

# Introduction to Federal Crop Insurance Program

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# Outline



Quick Crop Insurance  
Introduction



Whole Farm Revenue  
Protection/Micro Farm  
Programs

# What is Crop Insurance

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- Crop insurance is an important risk management tool available to farmers and ranchers to help protect them against declines in crop yields and/or revenue



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Fitchette, Farm  
Progress.com  
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# Crop Insurance History

- **1930's** – Congress authorizes Federal crop insurance
  - To help agriculture recover from the Great Depression and Dust Bowl
- **1938** – The Federal Crop Insurance Corporation is created
  - Started as an experiment with activities limited to major crops
- **1980** – The Federal Crop Insurance Act is passed
  - Crop insurance is expanded to include many more crops in a wider area
  - Premium subsidies introduced.
- **1996** – The Risk Management Agency (RMA) is created

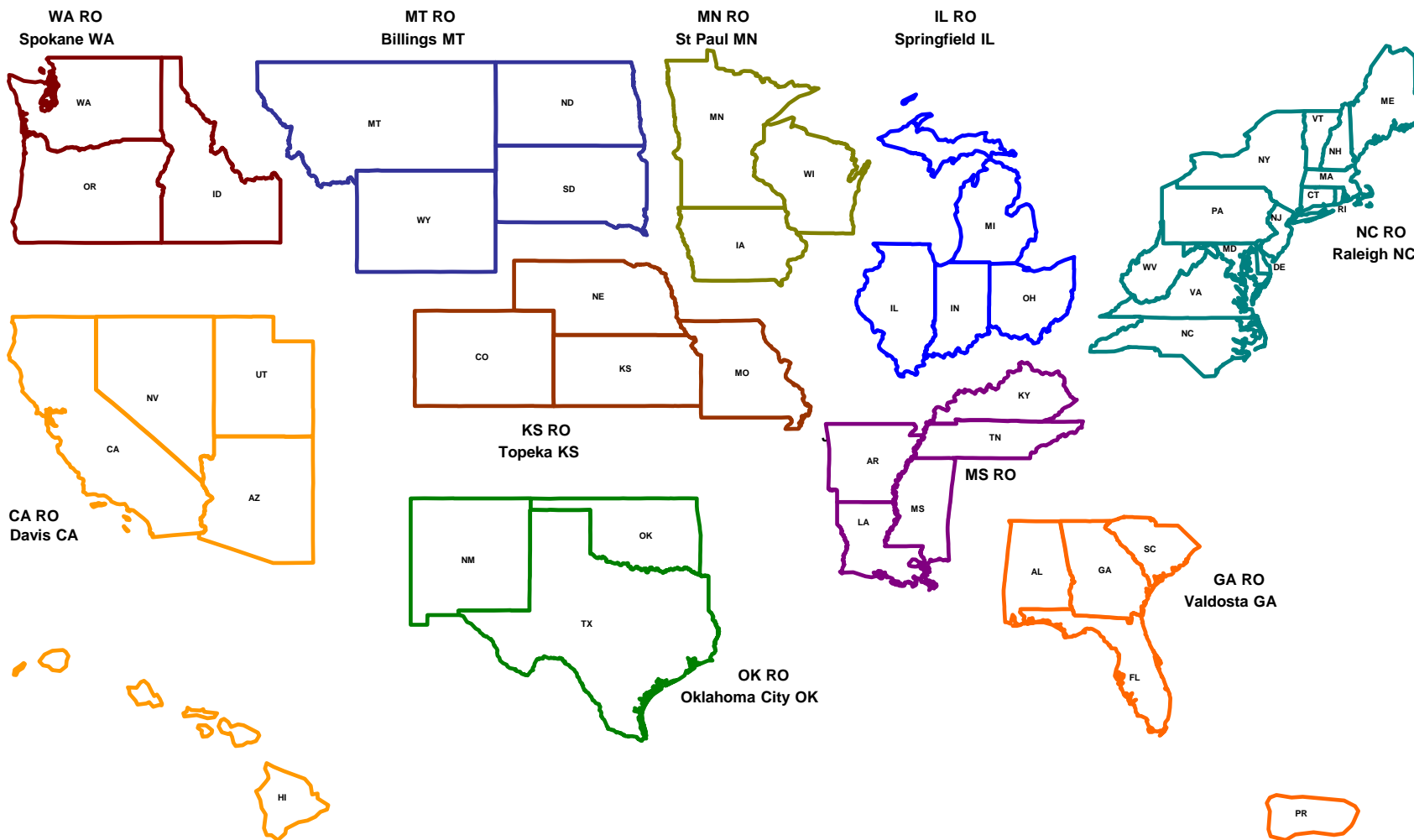
# Who is the Risk Management Agency?

