VSU VIRGINIA STATE College of Agriculture

small farm educational outreach program

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RISK MANAGEMENT PACKET

TO: Small, Socially Disadvantaged, Beginning, Veteran Farmers and Ranchers

FROM: VSU Small Farm Outreach Program (SFOP)

Enclosed in this packet, you will find a number of Risk Management materials that will enlighten you about risks that farmers face when farming. The packet provides information on production, crop insurance, marketing, financial, legal, human and general risks in the day-to-day management of a farming operation.

VSU-SFOP is sharing this packet with you to educate you on risk management practices that you could use, if applicable, on your farming operation. The materials in this packet is shared at our Risk Management Workshop and covers crop/livestock production, marketing, financial, legal and human resource.

This packet can be found on our Resource Center site https://vasmallfarmers.com/ and on our VCE site ext.vsu.edu site under the Agriculture and Natural Resources tab.

We hope that you will use this Risk Management packet to mitigate risks that farmers face wile farming.

For more information, please contact the VSU Small Farm Outreach Program at (804)524-3292.

Risk Management Glossary

USDA

United States Department of Agriculture

Risk Management Agency

Risk Management Glossary

Some risk management terms, explained.

As you read about risk management, you may sometimes wonder, "What do these terms mean?"

This glossary should help you understand a few of the more common terms or acronyms used. It is not meant to be a complete list of terms. If you have additional questions, you should contact a crop insurance agent. If you are unable to find an agent, you can go the the Risk Management Agency's agent locator at www3.rma.usda.gov/apps/agents/.

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A

Actual Production History (APH). Actual Production History is the most common plan of insurance under the Multiple Peril Crop Insurance, or MPCI, umbrella. It is the basis for determining your guarantee under either multi-peril crop insurance or revenue insurance policies. The APH is calculated as a 4- to 10-year simple average of your actual yield on the insured land. If you do not have records of actual yields, a "transitional yield" based on average yields in your county is used.

Actuarial soundness. This is an insurance term that describes a situation where indemnities paid, on average, are equal to total premiums collected.

Agricultural Risk Protection Act of 2000 (ARPA). This law provided $8.2 billion for insurance premium subsidies and $5.2 billion for market loss assistance payments for producers. Among its other effects, ARPA also modified the crop insurance premium subsidy structure, authorized pilot programs for new forms of insurance, expanded insurance fraud detection and enforcement, and dropped the area yield loss trigger in the NAP program.

Adjusted Gross Revenue-Lite (AGR-Lite). AGR-Lite is whole farm revenue insurance that covers almost all of the commodities produced on a farm. It is an individualized revenue insurance based on individual producer yields, quality, and marketing history that equals gross income.

B

Buy-up coverage. This refers to crop insurance coverage that exceeds the CAT (catastrophic) level. Coverage is available up to 75 percent of your expected yield or expected revenue (which is yield times price). In some areas, coverage up to 85 percent is available for some crops. You pay part of the premium, but government premium subsidy rates are now over 50 percent for most levels of coverage.

C

CAT coverage. CAT is short for "catastrophic," and refers to crop insurance coverage at the lowest, or catastrophic level. CAT coverage is set at the 50/55 level, which means that your yield must fall below 50 percent of your average yield before a loss is paid. These losses are paid at a rate of 55 percent of the highest price election. You must pay an administrative fee to become eligible to receive CAT coverage, but the government pays the entire premium.

Crop Revenue Coverage (CRC). CRC is the most widely available revenue protection policy. This policy guarantees an amount of revenue (based on your actual production history (APH) x commodity price), called the final guarantee.

Crop revenue insurance. Crop revenue insurance pays you indemnities based on gross revenue shortfalls instead of just yield or price shortfalls. Types of crop revenue insurance includes Crop Revenue Coverage (CRC), Revenue Assurance (RA) and Income Protection (IP). These programs are subsidized and reinsured by the USDA's Risk Management Agency.

Crop yield insurance. Also known as Actual Production History (APH) yield, crop yield insurance pays indemnities to producers when yields fall below the producer's insured yield level due to most natural causes. Crop yield insurance is subsidized by the USDA's Risk Management Agency.

D

Disaster payments. These are direct payments to farmers on an emergency basis when crop yields are abnormally low due to adverse growing conditions. During the 1970s, there was a "standing" disaster payments program, with payments made without declaration of a disaster area. Regular payments ceased after 1981, but since then ad hoc disaster payments have been specially approved by the U.S. Congress on a number of occasions.

Dollar Plan of Insurance. The Dollar Plan of Insurance lets you select one of several dollar amounts of insurance per acre prior to planting. For vegetable crops, fresh market corn, fresh market tomatoes (Florida only), and peppers are insurable under the Dollar Plan of Insurance.

E

Enterprise diversification. Diversification is a way to generate income from different crops and/or livestock activities that are not closely related in price, so that low income from some activities would likely be offset by higher income from others.

F

Fixed Dollar Plan of Insurance. The Fixed Dollar Plan of Insurance provides protection against declining revenues due to damage that causes a loss of yield and there is no price increase in the market. The pilot Chile Pepper program is based on the Fixed Dollar Plan of Insurance and is available in Cochise County, Arizona, and in Hidalgo and Luna Counties, New Mexico.

Forward contract. This is an agreement between two parties (such as you and someone who buys your products) that calls for delivery of, and payment for, a specified quality and quantity of a commodity (such as a particular crop) at a specified future date. The price may be agreed upon in advance, or determined by formula at the time of delivery or other point in time.

Forward pricing. This is when you agree on a price or a pricing formula for a commodity that will be delivered at a later date. "Forward pricing" is used broadly here to refer to both hedging with futures or options, and forward contracting.

Futures contract. This is an agreement to buy or sell a commodity of a standardized amount and quality during a specific month in the future, under terms established by the futures exchange, at a price established in the trading pit at the commodity futures exchange.

Futures option contract. This is a contract that gives the holder the right, though not the obligation, to buy or sell a futures contract at a specific price within a specified period of time, regardless of the market price of the futures contract when the option is exercised. Options provide protection against adverse price movements.

G

Group Risk Income Protection (GRIP). GRIP is based on the experience of the county rather than on individual farms, so APH is not required for this program. A GRIP policy includes coverage against potential loss of revenue resulting from a significant reduction in your county's yield or the commodity price of a specific crop.

Group Risk Plan (GRP). Like GRIP, GRP coverage is based on the experience of the county rather than on individual farms, so APH is not required for this program. GRP protects you in the event that your county's average per-acre yield or payment falls below your trigger yield.

Guarantee. Also called "yield guarantee" or "insurance guarantee", this is a promise of payment. In this context, it means the amount of money you will be paid in the event of a loss, according to the terms of your crop insurance contract.

H

Hedging. Hedging uses futures or options contracts to reduce the risk of adverse price changes prior to an anticipated cash sale or purchase of a commodity.

I

Income Protection (IP). IP is a revenue product that, based on your APH, protects you against a loss of income when prices and/or yields fall. While IP is similar to CRC, it does not have the increasing price function of CRC.

Indemnity. This is the compensation, or money you receive for qualifying losses paid under an insurance policy. The indemnity compensates for losses that exceed the deductible, up to the level of the insurance guarantee.

L

Leverage. Financial leverage refers to the use of borrowed funds to help finance a farm business. Higher levels of debt, relative to net worth, are generally considered riskier. The optimal amount of leverage depends on several factors, including farm profitability, the cost of credit, tolerance for risk, and the degree of uncertainty in income.

Liquidity. Liquidity refers to your ability to generate cash quickly and efficiently in order to meet financial obligations. Liquidity can be enhanced by holding cash, stored commodities, or other assets that can be converted to cash on short notice without incurring a major loss.

Loan Deficiency Payments (LDPs). These payments protect producers of several major commodities against revenue losses due to low prices.

M

Marketing contract. This is a contract between you and a processor or handler that establishes a marketing outlet and a price (or a formula for determining the price) for a commodity before harvest or before the commodity is ready to be marketed.

Multiple Peril Crop Insurance (MPCI). MPCI was established in the 1930s to cover yield losses from most natural causes. MPCI operated on a somewhat limited basis up through the early 1980s, when a private/public partnership was established. At that point, insurance availability was greatly expanded and premium subsidies increased in hopes of replacing the disaster payment program. Major reforms legislated in 1994—introduction of a low-cost CAT (catastrophic) coverage level, increased premium subsidies, and a requirement that participants in other farm programs obtain crop insurance—increased participation to over 200 million acres, covering the majority of acres of major field crops planted in the United States.

N

Non-Insured Crop Disaster Assistance Program (NAP). Crop insurance is not available for all commodities. NAP provides financial assistance to producers of many of these commodities if they experience a qualifying yield loss.

P

Premium. The amount of money you pay for risk protection. Option buyers pay a premium to option sellers for an options contract. Similarly, the person who buys an insurance policy pays a premium in order to obtain coverage.

Production contract. An agreement between you and a processor that usually details the production inputs supplied by both you and the processor, the quality and quantity of a particular commodity that is to be delivered, and compensation that you will be paid. In return for giving up control over decision making, you are often compensated with a price premium or lower market risk.

R

Revenue Assurance (RA). Revenue Assurance provides coverage to protect you against loss of revenue caused by low prices, low yields, or a combination of both.

Reinsurance. A method of transferring some of an insurer's risk to other parties. In the case of Federal crop insurance, USDA's Risk Management Agency shares the risk of loss with private insurance companies that deliver policies to producers. Private reinsurance also exists. In this case, a private reinsurer assumes responsibility for a share of the risk, in return for a share of the premiums.

Revenue insurance. Revenue insurance, a cousin to MPCI, was introduced after the 1994 reforms and has become the most popular form of insurance in some areas. Whereas crop insurance covers only yield losses, revenue insurance pays when gross revenue (yield times price) falls below a specified level. These programs are subsidized and reinsured by the Risk Management Agency.

Risk. Uncertainty about outcomes that are not equally desirable. Risk is an important aspect of the farming business. The uncertainties of weather, yields, prices, government policies, global markets, and other factors can cause wide swings in farm income. Risk management involves choosing among alternatives that reduce the financial effects of such uncertainties.

S

Subsidy. Money given by the government to help producers function.

T

Trigger yield. Under GRP, farmers receive payments any time the actual county yield drops below the trigger yield that the farmer chooses. The trigger yield can be 90, 85, 80, 75, or 70 percent of the expected county yield, which is based on the county's yield history since 1962. Expected county yields are adjusted for upward trends.

U

Uncertainty. Lack of sure knowledge or predictability.

Y

Yield. The amount of something, especially a crop, produced by cultivation or labor.

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USDA United States Department of Agriculture
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Risk Management Checklist

USDA

United States Department of Agriculture

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Risk Management Checklist

Print out this checklist. Answer yes or no to the following questions. Review your answers with your family and/or your business team and employees.

You may identify some risk exposure. On the other hand, you may find that you are protected against risk enough so that you have the resources to explore some new venture.

If you do not know all the dates in the "Deadlines" section, you should contact your crop insurance agent for help. If you need assistance locating an agent, go to the agent locator at rma.usda.gov/tools/agent.html.

RMA

Production

_______ 1. Have you recently evaluated your risk in the event of the loss of your crops?

_______ 2. Have you recently evaluated your risk in the event of the loss of your animals?

_______ 3. Have you investigated other alternative production methods and their consequences?

_______ 4. Do you have the necessary knowledge to consider an additional or alternative enterprise?

_______ 5. Is your crop insurance protection adequate to cover a severe crop loss?

_______ 6. Have you reviewed all of your crop insurance options with your agent?

_______ 7. Have you conducted a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis for your operation?

_______ 8. Are you in an area capable of supporting irrigation?

Marketing

_______ 1. Do you have a current, written marketing plan?

_______ 2. Have you coordinated your marketing plan with your goals and objectives and your financial and production plans?

