 50% of total)
  - Excluding timber, forest, forest products, and animals for sport, show or pets

- Replant costs (with approval)
What are the features of WFRP?

• Coverage levels 50-85%
  – 5% increments
  – Diversification of 3 commodities (commodity count) required for 80% and 85%
  – No catastrophic level of WFRP available

• Historic revenue is adjusted to reflect farm expansion
  – Automatic indexing process accounts for farm growth historically (Insured may opt out of Indexing)
  – Expanding operations provision allows for up to 35% growth over historic average with insurance company approval
What are the features of WFRP?

• Costs for market readiness operations may be left in the approved revenue
  – Minimum required to make commodity market ready
  – On farm, in-field or close proximity to field
  – No added value costs may be included

• You may also purchase other Federal crop insurance policies covering individual commodities
  – Must be at buy-up coverage levels
  – Any indemnities from these policies will count as revenue earned under WFRP
What are the features of WFRP?

- All farm revenue is insured together under one policy
  - Individual commodity losses are not considered, it is the overall farm revenue that determines losses

- Premium subsidy is available and depends on farm diversification
  - Farms with 2 or more commodities (commodity count) receive whole-farm premium subsidy
  - Farms with 1 commodity receive basic premium subsidy
## WFRP Premium Subsidy

### WFRP Subsidy: Percentage of Total Premium Paid by Government

<table>
<thead>
<tr>
<th>Coverage Level</th>
<th>50%</th>
<th>55%</th>
<th>60%</th>
<th>65%</th>
<th>70%</th>
<th>75%</th>
<th>80%</th>
<th>85%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Subsidy-Qualifying Commodity Count: 1</td>
<td>67%</td>
<td>64%</td>
<td>64%</td>
<td>59%</td>
<td>59%</td>
<td>55%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Whole-Farm Subsidy-Qualifying Commodity Count: 2</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Whole-Farm Subsidy-Qualifying Commodity Count: 3 or more</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>71%</td>
<td>56%</td>
</tr>
</tbody>
</table>
Where is WFRP Available?

• The entire United States...every county!

• The first crop insurance product available nationwide

*Note that not all crops may be insured in all counties.
WFRP limits for qualification:

- Covers up to $8.5 million of revenue
- Farm/ranch may have up to $1 million in expected revenue from animals and animal products
- Farm/ranch may have up to $1 million in expected revenue from greenhouse/nursery

<table>
<thead>
<tr>
<th>Coverage Level</th>
<th>Commodity Count (Minimum Required)</th>
<th>Maximum Farm Approved Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>3</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>80</td>
<td>3</td>
<td>$10,625,000</td>
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<tr>
<td>75</td>
<td>1</td>
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<tr>
<td>70</td>
<td>1</td>
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<td>1</td>
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<td>60</td>
<td>1</td>
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<tr>
<td>55</td>
<td>1</td>
<td>$15,454,545</td>
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<tr>
<td>50</td>
<td>1</td>
<td>$17,000,000</td>
</tr>
</tbody>
</table>
What kinds of farms can benefit from WFRP?

- Well-suited for:
  - Highly diverse farms
  - Farms with specialty commodities
  - Farms selling to direct markets, specialty markets, regional or local markets, and farm-identity preserved markets

- Available to all farms or ranches that qualify
- There are some limits for qualification
How is the amount of insured revenue determined?

- WFRP insured revenue is the lower of:
  - Your current year’s expected revenue (determined by your farm plan) at the selected coverage level, or
  - Your historic revenue adjusted for growth at the selected coverage level.
Does diversification on my farm matter for WFRP? Yes!

- The number of commodities produced are counted toward the diversification requirement within WFRP
  - Each commodity must provide a calculated percentage of the expected farm revenue to be counted
  - Commodities providing small amounts of revenue may be grouped to meet the qualification
Does diversification on my farm matter for WFRP? Yes!

- The diversification measure determines:
  - Eligibility for WFRP
    - Potato farms must have 2 commodities
    - Commodities insurable with other revenue coverage must have 2 commodities
  - Eligibility for the 80 & 85% coverage levels
    - Requires 3 commodities
Does diversification on my farm matter for WFRP? Yes!

- The diversification measure also determines:
  - The amount of the diversification discount to the premium rate
  - Whole-farm premium subsidy for farms with 2 or more commodities
Other facts to understand about WFRP:

• WFRP covers revenue ‘produced’ in the insurance year
  – A commodity not harvested or sold will count as revenue
  – A commodity grown last year and sold this year will not be covered
  – For commodities that grow each year, like cattle, only the growth for the insurance year counts.
    • Example: Calves worth $800 at beginning of the year and to be sold at $2000, the value insured will be $1200
  – Inventory and Accounts Receivable are used to get to the ‘produced’ amounts

• Prices used to value commodities to be grown must meet the expected value guidelines in the policy
What causes a loss payment under WFRP?

- Natural causes of loss and decline in market price during the insurance year
- Taxes must be filed for the insurance year before any claim can be made (2016 insurance year requires 2016 year farm taxes to be filed)
- When revenue-to-count for the insurance year is lower than insured revenue, a loss payment will be made.
What will my agent need from me?

• Five years of farm tax forms
  – For 2016, requires tax forms from 2010-2014
    • Exceptions are made for Beginning Farmers and Ranchers, Qualifying persons not required to US Tax Return (Tribal Entities), and producers that were physically unable to farm one year.

• Needs to know if you are a:
  – Calendar year tax filer
  – Fiscal year tax filer and what your fiscal year is

• Information about what you plan to produce on the farm during the insured year
  – Used to complete the Intended Farm Operation Report

• Other information as applicable
  – Such as supporting records, your organic certification, inventory or accounts receivable information
What is the timeline for WFRP?

• Sales begin upon release of actuarial materials

• Last day to purchase: Sales Closing Date
  – County specific date- Jan 31, Feb 28 or March 15
  – Intended Farm Operation Report is completed

• Revised Farm Operation Report Due (like an acreage report)
  – July 15 for Calendar and Early Fiscal Filers (Jan-July fiscal years)
  – By end of first 30 days of fiscal year for August, September, October fiscal years
  – By Oct 31 for November and December fiscal years
What is the timeline for WFRP?

• Billing dates
  – August 15 for Calendar and Early Fiscal Filers (Jan-July fiscal years)
  – December 1 for Late Fiscal Filers (August-December fiscal years)

• Final Farm Operation Report completed earlier of:
  – Time of loss determination
  – By next year’s Sales Closing Date
  – If not completed—limited to 65% coverage the next year
Are there new features for 2016?

• Streamlined records requirement for direct-to-consumer sales
• Removed percentage limits for producers selling animals and/or nursery products
• Minimized tax record burden for USDA-qualified “Beginning Farmers and Ranchers” as well as qualified persons not required to file a US Tax Return
How do I buy WFRP protection?

• Purchase through a Crop Insurance Agent:
  – The agent locator tool on RMA’s website:
Questions?

www.rma.usda.gov