- Created in 1996 to administer Federal Crop Insurance Corporation (FCIC) programs and other non-insurance-related risk management and education programs
- More farmers and ranchers participate in the crop insurance program than any other USDA program
  - 2022 covered 493 million acres and 194 billion dollars in liability
- RMA employs approximately 500 people across the nation
- There are 10 Regional Offices in the U.S. with primary responsibility to oversee programs.

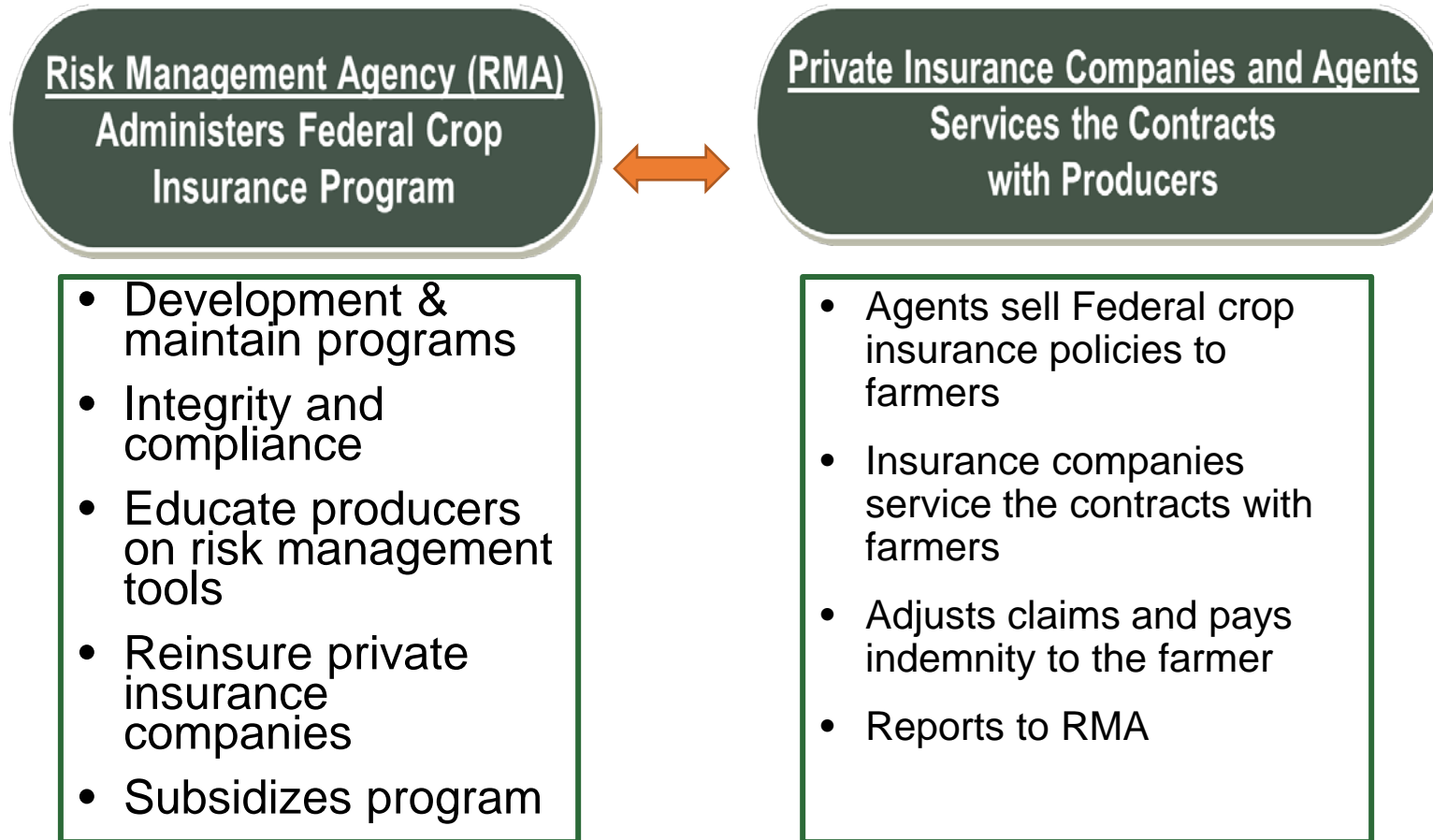




# MAP of Regional Offices



# RMA / Private Insurance Partnership



# Why Federal Crop Insurance?

Help farmers and ranchers recover after severe weather or low production.

