



United States
Department of
Agriculture

November 13, 2015

INFORMATIONAL MEMORANDUM

Farm and Foreign
Agricultural Services

TO: All Pacific Northwest Approved Insurance Providers

Risk
Management
Agency

FROM: Ben Thiel /S/
Director

Spokane
Regional Office

SUBJECT: Limited Irrigation Under the Whole Farm Revenue Protection (WFRP)
Policy

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BACKGROUND:

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The Spokane Regional Office has received concerns regarding how Approved Insurance Providers (AIPs) underwrite WFRP policies when drought conditions may limit irrigation.

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Section 21 "Causes of Loss" in the 2016 WFRP policy specifies the following:

- (b) If you are a carryover insured, natural causes that occurred during the previous insurance period that cause a loss of revenue for the current insurance period will also be covered, except for changes due to a reduction of the irrigation water supply that are known, or should be known, at the time the Farm Operation Report is filed.

ACTION:

AIPs are reminded that the WFRP policy provides protection for the expected revenue that will be produced on the farm during the insurance year. The insured amount of revenue is based on the expected farm plan for the insurance year and the historical revenue produced in the previous five (5) years as shown on the Schedule F farm tax records. If an input, such as irrigation water, used to produce a commodity is not available, then the expected revenue of the commodities that will be impacted by the lack of the input, such as reduced available water, must be decreased to reflect what can be produced that year. For example, under the WFRP policy, farms experiencing a reduction or lack of irrigation water, that is known or apparent prior to when the expected farm plan is submitted, must reduce the amount of acreage to be grown 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 Intended Farm Operation Report.

DISPOSAL DATE:

December 31, 2016.