3. Managing marketing risks:

   _______ a) Are you comfortable with your knowledge of marketing opportunities?

   _______ b) Have you reviewed your marketing options within the past 6 months?

   _______ c) Do you understand how crop insurance revenue guarantees can enhance marketing opportunities?

Financial

_______ 1. Do you have a current business plan?

_______ 2. Have you planned for a best-case scenario and developed a plan for how additional income will be used?

_______ 3. Have you planned for a worst-case scenario and considered an alternative plan?

_______ 4. Do you know your cost of production?

_______ 5. Do you know your break-even costs?

_______ 6. Do you have the knowledge to create a balance sheet, cash flow, and income statements?

_______ 7. Do you have the knowledge to interpret important financial ratios?

_______ 8. What is your debt-to-asset ratio?

_______ 9. Is the growth of your net worth exceeding inflation?

_______ 10. Have you reviewed your ratio trends with your lender?

11. Is your crop insurance protection adequate to:

   _______ a) Repay current operating loans?

   _______ b) Allow you to take advantage of marketing opportunities?

_______ 12. Have you reviewed your tax liability within the past 3 months to determine your tax strategies?

_______ 13. Have you investigated all of your potential financing options?

_______ 14. Have you investigated all available government programs?

_______ 15. Have you considered the trade-offs between maintaining your current investments (certificates of deposit/savings/etc.) and/or reinvesting in expanding your own operation?

_______ 16. Do you consult a financial management consultant, lender, accountant, insurance provider, or other professional when making major financial decisions?

_______ 17. Are you comfortable with your level of debt?

Legal

This list does not cover every legal risk exposure faced by farmers and ranchers, and is not meant as legal advice. You should consult an attorney to review your legal risk exposure.

______ 1. Is your will up to date?

______ 2. Do you have a living will?

______ 3. Do you have a farm transfer plan or exit strategy that has been reviewed within the past 3 years?

______ 4. Have you recently reviewed your farm owner's insurance policy?

5. Have you recently evaluated your risk exposure to:

   ______ a) Liability covering the public entering your property?

   ______ b) Liability of direct marketing?

   ______ c) Your State department of agriculture's direct marketing regulations?

   ______ d) Livestock breaking through fences?

   ______ e) Environmental and pesticide issues?

   ______ f) Land use issues with neighbors?

______ 6. Do you understand the provisions of all of your contracts, leases, and loans?

______ 7. Have you recently evaluated all the different business entity options for your operation?

______ 8. Do you have a working relationship with your attorney and accountant and have you reviewed your goals and objectives with each?

______ 9. Are you in compliance with such regulations as worker protection, pesticide use records, vehicle registrations, and necessary safety inspections?

Human

1. Is your personal insurance coverage current:

   ______ a) Do you have adequate medical and disability insurance?

   ______ b) Do you have adequate life insurance to cover your wishes and farm transfer at current values?

______ 2. Have you calculated your risk exposure to employee accidents or dishonesty?

______ 3. Have you provided all employees with comprehensive safety training?

______ 4. Do you have an employee handbook?

______ 5. Are your goals Specific, Measurable, Attainable, Reasonable, and Timed (SMART)?

______ 6. Have you conveyed the goals and objectives of the business to all family members, business team, and employees?

______ 7. Are your goals written?

______ 8. Is everyone in your family (or on your team) employed to the full extent of his or her education, training, and experience?

General

______ 1. Do you have a confident relationship with your risk management advisors?

______ 2. Do you have the knowledge to evaluate new technologies?

______ 3. Are you planning for your children's educational needs and are these savings protected?

______ 4. Are your savings for retirement on course with your plans?

______ 5. Do family members know the location of all important documents?

______ 6. Do you have the knowledge and skills to assess all areas and levels of risk?

______ 7. Are you constantly looking for ways to increase your profitability?

Crop, Revenue, and Livestock Insurance Deadlines

If you do not know all the dates in this section, you should contact your crop insurance agent for help.

_______ 1. Do you know all critical dates and sign-up deadlines?

2. **Sales closing date** — *last date to apply for coverage is:*

____

3. **Cancellation date** — *give notice if I do not want insurance next year:*

____

4. **Production reporting date** — *actual production history must be reported by:*

____

5. **Final planting date** — *if unable to plant, I must contact my agent by:*

____

6. **Acreage reporting date** — *I must report my acreage planted to my agent by:*

____

7. **Payment due date** — *interest charges will be incurred after:*

____

8. **Final date to file notice of crop damage** — *any perceived damage must be reported no later than:*

____

9. **End of insurance period** — *latest date of coverage for current year's crop:*

____

10. **Debt termination date** — *insurance coverage for next year will be canceled if payment is not made by:*

____

USDA United States Department of Agriculture
Risk Management Agency

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Veteran Farmer and Rancher Benefits for Federal Crop Insurance

USDA United States Department of Agriculture

Risk Management Agency Fact Sheet

Washington National Office — Washington.DC

May 2019

Veteran Farmer and Rancher Benefits for Federal Crop Insurance

Overview - Veteran Farmer and Rancher Benefits

Veteran Farmers and Ranchers are eligible for certain benefits designed to help you as you start your operation. These benefits include:

- Exemption from paying the administrative fee for catastrophic and additional coverage policies;
- Additional 10 percentage points of premium subsidy for additional coverage policies that have premium subsidy;
- Use of another person's production history for the specific acreage transferred to you that you were previously involved in the decision making or physical activities to produce the crop; and
- An increase in the substitute Yield Adjustment, which allows you to replace a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable transitional yield (T-Yield).

Benefit Availability

Veteran Farmer and Rancher benefits will be available beginning with crops having a December 20, 2018 sales closing date or later. It is important that you fill out the application provided by your crop insurance agent to be eligible for benefits. For the 2019 crop year, applications must be completed by June 1 or the acreage reporting date, whichever is later. Veteran Farmer and Rancher benefits for all other policies will be available beginning the 2020 crop year.

Who is Eligible? Qualification to be a Veteran Farmer or Rancher

To qualify for veteran farmer or rancher status you must be a military veteran and:

- You must be an individual. Business entities may receive benefits only if all of the substantial beneficial interest holders, who hold 10 percent or more of the business entity qualify as veteran farmers or ranchers. For example, a veteran moves home to take over the family farm and incorporates with his/her spouse and neither have previous farming experience. Their corporation would qualify as a veteran farmer or rancher for 5 crop years.

However, if a veteran moves home and forms a corporation with a parent, who has had an insurable interest in crops or livestock for more than 5 crop years, at 10 percent or greater, the corporation cannot receive Veteran Farmer and Rancher benefits. Although the veteran qualifies as a veteran farmer or rancher, the parent does not so the corporation cannot receive benefits; and

- You must not have actively operated and managed a farm or ranch anywhere, for more than 5 crop years; or
- You must have first obtained veteran status in the past 5 years.

How it Works - How to Apply for Benefits

For the 2019 crop year Federal crop insurance policy, you must apply for Veteran Farmer and Rancher benefits by June 1 or your Federal crop insurance policy's acreage reporting date, whichever is later. For the 2020 crop year crop and livestock insurance policies, you must apply for Veteran Farmer and Rancher benefits by your Federal crop or livestock insurance policy's sales closing date. You are required to identify any previous farming or ranching experience and your date of discharge or release from active military, naval, or air service in the Armed Forces. Talk to your crop insurance agent for more information.

Frequently Asked Questions

Question: How long can I be a Veteran Farmer or Rancher and keep my benefits?
Answer: Once you choose and qualify for Veteran Farmer and Rancher status, it is continuous until the earlier of:

- You have operated a farm or ranch for more than 5 crop years;
- You have been discharged from active military, naval or air service in the Armed Forces for more than 5 years;
- You exhaust 5 crop years of Veteran Farmer and Rancher benefits; or
- You cancel the Veteran Farmer and Rancher Application.

Question: What if my spouse is not a veteran? Does that affect whether I qualify as a Veteran Farmer or Rancher?
Answer: No, whether your spouse is a veteran does not impact whether you are considered a Veteran Farmer or Rancher.

Question: Does forming a business entity impact whether I qualify for Veteran Farmer or Rancher benefits? For example, if I am a Veteran Farmer or Rancher and I form a corporation with my brothers, who are not veterans, can the corporation receive Veteran Farmer or Rancher benefits?

Answer: Just forming an entity does not impact whether you are eligible to Veteran Farmer or Rancher benefits. However, for a business entity to be eligible for VFR benefits, all substantial beneficial interest (SBI) holders must meet VFR qualifications. In this example, the corporation would not qualify for these benefits.

Question: Can I receive both Veteran Farmer and Rancher benefits and Beginning Farmer and Rancher benefits?
Answer: No, you must choose to receive one or the other.

Question: What is the difference between Veteran Farmer and Rancher benefits and Beginning Farmer and Rancher benefits?
Answer: Although the criteria for qualifying as a Veteran Farmer and Rancher and a Beginning Farmer and Rancher are different, the benefits are the same.

Question: If I change my agent or insurance provider, can I keep my benefits? Do I have to complete a new application?
Answer: Yes, you can keep your benefits as long as you remain eligible. Changing an agent or insurance provider does not impact your eligibility. When you change agents or insurance providers you do not have to complete a new application. However, you must provide your new agent or insurance provider a copy of your previously completed Veteran Farmer and Rancher Application.

Question: Why did my yield substitution go to 60 percent of the T-Yield when it was 80 percent of the T-Yield before?
Answer: When you no longer qualify for Veteran Farmer and Rancher benefits, you will receive the same yield substitution as all other policyholders who are not Veteran Farmers or Ranchers. You will also no longer be exempted from paying the administrative fees for your policies and you will no longer receive an additional 10 percentage points of premium subsidy.

More Information - Find a Crop Insurance Agent

All Federal reinsured crop insurance policies are available from authorized crop insurance agents. A list of crop insurance agents is available at all USDA service centers and the RMA website on the Agent Locator Page: www.rma.usda.gov/Information-Tools/Agent-Locator-Page (/Information-Tools/Agent-Locator-Page) .

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This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

Whole Farm Revenue Protection

USDA United States Department of Agriculture

Risk Management Agency Fact Sheet

Washington National Office — Washington.DC

August 2019

Whole-Farm Revenue Protection

Whole-Farm Revenue Protection

Whole-Farm Revenue Protection (WFRP) provides a risk management safety net for all commodities on the farm under one insurance policy. This insurance plan is tailored for any farm with up to $8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.

Availability

WFRP is available in all counties in all 50 states.

Causes of Loss

WFRP provides protection against the loss of insured revenue due to an unavoidable natural cause of loss which occurs during the insurance period and will also provide carryover loss coverage if you are insured the following year. See the policy for a list of covered causes of loss.

Important Dates

Sales Closing, Cancellation, and Termination Dates

Calendar Year and Early Fiscal Year Filers.........
January 31, February 28, or March 15 (by county)
Late Fiscal Year Filers ....November 20

Revised Farm Operation Report Dates

All Filers ....July 15

Contract Change Date ....August 31

Talk to your crop insurance agent about the dates that apply for your county.

Insurance Period

Coverage is provided for the duration of the producer's tax year (the insurance period). The insurance period is a calendar year if taxes are filed by calendar year, or a fiscal year if taxes are filed by fiscal year.