Affordable risk management with the government subsidized premium.

Provides financial stability needed for beginning farmers and ranchers.

Improve access to credit.

*Crop insurance could make the difference between staying in business or going out of business after a disaster.*



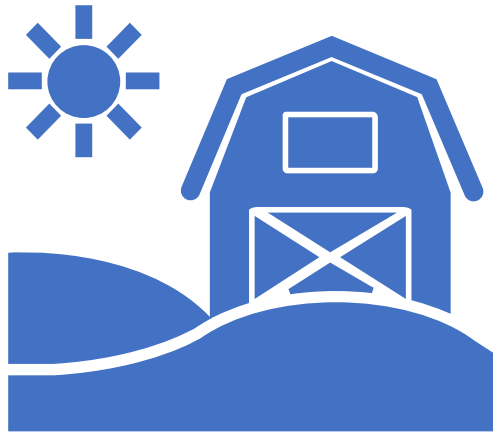
# Insurable Crops

- Some of the crop insurance programs available are:
  - Multi Peril Crop Insurance (MPCI) – production based
  - Revenue Protection (RP) – revenue based
- 20 commodities available for insurance in Nevada:

Alfalfa Seed	Wheat	Swine
Barley	Hemp	Apiculture
Corn	Triticale	Fed Cattle
Forage Production	Milk	Cattle
Onions	Dairy Cattle	Oats
Pasture, Rangeland, Forage	Feeder Cattle	Forage Seeding
Potatoes	Lamb	

Crops not listed above can be insured through Whole Farm Revenue Protection or Micro Farm policies.

# A Bit of History...



- Whole Farm Revenue Protection (WFRP) was first offered in 2015.
- **Micro Farm** - offered in 2022 as a streamlined approach to WFRP - specifically for small producers.
- Both policies:
  - Are designed to cover the gap for crops that don't have a MPCI policy.
  - Are revenue policy's that covers ALL crops on the farm - cannot pick and choose which crops to cover.
  - Rely on schedule F tax records to determine revenue and losses.
  - Are available for all states and counties.

# Providing Coverage for Diversified Producers

## WFRP

- Covers up to \$17 million of revenue
- Post-production costs are not included
- Expected value are primarily based on third-party sources
- Expected yields are based on underlying policies or insured's four-year average
- May purchase additional individual crop policies
  - Must be at buy-up coverage levels
  - Any indemnities from these policies will count as revenue earned under WFRP

Coverage Level	Commodity Count (Minimum Required)	Maximum Farm Approved Revenue
85	3	\$10,000,000
80	3	\$10,625,000
75	1	\$11,333,333
70	1	\$12,142,857
65	1	\$13,067,923
60	1	\$14,166,167
55	1	\$15,454,545
50	1	\$17,000,000

# Providing Coverage for Diversified Producers

- **Micro Farm**
- Less paperwork requirements
- Insures farm operations with approved revenue up to \$350,000 for the initial year of insurance & \$400,000 for carry-over policies
- Post-production and value-added costs may be included in approved revenue
- Expected value and yields are based on the insureds past three-year average of total revenue and acres
- No individual crop policies allowed



# What does WFRP & Micro Farm cover?

- Revenue from all commodities produced on the farm:
  - Including Industrial Hemp
  - Animals and animal products
  - Commodities purchased for resale (up to 50% of total)
  - Excludes timber, forest, forest products, and animals for sport, show, or pets
- Replant costs
  - Available for WFRP, with approval
  - Not available under Micro Farm

# WFRP & Micro Farm Coverage Options

- Flexible coverage levels tailored to your need
  - 50-85%, in 5% increments
  - Diversification of 3 commodities (commodity count) required for 80% and 85% (WFRP)
  - **Micro Farm automatically qualifies for 80 & 85% coverage**
  - No catastrophic level available

