



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

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%



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:

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

- 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



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

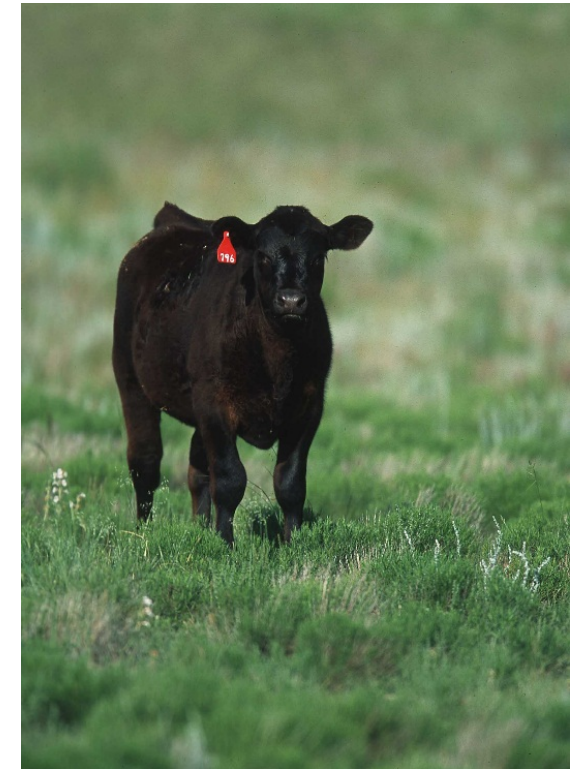
What causes a loss payment under WFRP?



- 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:
<http://www.rma.usda.gov/tools/agent.html>

Questions?

www.rma.usda.gov