Reporting Requirements

Revenue Losses - You must submit a notice of loss within 72 hours after discovery that revenue for the policy year could be below the insured revenue. Inspections may be required for losses. You must have filed farm taxes for the policy year before any claim can be made. You must make claims no later than 60 days after the date you submit farm tax forms to the Internal Revenue Service (IRS). Claim payments for a revenue loss under WFRP are paid within 30 days after the determination of a payment due as long as you are in compliance with the policy.

Coverage

WFRP protects your farm against the loss of farm revenue that you earn or expect to earn from:

- Commodities, including Industrial Hemp, you produce during the insurance period, whether they are sold or not;
- Commodities you buy for resale during the insurance period; and
- All commodities on the farm except timber, forest, and forest products; and animals for sport, show, or pets.

The policy also provides replant coverage:

- For annual crops, except Industrial Hemp and those covered by another Federal crop insurance policy;
- Equal to the cost of replanting up to a maximum of 20 percent of the expected revenue multiplied by your coverage level; and
- When 20 percent or 20 acres of the crop needs to be replanted.

The approved revenue amount is determined on your Farm Operation Report and is the lower of the expected revenue or your whole-farm historic average revenue. Coverage levels range from 50 percent to 85 percent. Catastrophic Risk Protection (CAT) coverage is not available.

The number of commodities produced on the farm are counted using a calculation that determines:

- If the farm has the diversification needed to qualify for the 80 and 85 percent coverage levels (there is a three commodity requirement);
- The amount of premium rate discount you will receive due to farm diversification; and
- The subsidy amount. Farms with two or more commodities will receive a whole-farm subsidy and farms with one commodity will receive a basic subsidy.

You can buy WFRP alone or with other buy-up level (additional coverage) Federal crop insurance policies. When you buy WFRP with another Federal crop insurance policy, the WFRP premium is reduced due to the coverage provided by the other policy. If you have other Federal crop insurance policies at catastrophic coverage levels you do not qualify for WFRP.

WFRP 'insured revenue' is the total amount of insurance coverage provided by this policy. Your crop insurance agent and approved insurance provider determine the farm's 'approved revenue' using the following information:

- Whole-Farm History Report;
- Farm Operation Report;
- Information regarding growth of the farm; and
- The coverage level you choose (50-85 percent) multiplied by the approved revenue is the insured revenue amount.

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

The Commodity Count in the table above is a measure of the farm's diversification, determined by the policy. The calculation determines the minimum proportion of revenue a commodity must contribute to the farm to be considered a commodity for WFRP. A farm's revenue would be evenly distributed if an equal percentage of revenue came from each commodity produced, for example, 25 percent from corn, 25 percent from soybeans, 25 percent from spinach, and 25 percent from carrots. The minimum proportion to be considered a countable commodity is one-third of that amount. In this example, for corn, soybeans, spinach, or carrots to each county, each commodity would have to make up at least 8.3 percent of the total revenue of the farm to count as a commodity under WFRP. Commodities with revenue below the minimum will be grouped together in order to recognize farm diversification (this will make the commodity count higher). The Maximum Farm Approved Revenue represents the maximum approved revenue for a farm to be eligible for WFRP given the $8.5 million maximum liability allowed.

Eligibility

Eligibility for WFRP coverage requires you to:

- Be eligible to receive Federal benefits;
- Be a U.S. citizen or resident;
- File either a Schedule F tax form or other farm tax form that can be converted to a Substitute Schedule F for a specified number of years (see "Information You Provide" below);
- Have no more than $8.5 million in insured revenue, which is the farm revenue allowed to be insured under the policy multiplied by the coverage level you select (see table above)
    - Coverage of expected revenue from animals and animal products is limited to $2 million;
    - Coverage of expected revenue from greenhouse and nursery is limited to $2 million;
- Have no more than 50 percent of total revenue from commodities purchased for resale;
- Have 'buy-up' coverage levels on any Federal crop insurance plans you choose in addition to the WFRP insurance plan;
- Meet the diversification requirements of the policy by having two or more commodities if a commodity you are raising has revenue protection or actual revenue history insurance available; and
- Meet the diversification requirements of the policy by having two or more commodities if there are potatoes on the farm.

Information You Provide

There are certain documents you must provide to your crop insurance agent to get Whole-Farm Revenue Protection insurance. For the Whole-Farm History Report you must provide:

- Five consecutive years of Schedule F or other farm tax forms (it must be possible to complete a Substitute Schedule F form if you filed farm tax forms other than Schedule F). For the 2020 policy year, tax forms from 2014-2018 are required except:
  - If you qualify as a Beginning or Veteran Farmer or Rancher (BFR/VFR) or qualified as a BFR/VFR in the previous year under our procedures, you may qualify with 3 consecutive years (4 years if qualified the previous year) of Schedule F or other farm tax forms if you also farmed during the past year (it must be possible to complete a Substitute Schedule F form if you filed farm tax forms other than Schedule F). For the 2020 policy year, tax forms from 2016-2018 (2015-2018 if qualified as a BFR/VFR the previous year) are required and you also must have farmed during 2019;
  - If you were physically unable to farm for 1 of the 5 required historic years but were farming the past year, you may qualify; or
  - If you are a tax-exempt entity (such as a Tribal entity) and have acceptable third party records available that can be used to complete Substitute Schedule F tax forms for the 5 year history.
- Information supporting expansion if you want the farm to be considered as an expanding operation due to the farm operation physically expanding last year or the coming year, including increased acres, added equipment such as a greenhouse, new varieties or planting patterns, or anything else that expands production capacity (other than just a change in price); and
- Any supporting information required, including other signed tax forms, to show the farm tax forms are accurate and were filed with the IRS.

Growing Farm Operations

Operations that have been expanding over time may be allowed to increase their approved revenue amount based on an indexing procedure, or, if you can show that your operation has physically expanded (land, animals, facilities, or production capacity) so it has the potential to produce up to 35 percent more revenue than the historic average, your insurance company may approve your operation as an expanding operation to reflect that growth in the insurance guarantee.

Prices and Yields

Prices used to value commodities must be based on the guidelines for prices in the policy. Organic prices that meet the policy requirements are allowed for valuing organic commodities. Yields used for commodities must be established based on the guidelines for yields in the policy.

Market Readiness Operations and Post Production Costs

Market readiness operations such as on-farm activities that occur in or near the field and are the minimum needed to remove the commodity from the field and make it market ready can be left in the allowable revenue and expenses. The cost from all other post production operations not considered market readiness operations must be removed from the allowable revenue and expenses, including activities that increase the value of a commodity such as canning, freezing, and processing activities.

Losses

Claims are settled after taxes are filed for the policy year. A loss under the WFRP policy occurs when the WFRP revenue-to-count for the insured tax year falls below the WFRP insured revenue. Revenue-to-count for the insured tax year is:

- Revenue from the tax form that is 'approved revenue' according to the policy;
- Adjusted by excluding inventory from commodities sold that were produced in previous years;
- Adjusted by including the value of commodities produced during the tax year that have not yet been harvested or sold; and
- Any other adjustments required by the policy such as those from uninsured causes of loss.

If the farm operation does not have expenses during the insurance period of at least 70 percent of the "approved expenses" the insured revenue amount will be reduced by one percent for each percentage point the actual approved expenses are below 70 percent of the approved expenses.

Premium Subsidy

Farms with two or more commodities will receive a whole-farm premium subsidy as long as the minimum diversification requirements are met. Farms with one commodity will receive the basic level of premium subsidy.

Buying Whole-Farm Revenue Protection

You can buy Whole-Farm Revenue Protection from a crop insurance agent by the sales closing date shown for each county in the actuarial documents at webapp.rma.usda.gov/apps/actuarialinformationbrowser/ (https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/) . A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/en/Information-Tools/Agent-Locator-Page (/Information-Tools/Agent-Locator-Page) .

Whole Farm Revenue Protection: Guidance for Lenders

USDA United States Department of Agriculture

Risk Management Agency Fact Sheet

Washington National Office — Washington DC

August 2019

Whole-Farm Revenue Protection Guidance for Lenders

Whole-Farm Revenue Protection

Whole-Farm Revenue Protection (WFRP) is a federally- reinsured insurance product that provides a risk management safety net for all commodities on the farm under one insurance policy. This insurance plan is tailored for any farm with up to $8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.

Availability

WFRP is available in all counties in all 50 states.

Insurance Period

Coverage is provided for the duration of the producer's tax year (the insurance period). The insurance period is a calendar year if taxes are filed by calendar year, or a fiscal year if taxes are filed by fiscal year.

Coverage

WFRP protects farms against the loss of farm revenue the farm earns or expects to earn from:

- Commodities, including Industrial Hemp, produced during the insurance period, whether they are sold or not;
- Commodities purchased for resale during the insurance period; and
- All commodities on the farm except timber, forest, and forest products; and animals for sport, show, or pets.

The policy also provides replant coverage:

- For annual crops, except Industrial Hemp and those covered by another Federal crop insurance policy;
- Equal to the cost of replanting up to a maximum of 20 percent of the expected revenue multiplied by coverage level; and
- When 20 percent or 20 acres of the crop needs to be replanted.

The approved revenue amount is the lower of the expected revenue or the allowable whole-farm historic average revenue. Coverage levels range from 50 percent to 85 percent. Catastrophic Risk Protection (CAT) coverage is not available.

Farm diversification is calculated to determine:

- If the farm has the diversification needed to qualify for the 80 and 85 percent coverage levels (there is a three-commodity requirement);
- The amount of premium rate discount to account for the lower risk due to farm diversification; and
- The subsidy amount:
  - Farms with two or more commodities receive whole-farm subsidy.
  - Farms with one commodity receive a basic subsidy.

WFRP insurance can be purchased alone or with other buy- up level (additional coverage) Federal crop insurance policies. When WFRP is purchased with another Federal crop insurance policy, the WFRP premium is reduced due to the coverage provided by the other policy. If the producer has other Federal crop insurance policies at catastrophic coverage levels they do not qualify for WFRP.

WFRP 'insured revenue' is the total amount of insurance coverage provided by this policy. The crop insurance agent and approved insurance provider determine the farm's 'approved revenue' using the following information:

- Whole-Farm History Report;
- Farm Operation Report;
- Information regarding growth of the farm; and
- The coverage level (50-85 percent) multiplied by the approved revenue is the insured revenue amount.

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

The Commodity Count in the table above is a measure of the farm's diversification, determined by the policy. The calculation determines the minimum proportion of revenue a commodity must contribute to the farm to be considered a commodity for WFRP. A farm's revenue would be evenly distributed if an equal percentage of revenue came from each commodity produced, for example, 25 percent from corn, 25 percent from soybeans, 25 percent from spinach, and 25 percent from carrots. The minimum proportion to be considered a countable commodity is one-third of that amount. In this example, for corn, soybeans, spinach, or carrots to each county, each commodity would have to make up at least 8.3 percent of the total revenue of the farm to count as a commodity under WFRP. Commodities with revenue below the minimum will be grouped together to recognize farm diversification (this will make the commodity count higher). The Maximum Farm Approved Revenue represents the maximum approved revenue for a farm to be eligible for WFRP given the $8.5 million maximum liability allowed.

Producer Eligibility

Eligibility for WFRP coverage requires the producer to:

- Be eligible to receive Federal benefits;
- Be a U.S. citizen or resident;
- File either a Schedule F tax form or other farm tax form that can be converted to a Substitute Schedule F for a specified number of years (see information producers provide below);
- Have no more than $8.5 million in insured revenue, which is the farm revenue allowed to be insured under the policy multiplied by the coverage level producers select (see table on page 1)
    - Coverage of expected revenue from animals and animal products is limited to $2 million;
    - Coverage of expected revenue from greenhouse and nursery is limited to $2 million;
- Have no more than 50 percent of total revenue from commodities purchased for resale;
- Have 'buy-up' coverage levels on any Federal crop insurance plans purchased.
- Meet the diversification requirements of the policy by having two or more commodities, if the farm has a commodity that has revenue protection or actual revenue history insurance available; and
- Meet the diversification requirements of the policy by having two or more commodities, if there are potatoes on the farm.