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

Coverage Level	50%	55%	60%	65%	70%	75%	80%	85%
Basic Subsidy Qualifying Commodity Count: 1	67%	64%	64%	59%	59%	55%	N/A	N/A
Whole-Farm Subsidy Qualifying Commodity Count: 2	80%	80%	80%	80%	80%	80%	N/A	N/A
Whole-Farm Subsidy Qualifying Commodity Count: 3 or more	80%	80%	80%	80%	80%	80%	71%	56%



# How is the amount of insured revenue determined?

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- Current year's expected revenue (determined on the farm plan) at the selected coverage level, or
- The adjusted historic revenue at the selected coverage level



# What causes a loss payment under WFRP & Micro Farm?

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- Natural causes of loss and decline in market price during the insurance period. May include:
  - Adverse weather conditions
  - Fire; Earthquake
  - Insects, or plant disease, but not damage due to insufficient or improper application of pest control or disease control measures;
  - Failure of irrigation water supply, if caused by an insured peril that occurs during the insurance period;
  - Wildlife, unless control measures have not been taken; or
  - In accordance with subsections (d) and (e), a decline in the market price.



*Photo credit: Creator: Kenneth James  
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# What causes a loss payment under WFRP & Micro Farm?

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- Taxes must be filed for the policy year before any claim can be made
- When revenue-to-count for the policy year is lower than insured revenue, a loss payment will be made



*Photo credit: Thomas Fire, USDA Forest Service*

# What information is required?

- Five years of farm tax forms—For 2023, requires tax forms from 2017-2021 (calendar & early fiscal year filers) 2016-2020 (late fiscal year filers)
  - Exceptions: Veteran/Beginning Farmers or Ranchers (VFR/BFR) or applicants that qualified as a VFR/BFR in the previous year need 4 years of tax forms
  - Micro-Farm needs three years of tax forms
- Type of tax filer
  - Calendar year tax filer
  - Early Fiscal year filer (Feb – Aug);
  - Late Fiscal year tax filer (Sept-Dec)

# What information is required?

- Information about what will be produced on the farm during the insurance period
  - Used to complete the Intended Farm Operation Report
- Other information as applicable, such as:
  - Supporting records, organic certification, inventory, or accounts receivable information

# Dates

- Micro Farm and WFRP is available for the 2023 crop year.
- Sales closing dates are:
  - Arizona & California: February 28
  - Hawaii, Nevada & Utah: March 15
  - November 20 for Late Fiscal Year Filers
  - Revised Farm Operation Report is due July 15
- Contract Change Date: August 31



# Coverage Period

- The time during which coverage is available against loss of production of the crop because of an eligible natural disaster.
- Starts when crop is planted or within 1 day of approved application for coverage.
- Ends on harvest completion, established normal harvest date, abandonment or total destruction of the crop.





# Loss Reporting Requirements

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- Must submit a notice of loss within 72 hours after discovery that revenue for the policy could be below the insured revenue.
- Inspections might be required.



# Resources

[Policy & Procedure](#) ▾

[RMALocal](#) ▾

[Commodities](#) ▾

[Tools](#) ▾

[Topics](#) ▾

## Crop Insurance For American Farmers and Ranchers



### Manage Your Farm Risk

Resources for farmers and ranchers.

[Get Connected >](#)



### Insurance Resources

Policies, handbooks, and more.

[Find Resources >](#)



### Education and Training

Partner with RMA.  
Find training opportunities.

[Learn More >](#)



### Beginning Farmers

Resources and tools for those just starting out.

[Get Started >](#)

## AskUSDA

One central entry point for you to access information and help from USDA.