Producer Information Required

Producers must provide the following documents, similar to what would be necessary for a farm loan, to a crop insurance agent to get Whole-Farm Revenue Protection insurance:

- Five consecutive years of Schedule F or other farm tax forms (it must be possible to complete a Substitute Schedule F form if the producer filed farm tax forms other than Schedule F). For the 2019 policy year, tax forms from 2014-2018 are required except:
    - If a producer qualifies as a Beginning or Veteran Farmer or Rancher (BFR/VFR) or qualified as a BFR/VFR in the previous year under our procedures, they may qualify with 3 consecutive years (4 years if qualified the previous year) of Schedule F or other farm tax forms if they also farmed during the past year (it must be possible to complete a Substitute Schedule F form if the producer filed farm tax forms other than Schedule F). For the 2020 policy year, tax forms from 2016-2018 (2015-2018 is qualified as a BFR/VFR the previous year) are required and the producer also must have farmed during 2019;
    - If a producer was physically unable to farm for 1 of the 5 required historic years but farmed the past year, they may qualify; or
    - If a producer is a tax exempt entity (such as a Tribal entity) and has acceptable third party records available that can be used to complete Substitute Schedule F tax forms for the 5 year history.
- Information supporting expansion if the producer wants the farm to be considered as an expanding operation due to the farm operation physically expanding last year or the coming year, including increased acres, added equipment such as a greenhouse, new varieties or planting patterns, or anything else that expands production capacity (other than just a change in price); and
- Any other supporting information required, including other signed tax forms, to show the farm tax forms are accurate and were filed with the IRS.

Growing Farm Operations

Operations that have been expanding over time may be allowed to increase their approved revenue amount based on an indexing procedure, or, if the producer can show that the operation has physically expanded (land, animals, facilities, or production capacity) so it has the potential to produce up to 35 percent more revenue than the historic average, the insurance company may approve the operation as an expanding operation to reflect that growth in the insurance guarantee.

Prices and Yields

Prices used to value commodities must be based on the guidelines for prices in the policy. Organic prices that meet the policy requirements are allowed for valuing organic commodities. Yields used for commodities must be established based on the guidelines for yields in the policy.

Market Readiness Operations and Post Production Costs

Federal crop insurance is generally allowed to cover commodities to the edge of the field. However, market readiness operations such as on-farm activities that occur in or near the field and are the minimum needed to remove the commodity from the field and make it market ready can be left in the allowable revenue and expenses. The cost from all other post production operations not considered market readiness operation must be removed from the allowable revenue and expenses, including activities that increase the value of a commodity such as canning, freezing, and processing activities.

Losses

Replant payments are made within 30 days of a replant claim, upon agreement to the amount by the Approved Insurance Provider and the producer.

Claims are settled after taxes are filed for the insurance year. A loss under the WFRP policy occurs when the WFRP revenue-to-count for the insured year falls below the WFRP insured revenue. Revenue-to- count for the insured year is:

- Revenue from the tax form for the insured year that is 'approved revenue' according to the policy;
- Adjusted by excluding inventory from commodities sold that were produced in previous years;
- Adjusted by including the value of commodities produced that have not yet been harvested or sold; and
- Any other adjustments required by the policy such as those from uninsured causes of loss.

If the farm operation does not have expenses during the insurance year of at least 70 percent of the "approved expenses" the insured revenue amount will be reduced by one percent for each percentage point the actual approved expenses are below 70 percent of the approved expenses.

Causes of Loss

WFRP provides protection against the loss of insured revenue due to an unavoidable natural cause of loss which occurs during the insurance period. WFRP will also provide carryover loss coverage if the producer is insured the following year. See the policy for a list of covered causes of loss.

When Claims are Made and Paid

Claims may be assigned to creditors, as determined by the producer. Claims can be made any time after farm tax forms are submitted to the Internal Revenue Service (IRS). However, they must be made no later than 60 days after the date a producer's farm tax forms are submitted to the IRS. Claim payments for a revenue loss under WFRP are paid within 30 days after the determination of a payment due as long as the producer is in compliance with the policy.

Important Dates

Sales Closing, Cancellation, Termination Dates

Calendar Year and Early Fiscal Year Filers.........
January 31, February 28, or March 15 (by county)
Late Fiscal Year Filers..................November 20

Revised Farm Operation Report Date

All Filers...July 15

Premium Subsidy

Farms with two or more commodities will receive a whole-farm premium subsidy as long as the minimum diversification requirements are met. Farms with one commodity will receive the basic level of premium subsidy.

Buying Whole-Farm Revenue Protection

Whole-Farm Revenue Protection is available for sale from a crop insurance agent by the sales closing date shown for each county and tax filer type in the actuarial documents at webapp.rma.usda.gov/apps/actuarialinformationbrowser/ (https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/) . A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/en/Information-Tools/Agent-Locator-Page (/Information-Tools/Agent-Locator-Page) .

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This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent

20250-9410. Or call toll free at (866) 632- 9992 (voice) to obtain additional information, the appropriate office or to request documents. Individuals who are deaf, hard of hearing, or have speech disabilities may contact USDA through the Federal Relay service at (800) 877-8339 or (800) 845-6136.

Corn

USDA United States Department of Agriculture

Risk Management Agency Fact Sheet

2018 Crop Year

Raleigh Regional Office — Raleigh,NC

February 2018

Corn

Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia

Crop Insured

All corn grown in the county on insurable acreage is insurable if:

- Premium rates are provided either as grain or silage; and
- You have a share.

Counties Available

See your state's actuarial documents at Actuarial Information Browser (https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/) for insurable counties. Corn may be insurable in other counties by written agreement if specific criteria are met. Contact a crop insurance agent for more details.

Causes of Loss

You are protected against the following:

- Adverse weather conditions, including natural perils such as hail, frost, freeze, wind, drought, and excess precipitation;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if caused by an insured peril during the insurance period;
- Insect damage and plant disease, except for insufficient or improper application of control measures; or
- Wildlife.

Insurance Period

Coverage begins on the later of the date we accept your application or the date when the crop is planted, and ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest of the unit;
- Final adjustment of a loss;
- Abandonment of the crop;
- October 20, for silage; or
- December 10, for grain.

Important Dates

Sales Closing Date - NC
Sales Closing .... February 28, 2018
Date - Other States
Acreage Reporting .... March 15, 2018
Date .... July 15, 2018

Final planting dates vary by county. Consult your crop insurance agent or for more information see Agent Locator (/en/Information-Tools/Agent-Locator-Page) .

Reporting Requirements

You must file a report of planted acreage with your crop insurance agent by the acreage reporting date. Since acreage reporting dates vary by crop and county, consult your crop insurance agent or see The information tools. (/en/Information-Tools)

Duties in the Event of Damage or Loss

Notice of Loss - If a loss occur s you must:

- Protect the crop from further damage by providing sufficient care;
- Notify your crop insurance agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); and
- Leave representative samples intact for each field of the damaged unit.

Price Elections

The Commodity Exchange Price Provisions (CEPP) contain information necessary to derive the projected price and the harvest price for the insured crop. The projected price is used to calculate the premium, replant payment, and any prevented planting payment. The harvest price is used to value production-to-count under the Revenue Protection and the Revenue Protection with Harvest Price Exclusion plans. The CEPP includes the price discovery period, release dates, board of trade used, and additional pricing information. The silage harvest price equals the projected price. Contact a crop insurance agent or for more information see the Price Discovery Tool. (https://prodwebnlb.rma.usda.gov/apps/PriceDiscovery)

Coverage Levels and Premium Subsidies

The premium subsidy percentages and available coverage levels are shown below. Your share of the premium will be 100 percent minus the subsidy amount.

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Premium Share	33	36	36	41	41	45	52	62

Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of $300.

Coverage Options

You may buy crop insurance coverage under one of three insurance plans offered: Revenue Protection, Revenue Protection with Harvest Price Exclusion, or Yield Protection. Additional Options available are Supplemental Coverage Option, Trend Adjusted Yield Option, and Yield Exclusion.

Insurance Units

Basic, optional, enterprise, and whole farm unit structures are available in corn program counties. Premium discounts apply for basic, enterprise, and whole farm units. Additional subsidy is available for enterprise and whole farm units. Yield protection is not available for the whole farm unit structure.

Late and Prevented Planting

These provisions provide protection on acreage planted after the final planting date or that cannot be planted. Consult a crop insurance agent for details.

Loss Example

Assume corn with an approved yield of 90 bushels per acre, 75 percent coverage level, $3.96 projected price, $3.49 harvest price, and 40 bushels produced. For Revenue Protection, the insurance guarantee is equal to the production guarantee multiplied by the greater of the projected price or the harvest price. In this example, the Revenue Protection harvest guarantee is $267.30 (67.5 bushels per acre guarantee multiplied by $3.96 projected price).

Yield Protection			Revenue Protection	
	90	Approved yield per acre		90
X	0.75	Coverage level	X	0.75
	67.50	Acre guarantee		67.50
X	$3.96	Projected price	X	$3.96
	$267.30	Insurance guarantee		$267.30
	40	Bushels produced		40
X	$3.96	Harvest price	X	$3.49
	$158.40	Production-to-count value		$139.60
	$267.30	Insurance guarantee		$267.30
-	$158.40	Production-to-count value	-	$139.60
	$108.90	**Indemnity per acre**		**$127.70**

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at Agent Locator. (/en/Information-Tools/Agent-Locator-Page)

Regional Office

Visit > (/en/RMALocal/Field-Offices/Regional-Offices/Raleigh-North-Carolina-Regional-Office-Page)

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This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent

Fresh Market Beans

USDA United States Department of Agriculture

Risk Management Agency Fact Sheet

2018 Crop Year

Raleigh Regional Office — Raleigh,NC

December 2017

Fresh Market Beans

New York, North Carolina, Virginia

Crop Insured

All fresh market beans are insurable if:

- A premium rate is provided by the actuarial documents;
- You have a share; and
- They are grown by a person who has grown fresh market beans for at least four crop years in the county in which the crop will be insured.

Fresh market beans grown for direct marketing are not insurable.

Counties Available

Fresh market beans are insurable in the following counties only:

New York - Allegany, Cayuga, Genesee, Her kimer , Monroe, Oneida, Orleans, Steuben, and Yates counties.

North Carolina - Chowan, Hyde, Tyrell, and Washington counties.

Virginia - Accomack and Northampton counties.

Fresh market beans may be insurable in other counties by written agreement if specific criteria are met. Contact a crop insurance agent for more details.

Causes of Loss

You are protected against the following:

- Adverse weather conditions, including natural perils such as hail, frost, freeze, wind, drought, and excess precipitation;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if caused by an insured peril during the insurance period;
- Insect damage and plant disease, except for insufficient or improper application of control measures; or
- Wildlife.

Insurance Period

Insurance coverage begins on the later of the date we accept your application or the date when the crop is planted, and ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest of the unit;
- Final adjustment of a loss;
- Abandonment of the crop;
- The date harvest should have started on the unit for any acreage that will not be harvested;
- 65 days after the date of planting (or replanting if applicable); or
- The calendar date contained in the crop provisions or special provisions for the end of insurance period.

Important Dates

Spring-planted

Sales Closing Date .... March 15, 2018

Acreage Reporting Date

North Carolina .... May 15, 2018

Virginia ... . June 15, 2018

New York .... August 15, 2018

Fall-planted

Sales Closing Date

North Carolina & Virginia .... March 15, 2018

Acreage Reporting Date

North Carolina & Virginia ... September 15, 2018

Reporting Requirements

For each planting period you must report the date all of the acreage was planted on or before the acreage reporting date contained in the actuarial documents for that planting period.

Duties in the Event of Damage or Loss

Notice of Loss - If a loss occurs you should:

- Protect the crop from further damage by providing sufficient care;
- Notify your crop insurance agent within 72 hours of your initial discovery of damage; and
- Leave representative samples intact for each field of the damaged unit.

Definitions

Carton - Thirty pounds avoirdupois weight.

Maximum Allowable Acreage - 110 percent of the greatest number of acres of planted fresh market beans in which you had a share in any of the previous 3 crop years.

Over-planting Factor - A factor that is always 1.000 or less and is used to adjust your production guarantee (per acre) when you plant more acres of fresh market beans than your maximum allowable acreage. This factor is determined by dividing the maximum allowable acreage by the acres planted.

Coverage Levels and Premium Subsidies

Insurance is provided against a decline in your average actual production history (APH) yield due to the perils named in the Causes of Loss section. Coverage levels range from 50 to 75 percent of your average yield and are subsidized as shown in the table below.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of $300.

Price Elections

Prices used to calculate your premium and indemnity.

Established Price .... $13.85 per carton

CAT Price .... $7.62 per carton

Unit Division

Fresh market beans are insured as enterprise units only. All insured acreage of the crop in the county is insured as one unit. If your county has separate fall and spring planting periods, these will be insured as separate enterprise units.

Late and Prevented Planting

Late and prevented planting provisions do not apply.

Loss Example

Assume fresh market beans with an APH yield of 140 cartons, 75 percent coverage level, 100 percent share, and one enterprise unit.

	140	APH yield per acre
X	0.75	Coverage level
	105	Acre guarantee
-	53	Production-to-count
	52	Loss per acre
X	$13.85	Price election
	$720	**Indemnity per acre**

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at Agent Locator. (/Information-Tools/Agent-Locator-Page)

Regional Office

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Fresh Market Sweet Corn

USDA United States Department of Agriculture

Risk Management Agency Fact Sheet

2018 Crop Year

Raleigh Regional Office — Raleigh,NC

February 2018

Fresh Market Sweet Corn

Virginia

Crop Insured

Fresh market sweet corn is insurable if:

- It is planted to be harvested and sold as fresh market sweet corn, including non-irrigated acreage; and
- You have grown sweet corn for commercial sale or participated in managing a sweet corn farming operation in at least 1 of the 3 previous crop years.

Counties Available

Fresh market sweet corn is available in Hanover and New Kent counties. Fresh market sweet corn may be insurable in other counties if specific criteria are met. Contact a crop insurance agent for more details.

Causes of Loss

You are protected against the following:

- Adverse weather conditions, including natural perils such as hail, frost, freeze, wind, drought, and excess precipitation;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if caused by an insured peril during the insurance period;
- Insect damage and plant disease, except for insufficient or improper application of control measures; or
- Wildlife.

Insurance Periods

Coverage begins on the later of the date we accept your application or the date when the crop is planted. Coverage ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest of the unit;
- Final adjustment of a loss;
- Abandonment of the crop; or
- September 5

Important Dates

Sales Closing Date........................March 15,2018
Acreage Reporting Date..................July 15, 2018

Reporting Requirements

An acreage report is a report of all insured acreage of fresh market sweet corn. A report must be submitted to your crop insurance agent on or before the appropriate acreage reporting date.

Duties in the Event of Damage or Loss

Notice of Loss-If a loss occurs you should:

- Protect the crop from further damage by providing sufficient care;
- Notify your crop insurance agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); and
- Give notice at least 15 days before any production will be sold by direct marketing.

Definitions

Allowable Cost-An amount, not to exceed $3.05 per container, for harvesting and marketing costs (such as picking, hauling, packing, and shipping) is subtracted from the price received for each container of sweet corn to determine value of sold production.
Container-Fifty ears of fresh market sweet corn.
Minimum Value-A minimum value of $3.40 per container is applied to any sold production that is valued at less than $3.40 after subtracting the allowable cost. Unsold appraised production is also valued at the minimum value.
Reference Maximum Dollar Amount - The value per acre established for the state. Your guarantee is derived from multiplying the reference maximum dollar amount by the level of coverage (see Coverage Levels section and table).

Coverage Levels

Instead of guaranteeing production, the policy guarantees a dollar amount of coverage, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below. For example, if you select the 75 percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Reference Maximum Dollar Amount = $860

Coverage Level	Coverage Amount	Subsidy %	Your Premium Share
CAT	$237	100	0
50	$430	67	33
55	$473	64	36
60	$516	64	36
65	$559	59	41
70	$602	59	41
75	$645	55	45

Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of $300.

Stage Guarantees

In the event of a covered cause of loss, the indemnity is reduced if damage occurs during the first stage of growth, as shown below. This reduction in guarantee reflects the absence of harvesting costs and certain other crop maintenance expenses that will not be incurred if the crop is not carried to harvest.

Stage	Interval	Percent of Guarantee
1	From planting through the beginning of tasseling (i.e., when the tassel becomes visible above the whorl).	65
Final	From tasseling until the acreage is harvested.	100

Loss Example

A loss occurs when the crop value falls below the guaranteed dollar amount because of damage from a covered cause of loss. Assume a dollar guarantee of $559 per acre at the 65 percent coverage level, 50 containers of sweet corn per acre produced and sold for $8 each, and an allowable cost of $3.05 per container. The net value of $4.95 per container ($8-
$3.05) gives a production value of $248 per acre (50 containers x $4.95).

	$559	Dollar amount of coverage per acre
-	$248	Production value per acre
	$311	**Indemnity per acre**

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at Agent Locator. (/Information-Tools/Agent-Locator-Page)

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This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent

Beginning Farmer and Rancher Benefit for Crop Insurance

USDA United States Department of Agriculture

Risk Management Agency Fact Sheet

Washington National Office — Washington,DC

May 2019

Beginning Farmer and Rancher Benefits for Crop Insurance

Overview - Beginning Farmer and Rancher Benefits

Beginning farmers and ranchers are eligible for certain benefits designed to help you as you start your operation. These benefits include:

- Exemption from paying the administrative fee for catastrophic and additional coverage policies;
- Additional 10 percentage points of premium subsidy for additional coverage policies that have premium subsidy;
- Use of another person's production history for the specific acreage transferred to you that you were previously involved in the decision making or physical activities to produce the crop; and
- An increase in the substitute Yield Adjustment, which allows you to replace a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable transitional yield (T-Yield).

Benefit Availability

For the current reinsurance year, Beginning Farmer and Rancher benefits will be available with crops having a June 30 contract change date or later. It is important that you fill out the application provided by your crop insurance agent to be eligible for benefits.

Who Is Eligible? Qualification to be a Beginning Farmer or Rancher

To qualify for beginning farmer or rancher status:

- You must be an individual. Business entities may receive benefits only if all of the substantial beneficial interest holders (10 percent or more) of the business entity qualify as beginning farmers or ranchers. For example, a son moves home to take over the family farm and incorporates with his spouse and neither have previous farming experience. Their corporation would qualify as a beginning farmer/rancher. However, if a son moves home and forms a corporation with his father, who has had an insurable interest in crops or livestock for more than 5 crop years, the corporation cannot receive Beginning Farmer and Rancher benefits. Although the son qualifies as a beginning farmer or rancher, the father does not so the corporation cannot receive benefits; and
- You must not have actively operated and managed a farm or ranch anywhere, with an insurable interest in any crop or livestock for more than 5 crop years (10 years for Whole-Farm Revenue Protection (WFRP). This includes an insurable interest as an individual or as a substantial beneficial interest holder (10 percent or more) in another person who has an insurable interest in any crop or livestock. You may exclude a crop year's insurable interest if you were under the age of 18, enrolled in post-secondary studies (not to exceed 5 crop years) or on active duty in the U.S. military.

How It Works - How to Apply for Benefits

You must apply for Beginning Farmer and Rancher benefits by your Federal crop insurance policy's sales closing date. You are required to identify any previous farming or ranching experience and any exclusionary time periods you were under the age of 18, in post-secondary education, or active duty military. Talk to your crop insurance agent for more information.

Frequently Asked Questions

Question: What if I had beef cow-calf pairs as my 4-H project while in high school? Is that considered an insurable interest in livestock and would it count towards the 5 crop years (10 crop years for WFRP) of insurable interest for Beginning Farmer and Rancher benefits?
Answer: Owning cow-calf pairs would be considered an insurable interest in a crop or livestock. However, you may exclude any crop years of insurable interest in a crop or livestock from consideration for Beginning Farmer and Rancher benefit eligibility if the insurable interest was while you were under the age of 18 (including the crop year you turn 18), while on full time active duty in the U.S. military, or while in a post-secondary education program (the post-secondary education exclusion cannot exceed 5 years).

Question: Why is the definition of beginning farmer or rancher for crop insurance different from other USDA agencies?
Answer: Section 11016 of the Agricultural Act of 2014 provided a definition, along with specific benefits, for beginning farmers and ranchers unique to the Federal crop insurance program; accordingly, other USDA agencies may have different qualifying criteria and benefits for their programs.

Question: How long can I be a beginning farmer or rancher and keep my benefits?
Answer: Once you have 5 crop years (10 crop years for WFRP) of insurable interest in a crop or livestock, including having a substantial beneficial interest (10 percent interest) in another person who has an insurable interest in a crop or livestock, you are no longer entitled to Beginning Farmer and Rancher status. Once you choose and qualify for Beginning Farmer and Rancher status, it is continuous until the earlier of:

- You have had an insurable interest in a crop or livestock for more than 5 crop years (10 crop years for WFRP);
- 5 crop years of Beginning Farmer and Rancher benefits are exhausted; or
- You cancel the Beginning Farmer and Rancher Application.

Question: If I change my agent or insurance provider can I keep my benefits? Do I have to complete a new application?
Answer: Yes, you can keep your benefits as long as you remain eligible. Changing an agent or insurance provider does not impact your eligibility. When you change agents or insurance providers you do not have to complete a new application. However, you must provide your new agent or insurance provider a copy of your previously completed Beginning Farmer and Rancher Application.

Question: I am attending classes at night at the local college yet I want Beginning Farmer and Rancher premium subsidy benefits now. Do I have to wait until I graduate or stop attending class?
Answer: No, you can receive benefits while attending college or university if you do not want to exclude those years from consideration of the Beginning Farmer and Rancher 5 crop years of insurable interest.

Question: Why did my yield substitution go to 60 percent of the T-Yield when it was 80 percent of the T-Yield before?
Answer: When you no longer qualify for Beginning Farmer and Rancher benefits, you will receive the same yield substitution as all other policyholders who are not beginning farmers or ranchers. You will also no longer be exempted from paying the administrative fees for your policies and you will no longer receive an additional 10 percentage points of premium subsidy.

More Information - Find a Crop Insurance Agent

All multi-peril crop insurance, including Catastrophic Risk Protection policies, are available from crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at rma.usda.gov/Information-Tools/Agent-Locator-Page (/Information-Tools/Agent-Locator-Page) .

To download copies of this fact sheet and others, visit our online publications/fact sheets page at rma.usda.gov/Topics/National-Fact-Sheets (/Topics/National-Fact-Sheets) .