[Ask.USDA.gov](#) [1-833-ONE-USDA](#) [askusda@usda.gov](#)

[Ask a question](#)



# Resources

Policy & Procedure ▾	RMA Local ▾	Commodities ▾	<b>Tools ▾</b>	Topics ▾
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Summary of Business

- Actuarial Information Browser
- Agent Locator
- AIP Companies
- Associated Agencies and Partners
- Cause of Loss
- Cost Estimator




Agent Locator

- County Programs
- Crop Indemnity Maps
- Crop Weather
- FTP File Access
- GIS Actuarial Maps
- Livestock and Dairy Participation




Actuarial Info Browser

- Livestock Reports (LRP and LGM)
- Nursery Software (EPLPPS)
- Other Sites
- PRF Rainfall
- Price Discovery Reporting
- Reinsurance Reports



GIS Actuarial Maps

- RMA Information Reporting System
- RMA Map Viewer
- Summary of Business Reports



Cost Estimator



# Resources — Where to find WFRP commodities

WFRP COMMODITIES for diversification purposes:

- To find what commodities are in each county, go to the **Actuarial Information Browser** tab (as shown on previous slide)
- Select your state and county and go to the **Commodity** tab for the listing of crops.

USDA United States Department of Agriculture  
Risk Management Agency RMA Web Applications > AIB > Crop > Commodity Report

Select Environment [Preliminary]

1 Reinsurance Year: 2023  
2 Commodity: Whole Farm Revenue Protection (0076)  
3 Commodity Year: 2023  
4 Insurance Plan: Whole Farm Revenue Protection (76)  
5 State: California (06)  
County: Fresno (019)

Types / Practices Dates **Commodity** Rates Options Special Provisions Subsidy Factors Links

1 of 1 Find Next

Whole Farm Revenue Protection Commodity

Selection Criteria  
Year: 2023 Commodity: Whole Farm Revenue Protection (0076) State: California (06)  
Data: Preliminary Plan: Whole Farm Revenue Protection (76) County: Fresno (019)

WFRP Commodity Name	WFRP Commodity Code	Rating Commodity Name	Rating Commodity Code	Animal or Animal Product Y or N	Annual Planting Code	MPCI Policy
Alfalfa	003301	Alfalfa (Irrigated)	0850	N	P	Y
Almonds	002800	Almonds	0028	N	P	Y
Apples Fresh Market	005401	Apples (Fresh Market)	0853	N	P	Y
Apples Processing	005402	Apples (Processing)	0854	N	P	Y
Apricots Fresh	009801	Fresh Apricots	0218	N	P	Y
Apricots Processing	009802	Processing Apricots	0219	N	P	Y
Artichokes	085500	Artichokes	0855	N	A	N
Asparagus	060700	Asparagus	0607	N	P	N
Avocados All Other	001901	Avocados (All Other)	0964	N	P	Y
Avocados Hass	001902	Avocados (Hass)	0965	N	P	Y
Barley	009100	Barley (Irrigated)	0856	N	A	Y
Barley	009100	Barley (Nonirrigated)	0857	N	A	Y
Beans Dry	004700	Dry Beans	0047	N	A	Y
Beans Fava	004702	Fava Beans	1109	N	A	Y

# Resources - Cost Estimator

Back
 Save

**Selected Initial Criteria**

\* Commodity Year : 2023    \* Insurance Plan : Whole Farm Revenue Protection 76    \* State : California 06

Micro Farm 9110 Add Item Refresh

	Item 1			
* Commodity :	Micro Farm 9110			
* Type :	Calendar Year Filer 670			
* Practice :	No Practice Specified 997			
Qualify for Beginning or Veteran Farmer Rancher? :	<input checked="" type="radio"/> No <input type="radio"/> BFR <input type="radio"/> VFR			
* Does Conservation Compliance (CC) apply? :	<input checked="" type="radio"/> No <input type="radio"/> Yes			
* Expanded Operation? :	<input checked="" type="radio"/> No			
* Expanded Operation Adjustment Factor  :	0.00			
Opt Out of Indexing? :	<input checked="" type="radio"/> No <input type="radio"/> Yes			
* Allowable Revenue :	2018 : <input type="text"/> 2019 : <input type="text"/> 2020 : <input type="text"/> 2021 : <input type="text"/> 2022 : <input type="text"/>			
* Commodity Values :	--Select A Commodity: <span>Add</span> <span>Add Multiple</span> <span>Remove All</span> <span>Commodity</span> <span>Total Value</span> <span>Delete</span>			
Native Sod acreage tilled? :	Not Applicable			
Options By Unit :	RC Revenue Cup 90% 1.000 RS Revenue Substitution 60% 1 RX Revenue Exclusion 1.000			
* Prior Year Approved Revenue Amount  :	Not Applicable			

Get Estimates

The Cost Estimator only provides a general premium estimate. Refer to your crop insurance agent and policy for specific information regarding insurance coverage, actuarial information, conditions and exclusions.

<https://ewebapp.rma.usda.gov/apps/costestimator/Estimates/QuickEstimate.aspx>

# Cost Estimator

## Example

Fresno County, California

\$100,000 in average revenue

	85%	80%	75%	70%	65%	60%	55%	50%
<b>Liability</b>	\$85,000	\$80,000	\$75,000	\$70,000	\$65,000	\$60,000	\$55,000	\$50,000
<b>Total Premium</b>	\$13,770	\$12,560	\$11,400	\$10,290	\$9,230	\$8,280	\$7,315	\$6,400
<b>Producer Premium</b>	\$6,059	\$3,642	\$2,280	\$2,058	\$1,846	\$1,656	\$1,463	\$1,280

# How do producers buy WFRP & Micro Farm protection?

Purchase through a Crop Insurance Agent:

The agent locator tool on RMA's website:

[www.rma.usda.gov/informationtools/agentlocator](http://www.rma.usda.gov/informationtools/agentlocator)

The screenshot shows the USDA Risk Management Agency (RMA) website. The header includes the USDA logo and the text "United States Department of Agriculture Risk Management Agency". Navigation links include Home, About RMA, Find an Agent, News, Careers, Contact Us, and En Español. A search bar is located on the right. Below the header is a dark blue navigation bar with links for Policy & Procedure, RMA Local, Commodities, Tools, and Topics. The main content area is titled "Agent Locator" and "Finding Insurance Agents". It states that RMA provides insurance agent and provider information as a service to its customers in all 50 states. There are sections for "Locate an Insurance Agent" with links to find local agents and learn more about the locator. A "Note" specifies that agents may reside or have an office in one state/county but sell policies in other states/counties. There is also a section for "Approved Insurance Provider (AIP) Listing for Agents" with a link to the RMA AIP Listing page. A "Help" section provides a link to contact RMA Agent Locator support. An "Update an Insurance Agent's Information" section explains that all data is provided by approved insurance providers operating under a reinsurance agreement with RMA, and that additions or changes properly submitted by insurance providers will be available on the website by the following Sunday evening. A sidebar on the right titled "Information Tools" lists various tools including Agent Locator, Associated Agencies and Partners, Chicago Mercantile Exchange Notice, Crop Indemnity Maps, Crop Weather, Livestock Report, Nursery Inventory Software EPLPPS, Other Sites, Price Discovery Reporting, Reinsurance Reports, and Summary of Business.

USDA United States Department of Agriculture  
Risk Management Agency

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Policy & Procedure RMA Local Commodities Tools Topics

Information Tools / Agent Locator

## Agent Locator

### Finding Insurance Agents

RMA provides insurance agent and provider information as a service to our customers in all 50 states.

#### Locate an Insurance Agent

- Find local insurance agents with the RMA Agent Locator.
- Learn more about using the RMA Agent Locator.

Note: Agents may reside or have an office in one state/county, but sell and service policies in other states/counties. An agent authorized to sell livestock policies is not required to sell crop policies, and vice versa.

#### Approved Insurance Provider (AIP) Listing for Agents

- The RMA AIP Listing page provides location and contact information about approved insurance providers.

Approved Insurance Providers (AIPs) are insurance companies that have standard reinsurance or livestock price reinsurance agreements with USDA to provide insurance policies to farmers.

#### Help

- Contact RMA Agent Locator support for more information.

#### Update an Insurance Agent's Information

All data is provided by approved insurance providers operating under a reinsurance agreement with RMA. If you are an agent and any information is inaccurate or missing, you must contact the company you are affiliated with to submit your corrections to RMA.

Additions or changes properly submitted by insurance providers to RMA will be available on our web site by the following Sunday evening. It is the responsibility of these insurance providers to accurately maintain this information.

Agents with an interest in selling crop or livestock insurance should contact an approved insurance provider.

#### Information Tools

- Agent Locator
- Associated Agencies and Partners
- Chicago Mercantile Exchange Notice
- Crop Indemnity Maps
- Crop Weather
- Livestock Report
- Nursery Inventory Software EPLPPS
- Other Sites
- Price Discovery Reporting
- Reinsurance Reports
- Summary of Business

***Thank you!!***

## **USDA Risk Management Agency**

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