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means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, complete, sign and mail a program discrimination complaint form, (available at any USDA office location or online at www.ascr.usda.gov), to: United States Department of Agriculture; Office of the Assistant Secretary for Civil Rights, 1400 Independence Ave., SW, Washington, DC 20250-9410. Or call toll free at (866) 632- 9992 (voice) to obtain additional information, the appropriate office or to request documents. Individuals who are deaf, hard of hearing, or have speech disabilities may contact USDA through the Federal Relay service at (800) 877-8339 or (800) 845-6136

Potatoes

USDA United States Department of Agriculture

Risk Management Agency Fact Sheet

2018 Crop Year

Raleigh Regional Office — Raleigh NC

November 2017

Potatoes

Virginia

Crop Insured

All potatoes are insurable if:

- Planted with certified seed for harvest as certified seed stock or for human consumption;
- Any crop rotation requirements specified in the special provisions are met;
- Not planted into an established grass or legume;
- Not interplanted with another crop; and
- You have a share in the crop.

Counties Available

Potatoes are insurable in Accomack and Northampton counties. Potatoes may be insurable in other counties if specific criteria are met. Contact a crop insurance agent for more details.

Causes of Loss

You are protected against the following:

- Adverse weather conditions, including natural perils such as hail, frost, freeze, wind, drought, and excess precipitation;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if caused by an insured peril during the insurance period;
- Insect damage and plant disease, except for insufficient or improper application of control measures; or
- Wildlife.

The policy does not insure against loss of production from damage occurring after potatoes are placed in storage.

Insurance Period

Coverage begins when the potatoes are planted and ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest of the crop;
- Final adjustment of a claim;
- Abandonment of the crop; or
- August 31.

Important Dates

Sales Closing Date	.... January 31, 2018
Final Planting Date	.... April 15, 2018
Acreage Reporting Date	.... May 15, 2018
Premium Billing Date	.... August 15, 2018

Reporting Requirements

Acreage Report - An acreage report, due to your crop insurance agent by the date shown in the actuarial documents under Important Dates, must include all acreage (insurable and uninsurable) in which you have a share.

Definitions

Approved Actual Production History (APH) Yield - A yield based on your actual yields, county average yields, or a combination of both and used to determine your production guarantee.

Practical to Replant - In lieu of the definition of "Practical to replant" contained in section one of the basic provisions, practical to replant is defined as our determination, after loss or damage to the insured crop, based on factors including, but not limited to, moisture availability, condition of the field, marketing windows, and time to crop maturity that replanting to the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period. It will not be considered practical to replant after the end of the late planting period, or the end of the planting period in which initial planting took place in counties for which the Special Provisions designates separate planting periods, unless replanting is generally occurring in the area.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 85 percent of your average yield and are subsidized as shown below. For example, an average APH yield of 240 hundredweight (cwt.) per acre results in a guarantee of 156 cwt. per acre at the 65-percent coverage level.

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Premium Share	33	36	36	41	41	45	52	62

Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of $300

Price Elections

Reds, White, Russets

Established Price	$15.65 per cwt.
CAT Price	$8.61 per cwt.

Duties in the Event of Damage or Loss

Notice of Loss - If a loss occurs you must:

- Protect the crop from further damage by providing sufficient care;
- Notify your crop insurance agent within 72 hours of initial discovery; and
- Leave representative samples intact for each field of the damaged unit.

Insurance Units

Basic Unit - A basic unit includes all of your insured acreage in the county by share arrangement. A 10 percent premium discount applies.

Optional Units - Optional units may be established if you can provide separate records for each unit, and the acreage is not insured under a CAT policy. Optional units may be established by Farm Service Agency Farm Serial Numbers.

Loss Example

Assume potatoes with an APH yield of 240 cwt. per acre, 65-percent coverage level, price election of $15.65 per cwt., non-irrigated practice, 100-percent share, no options or endorsements, and a one-acre basic unit.

	240	APH yield per acre
X	0.65	Coverage level
	156	Acre guarantee
-	48	Production-to-count
	108	Loss per acre
X	$15.65	Price election
	$1,690	Indemnity per acre

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at the Agent Locator Page (/Information-Tools/Agent-Locator-Page) .

Regional Office
Visit > (/RMALocal/Field-Offices/Regional-Offices/Raleigh-North-Carolina-Regional-Office-Page)

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Whole-Farm Revenue Protection

USDA United States Department

A Risk Management Agency Fact Sheet

Whole-Farm Revenue Protection

September 2018

Whole-Farm Revenue Protection

Whole-Farm Revenue Protection (WFRP) provides a risk management safety net for all commodities on the farm under one insurance policy. This insurance plan is tailored for any farm with up to $8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.

Availability

WFRP is available in all counties in all 50 states.

Causes of Loss

WFRP provides protection against the loss of insured revenue due to an unavoidable natural cause of loss which occurs during the insurance period and will also provide carryover loss coverage if you are insured the following year. See the policy for a list of covered causes of loss.

Important Dates

Sales Closing, Cancellation, & Termination Dates

Calendar Year and Early Fiscal Year Filers.......... January 31, February 28, or March 15 (by county)

Late Fiscal Year Filers .... November 20

Revised Farm Operation Report Dates

All Filers...July 15

Contract Change Date........................... August 31

Talk to your crop insurance agent about the dates that apply for your county.

Insurance Period

Coverage is provided for the duration of the producer's tax year (the insurance period). The insurance period is a calendar year if taxes are filed by calendar year, or a fiscal year if taxes are filed by fiscal year.

Reporting Requirements

Revenue Losses - You must submit a notice of loss within 72 hours after discovery that revenue for the policy year could be below the insured revenue. Inspections may be required for losses. You must have filed farm taxes for the policy year before any claim can be made. You must make claims no later than 60 days after the date you submit farm tax forms to the Internal Revenue Service (IRS). Claim payments for a revenue loss under WFRP are paid within 30 days after the determination of a payment due as long as you are in compliance with the policy.

Coverage

WFRP protects your farm against the loss of farm revenue that you earn or expect to earn from:

- Commodities you produce during the insurance period, whether they are sold or not;
- Commodities you buy for resale during the insurance period; and
- All commodities on the farm except timber, forest, and forest products; and animals for sport, show, or pets.

The policy also provides replant coverage:

- For annual crops, except those covered by another Federal crop insurance policy;
- Equal to the cost of replanting up to a maximum of 20 percent of the expected revenue multiplied by your coverage level; and
- When 20 percent or 20 acres of the crop needs to be replanted.

The approved revenue amount is determined on your Farm Operation Report and is the lower of the expected revenue or your whole-farm historic average revenue. Coverage levels range from 50 percent to 85 percent. Catastrophic Risk Protection (CAT) coverage is not available.

The number of commodities produced on the farm are counted using a calculation that determines:

- If the farm has the diversification needed to qualify for the 80 and 85 percent coverage levels (there is a 3 commodity requirement);
- The amount of premium rate discount you will receive due to farm diversification; and
- The subsidy amount. Farms with 2 or more commodities will receive a whole-farm subsidy and farms with one commodity will receive a basic subsidy.

You can buy WFRP alone or with other buy-up level (additional coverage) Federal crop insurance policies. When you buy WFRP with another Federal crop insurance policy, the WFRP premium is reduced due to the coverage provided by the other policy. If you have other Federal crop insurance policies at catastrophic coverage levels you do not qualify for WFRP.

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WFRP 'insured revenue' is the total amount of insurance coverage provided by this policy. Your crop insurance agent and approved insurance provider determine the farm's 'approved revenue' using the following information:

- Whole-Farm History Report;
- Farm Operation Report;
- Information regarding growth of the farm; and
- The coverage level you choose (50-85 percent) multiplied by the approved revenue is the insured revenue amount.

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

The Commodity Count in the table above is a measure of the farm's diversification, determined by the policy. The calculation determines the minimum proportion of revenue a commodity must contribute to the farm to be considered a commodity for WFRP. A farm's revenue would be evenly distributed if an equal percentage of revenue came from each commodity produced, for example, 25 percent from corn, 25 percent from soybeans, 25 percent from spinach, and 25 percent from carrots. The minimum proportion to be considered a countable commodity is one-third of that amount. In this example, for corn, soybeans, spinach, or carrots to each county, each commodity would have to make up at least 8.3 percent of the total revenue of the farm to count as a commodity under WFRP. Commodities with revenue below the minimum will be grouped together in order to recognize farm diversification (this will make the commodity count higher). The Maximum Farm Approved Revenue represents the maximum approved revenue for a farm to be eligible for WFRP given the $8.5 million maximum liability allowed.

Eligibility

Eligibility for WFRP coverage requires you to:

- Be eligible to receive Federal benefits;
- Be a U.S. citizen or resident;
- File either a Schedule F tax form or other farm tax form that can be converted to a Substitute Schedule F for a specified number of years (see information you provide below);
- Have no more than $8.5 million in insured revenue, which is the farm revenue allowed to be insured under the policy multiplied by the coverage level you select (see table above);
- Have no more than $1 million expected revenue from animals and animal products;
- Have no more than $1 million expected revenue from greenhouse and nursery;
- Have no more than 50 percent of total revenue from commodities purchased for resale;
- Have 'buy-up' coverage levels on any Federal crop insurance plans you choose in addition to the WFRP insurance plan;
- Meet the diversification requirements of the policy by having two or more commodities if a commodity you are raising has revenue protection or actual revenue history insurance available; and
- Meet the diversification requirements of the policy by having two or more commodities if there are potatoes on the farm.

Information You Provide

There are certain documents you must provide to your crop insurance agent to get Whole-Farm Revenue Protection insurance. For the Whole-Farm History Report you must provide:

- 5 consecutive years of Schedule F or other farm tax forms (it must be possible to complete a Substitute Schedule F form if you filed farm tax forms other than Schedule F). For the 2019 policy year, tax forms from 2013-2017 are required except:
  - ◊ If you qualify as a Beginning Farmer or Rancher (BFR) or qualified as a BFR in the previous year under our procedures, you may qualify with 3 consecutive years (4 years if qualified the previous year) of Schedule F or other farm tax forms if you also farmed during the past year (it must be possible to complete a Substitute Schedule F form if you filed farm tax forms other than Schedule F). For the 2019 policy year, tax forms from 2015-2017 (2014-2017 if qualified as a BFR the previous year) are required and you also must have farmed during 2018;
  - ◊ If you were physically unable to farm for 1 of the 5 required historic years but were farming the past year, you may qualify; or
  - ◊ If you are a tax-exempt entity (such as a Tribal entity) and have acceptable third party records available that can be used to complete Substitute Schedule F tax forms for the 5 year history.

- Information supporting expansion if you want the farm to be considered as an expanding operation due to the farm operation physically expanding last year or the coming year, including increased acres, added equipment such as a greenhouse, new varieties or planting patterns, or anything else that expands production capacity (other than just a change in price); and
- Any supporting information required, including other signed tax forms, to show the farm tax forms are accurate and were filed with the IRS.

Growing Farm Operations
Operations that have been expanding over time may be allowed to increase their approved revenue amount based on an indexing procedure, or, if you can show that your operation has physically expanded (land, animals, facilities, or production capacity) so it has the potential to produce up to 35 percent more revenue than the historic average, your insurance company may approve your operation as an expanding operation to reflect that growth in the insurance guarantee.

Prices and Yields
Prices used to value commodities must be based on the guidelines for prices in the policy. Organic prices that meet the policy requirements are allowed for valuing organic commodities. Yields used for commodities must be established based on the guidelines for yields in the policy.

Market Readiness Operations and Post Production Costs
Market readiness operations such as on-farm activities that occur in or near the field and are the minimum needed to remove the commodity from the field and make it market ready can be left in the allowable revenue and expenses. The cost from all other post production operations not considered market readiness operations must be removed from the allowable revenue and expenses, including activities that increase the value of a commodity such as canning, freezing, and processing activities.

Losses
Claims are settled after taxes are filed for the policy year. A loss under the WFRP policy occurs when the WFRP revenue-to-count for the insured tax year falls below the WFRP insured revenue. Revenue-to-count for the insured tax year is:

- Revenue from the tax form that is 'approved revenue' according to the policy;
- Adjusted by excluding inventory from commodities sold that were produced in previous years;
- Adjusted by including the value of commodities produced during the tax year that have not yet been harvested or sold; and
- Any other adjustments required by the policy such as those from uninsured causes of loss.

If the farm operation does not have expenses during the insurance period of at least 70 percent of the "approved expenses" the insured revenue amount will be reduced by 1 percent for each percentage point the actual approved expenses are below 70 percent of the approved expenses.

Premium Subsidy
Farms with two or more commodities will receive a whole -farm premium subsidy as long as the minimum diversification requirements are met. Farms with one commodity will receive the basic level of premium subsidy.

Buying Whole-Farm Revenue Protection
You can buy Whole-Farm Revenue Protection from a crop insurance agent by the sales closing date shown for each county in the actuarial documents at webapp.rma.usda.gov/apps/actuarialinformationbrowser/. A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/tools/agent.html.

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Apiculture Pilot Insurance Program

United States Department of Agriculture

A Risk Management Agency Fact Sheet

Apiculture Pilot Insurance Program

Honey, Pollen Collection, Beeswax, Breeding Stock

July 2017

Apiculture

The Risk Management Agency's (RMA) Apiculture Pilot Insurance Program (API) provides a safety net for beekeepers' primary income sources – honey, pollen collection, wax, and breeding stock. Apiculture systems consist of different types of plants or crops and often contain mixtures of different species, each with different growth habits and seasons, precipitation requirements, and other climate conditions necessary to maintain plant growth over extended periods of time. API was designed to provide maximum flexibility to cover these diverse situations.

The Rainfall Index uses National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) data, which utilizes a grid system. Each grid is 0.25 degrees in latitude by 0.25 degrees in longitude, which translates to approximately 17 by 17 miles at the equator. Colonies will be assigned to one or more grids based on the location to be insured.

Availability

API is available in the 48 contiguous states with the exception of grids that cross international borders.

Coverage and Claims

Coverage is based on your selection of coverage level, index intervals, and productivity factor. The index interval represents a two-month period, and the period you select should be the one when precipitation is most important to your operation.

You may select a coverage level from 70 to 90 percent.

You select a productivity factor to match the amount of protection to the value of the production that best represents your operation and the productive capacity of your colonies. You do not have to insure all your colonies. However, you cannot insure more than the total number of colonies you own.

By selecting a productivity factor, you can establish a value between 60 and 150 percent of the county base value, which is based on honey production and uses a five-year rolling average of USDA National Agricultural Statistics Service (NASS) data. The yield data are based on the NASS state average, and the price is the national average honey price for a given year.

Your insurance payments are determined by using NOAA CPC data for the grid(s) and index interval(s) you have chosen to insure. When the final grid index falls below your "trigger grid index", you may receive an indemnity. This insurance coverage is for a single peril, lack of precipitation. Coverage is based on the experience of the entire grid; it is not based on an individual farm or ranch or specific weather stations in the general area. You can find more detailed information on the NOAA website at www.cpc.ncep.noaa.gov/products/monitoring_and_data/.

Tools

You will be asked to make several choices when insuring production from your colonies, including coverage level, index intervals, productivity factor, and number of colonies. You should work with your crop insurance agent to view the Grid ID Locator map and index grids for your area. RMA also encourages you to use the Grid ID Locator, historical indices tool, and decision support tools available on RMA's website to help you decide whether API is the right insurance coverage for your operation. **The Rainfall Index does not measure your direct production or loss.** Please review historical indices for your area to make sure that this product will be helpful to you.

Buying an API Policy

You can buy an API policy from a crop insurance agent by the sales closing date shown for each county in the actuarial documents at webapp.rma.usda.gov/apps/actuarialinformationbrowser/. A list of crop insurance agents is available at all USDA service centers and on the RMA website at http://www.rma.usda.gov/tools/agent.html.

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Cover Crop and Crop Insurance

Cover Crops and Crop Insurance

Revised December 2015

Cover Crop

For crop insurance purposes, a cover crop is a crop generally recognized by agricultural experts as agronomically sound for the area for erosion control or other purposes related to conservation or soil improvement.

Why Plant a Cover Crop

Cover crops, which can include grasses, legumes, and forbs are used primarily for erosion control, soil health improvement, water quality improvement, and other conservation purposes. If you plant cover crops you may improve:

- Soil quality;
- Nutrient cycling;
- Nitrogen production;
- Erosion control;
- Weed management; and
- Soil water availability.

Background on the NRCS Guidelines

In 2013, RMA, NRCS, and the Farm Service Agency (FSA) organized an interagency workgroup to develop a consistent, simple, and flexible cover crop policy across the three agencies. The interagency group was tasked to develop cover crop management guidelines so producers can achieve conservation benefits of cover crops while minimizing the risk of reducing yield on the following crop due to soil water use. The interagency group developed the NRCS Guidelines. The NRCS Guidelines now serve as the cover crop management guide for the entire United States and for all USDA agencies.

NRCS Recommended Termination Dates

NRCS used information from collaborative workgroups, technical literature, and experts' knowledge of national and local cover crop systems to develop the cover crop termination guidelines. With the guiding principle that cover crops achieve conservation benefits while minimizing yield reduction risk in the following crop due to soil water use, NRCS established four cover crop termination zones across the United State. Each zone identifies the proper cover crop management due to variability in climate and cropping systems in these areas. The Guidelines recommend that farmers in:

- Zone 1 (largely arid to semi-arid regions in the Western US) terminate cover crops 35 days or earlier before planting the main crop;
- Zone 2 (moving to the east) terminate cover crops 15 days or earlier before planting;
- Zone 3 terminate cover crops on or before planting; and
- Zone 4 (covering a large portion of the Eastern U.S.) terminate cover crops at planting or within 5 days after planting, but before crop emergence.

These Zone termination requirements may be adjusted based on the Additional Cover Crop Termination Considerations in the NRCS Guidelines.

Termination of cover crops that are used in an irrigated cropping system are not restricted to a given cover crop termination zone. The cover crop should be terminated based on the crop system and conservation, but before the planted crop emerges.

Insuring a Crop Following a Cover Crop

Producers across the country have started exploring the use of cover crops to meet the conservation needs of your farming operation. As interest increases, it is important that you review your crop insurance policy.

In 2013, in response to the release of the Natural Resources Conservation Service's Cover Crop Termination Guidelines (NRCS Guidelines), RMA developed crop insurance provisions for crops that follow a cover crop. RMA developed and applied a special provisions statement to all crops and practices in the "Insurance Availability" section of the special provisions. The statement is:

- Insurance shall begin on a crop following a cover crop when the cover crop meets the definition provided in the basic provisions, was planted within the last 12 months, and is managed and terminated according to NRCS guidelines. If growing conditions warrant a deviation from the guidelines, you should contact either your local Extension office or your local NRCS office for management guidance. For information on cover crop management and termination guidelines, refer to the Cover Crop Termination Guidelines at www.nrcs.usda.gov/wps/portal/nrcs/main/nationl/landuse/crops/.

Insurability depends on three criteria. The cover crop must:

- Meet the definition provided in the basic provisions;
- Have been planted in the last 12 months; and
- Have been managed and terminated according to the NRCS Guidelines.

If you did not receive a deviation from following the NRCS Guidelines, failure to meet any one of the three criteria means insurance coverage will not begin on the commercial crop that follows the cover crop.

Types of Cover Crops

RMA does not have an "approved list" of cover crops. For crop insurance purposes, a cover crop is a crop generally recognized by agricultural experts as agronomically sound for the area for erosion control or other purposes related to conservation or soil improvement. As long as a cover crop meets this definition, it will be considered a cover crop.

More Information

You can find more information about cover crops and commercial crop insurability in your county special provisions at http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/. Once you reach the site, click on the drop down menus to choose the year, your crop, your state, and your county. All relevant information for your crop, including information on cover crops, is available. For answers to frequently asked questions, go to www.rma.usda.gov/help/faq/covercrops2016.html.

Where to Buy Crop Insurance

All multi-peril crop insurance, including Catastrophic Risk Protection policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/tools/agent.html.

Contact Us

USDA/RMA
Mail Stop 0801
1400 Independence Ave., SW Washington, DC 20250
Phone: (202) 720-0723
Fax: (202) 690-2818
E-mail: RMA.Media.Requests@rma.usda.gov

Download Copies from the Web

Visit our online publications/fact sheets page at www.rma.usda.gov/pubs/rme/fctsht.html.

Beginning Farmer and Rancher Benefits for Federal Crop Insurance

USDA United States Department of Agriculture

A Risk Management Agency Fact Sheet

Beginning Farmer and Rancher Benefits for Federal Crop Insurance

June 2014

Beginning Farmer and Rancher Benefits

Beginning farmers and ranchers are eligible for certain benefits designed to help you as you start your operation. These benefits include:

- Exemption from paying the administrative fee for catastrophic and additional coverage policies;
- Additional 10 percentage points of premium subsidy for additional coverage policies that have premium subsidy;
- Use of the production history of farming operations that you were previously involved in the decision making or physical activities; and
- An increase in the substitute Yield Adjustment, which allows you to replace a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable transitional yield (T-Yield).

Benefit Availability

Beginning Farmer and Rancher benefits will be available beginning with crops having a June 30 contract change date or later. It is important that you fill out the application provided by your crop insurance agent to be eligible for benefits.

Qualification to be a Beginning Farmer or Rancher

To qualify for beginning farmer or rancher status:

- You must be an individual. Business entities may receive benefits only if all of the substantial beneficial interest holders (10 percent or more) of the business entity qualify as beginning farmers or ranchers. For example, a son moves home to take over the family farm and incorporates with his spouse and neither have previous farming experience. Their corporation would qualify as a beginning farmer/rancher. However, if a son moves home and forms a corporation with his father, who has had an insurable interest in crops or livestock for more than 5 crop years, the corporation cannot receive Beginning Farmer and Rancher benefits. Although the son qualifies as a beginning farmer or rancher, the father does not so the corporation cannot receive benefits; and
- You must not have actively operated and managed a farm or ranch anywhere, with an insurable interest in any crop or livestock for more than 5 crop years. This includes an insurable interest as an individual or as a substantial beneficial interest holder (10 percent or more) in another person who has an insurable interest in any crop or livestock. You may exclude a crop year's insurable interest if you were under the age of 18, enrolled in post-secondary studies (not to exceed 5 crop years) or on active duty in the U.S. military.

How to Apply for Benefits

You must apply for Beginning Farmer and Rancher benefits by your Federal crop insurance policy's sales closing date. You are required to identify any previous farming or ranching experience and any exclusionary time periods you were under the age of 18, in post-secondary education, or active duty military. Talk to your crop insurance agent for more information.

Frequently Asked Questions

Question: What if I had beef cow-calf pairs as my 4-H project while in high school? Is that considered an insurable interest in livestock and would it count towards the 5 crop years of insurable interest for Beginning Farmer and Rancher benefits?
Answer: Owning cow-calf pairs would be considered an insurable interest in a crop or livestock. However, you may exclude any crop years of insurable interest in a crop or livestock from consideration for Beginning Farmer and Rancher benefit eligibility if the insurable interest was while you were under the age of 18 (including the crop year you turn 18), while on full time active duty in the U.S. military, or while in a post-secondary education program (the post-secondary education exclusion cannot exceed 5 years).

Question: Why is the definition of beginning farmer or rancher for crop insurance different from other USDA agencies?
Answer: Section 11016 of the Agricultural Act of 2014 provided a definition, along with specific benefits, for beginning farmers and ranchers unique to the Federal crop insurance program; accordingly, other USDA agencies may have different qualifying criteria and benefits for their programs.

Question: How long can I be a beginning farmer or rancher and keep my benefits?
Answer: Once you have 5 crop years of insurable interest in a crop or livestock, including having a substantial beneficial interest (10 percent interest) in

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

another person who has an insurable interest in a crop or livestock, you are no longer entitled to Beginning Farmer and Rancher status. Once you choose and qualify for Beginning Farmer and Rancher status, it is continuous until the earlier of:

- You have had an insurable interest in a crop or livestock for more than 5 crop years;
- 5 crop years of Beginning Farmer and Rancher benefits are exhausted; or
- You cancel the Beginning Farmer and Rancher Application.

Question: If I change my agent or insurance provider can I keep my benefits? Do I have to complete a new application?
Answer: Yes, you can keep your benefits as long as you remain eligible. Changing an agent or insurance provider does not impact your eligibility. When you change agents or insurance providers you do not have to complete a new application. However, you must provide your new agent or insurance provider a copy of your previously completed Beginning Farmer and Rancher Application.

Question: I am attending classes at night at the local college yet I want Beginning Farmer and Rancher premium subsidy benefits now. Do I have to wait until I graduate or stop attending class?
Answer: No, you can receive benefits while attending college or university if you do not want to exclude those years from consideration of the Beginning Farmer and Rancher 5 crop years of insurable interest.

Question: Why did my yield substitution go to 60 percent of the T-Yield when it was 80 percent of the T-Yield before?
Answer: When you no longer qualify for Beginning Farmer and Rancher benefits, you will receive the same yield substitution as all other policyholders who are not beginning farmers or ranchers. You will also no longer be exempted from paying the administrative fees for your policies and you will no longer receive an additional 10 percentage points of premium subsidy.

Where to Buy Crop Insurance

All multi-peril crop insurance, including Catastrophic Risk Protection policies, are available from crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at: www3.rma.usda.gov/apps/agents/.

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Beginning Farmer and Rancher Benefit for Crop Insurance

USDA United States Department of Agriculture

Risk Management Agency Fact Sheet

Washington National Office — Washington,DC

May 2019

Beginning Farmer and Rancher Benefits for Crop Insurance

Overview - Beginning Farmer and Rancher Benefits

Beginning farmers and ranchers are eligible for certain benefits designed to help you as you start your operation. These benefits include:

- Exemption from paying the administrative fee for catastrophic and additional coverage policies;
- Additional 10 percentage points of premium subsidy for additional coverage policies that have premium subsidy;
- Use of another person's production history for the specific acreage transferred to you that you were previously involved in the decision making or physical activities to produce the crop; and
- An increase in the substitute Yield Adjustment, which allows you to replace a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable transitional yield (T-Yield).

Benefit Availability

For the current reinsurance year, Beginning Farmer and Rancher benefits will be available with crops having a June 30 contract change date or later. It is important that you fill out the application provided by your crop insurance agent to be eligible for benefits.

Who Is Eligible? Qualification to be a Beginning Farmer or Rancher

To qualify for beginning farmer or rancher status:

- You must be an individual. Business entities may receive benefits only if all of the substantial beneficial interest holders (10 percent or more) of the business entity qualify as beginning farmers or ranchers. For example, a son moves home to take over the family farm and incorporates with his spouse and neither have previous farming experience. Their corporation would qualify as a beginning farmer/rancher. However, if a son moves home and forms a corporation with his father, who has had an insurable interest in crops or livestock for more than 5 crop years, the corporation cannot receive Beginning Farmer and Rancher benefits. Although the son qualifies as a beginning farmer or rancher, the father does not so the corporation cannot receive benefits; and
- You must not have actively operated and managed a farm or ranch anywhere, with an insurable interest in any crop or livestock for more than 5 crop years (10 years for Whole-Farm Revenue Protection (WFRP). This includes an insurable interest as an individual or as a substantial beneficial interest holder (10 percent or more) in another person who has an insurable interest in any crop or livestock. You may exclude a crop year's insurable interest if you were under the age of 18, enrolled in post-secondary studies (not to exceed 5 crop years) or on active duty in the U.S. military.

How It Works - How to Apply for Benefits

You must apply for Beginning Farmer and Rancher benefits by your Federal crop insurance policy's sales closing date. You are required to identify any previous farming or ranching experience and any exclusionary time periods you were under the age of 18, in post-secondary education, or active duty military. Talk to your crop insurance agent for more information.

Frequently Asked Questions

Question: What if I had beef cow-calf pairs as my 4-H project while in high school? Is that considered an insurable interest in livestock and would it count towards the 5 crop years (10 crop years for WFRP) of insurable interest for Beginning Farmer and Rancher benefits?
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More Information - Find a Crop Insurance Agent

All multi-peril crop insurance, including Catastrophic Risk Protection policies, are available from crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at rma.usda.gov/Information-Tools/Agent-Locator-Page (/Information-Tools/Agent-Locator-Page) .

To download copies of this fact sheet and others, visit our online publications/fact sheets page at rma.usda.gov/Topics/National-Fact-Sheets (/Topics/National-Fact-Sheets) .

National Office

1400 Independence Ave. SW
USDA/RMA/Stop 0801, Room 6092-South
Washington, DC 20250

Email: FPAC.BC.Press@usda.gov
(mailto:FPAC.BC.Press@usda.gov?subject=Email%20from%20RMA%20Web)

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

WEATHER

Access hyper-local weather forecasts to know when it will start and stop raining in your exact location.

APPLICATION

Increase efficiency by properly calibrating equipment and mixing chemicals and fertilizers for application.

PLANTING/ HARVESTING

Track tilling, planting and harvest times to optimize crop growth and yield.

IRRIGATION

Take the guesswork out of irrigation for specific crops based on variables such as weather and plant growing stage.

ACCOUNTING

Stay on top of operational finances by managing accounts, handling payroll, and tracking expenses and profits.

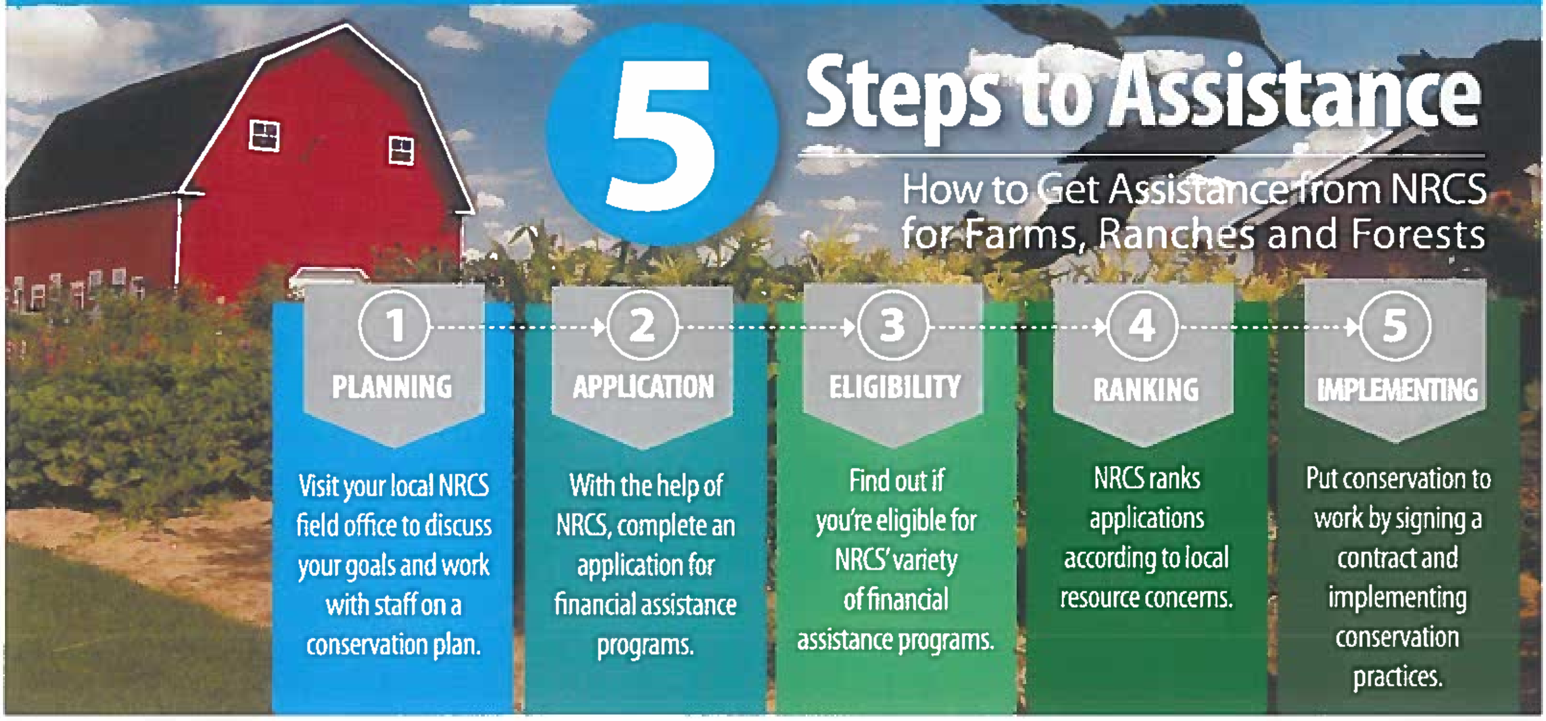
MACHINERY

Keep track of maintenance such as dates for oil and air filter changes, purchase dates and serial numbers.

5 Steps to Assistance

USDA United States Department of Agriculture

Natural Resources Conservation Service



Get Started with NRCS

Do you farm or ranch and want to make improvements to the land that you own or lease?

Natural Resources Conservation Service offers technical and financial assistance to help farmers, ranchers and forest landowners.

1 Planning

To get started with NRCS, we recommend you stop by your local NRCS field office. We'll discuss your vision for your land.

NRCS provides landowners with free technical assistance, or advice, for their land. Common technical assistance includes: resource assessment, practice design and resource monitoring. Your conservation planner will help you determine if financial assistance is right for you.

2 Application

We'll walk you through the application process. To get started on applying for financial assistance, we'll work with you:

- To fill out an AD 1026, which ensures a conservation plan is in place before lands with highly erodible soils are farmed. It also ensures that identified wetland areas are protected.
- To meet other eligibility certifications.

Once complete, we'll work with you on the application, or CPA 1200.

Applications for most programs are accepted on a continuous basis, but they're considered for funding in different ranking periods. Be sure to ask your local NRCS district conservationist about the deadline for the ranking period to ensure you turn in your application in time.

USDA is an equal opportunity provider and employer.

3 Eligibility

As part of the application process, we'll check to see if you are eligible. To do this, you'll need to bring:

- An official tax ID (Social Security number or an employer ID)
- A property deed or lease agreement to show you have control of the property; and
- A farm tract number.

If you don't have a farm tract number, you can get one from USDA's Farm Service Agency. Typically, the local FSA office is located in the same building as the local NRCS office. You only need a farm tract number if you're interested in financial assistance.

4 Ranking

NRCS will take a look at the applications and rank them according to local resource concerns, the amount of conservation benefits the work will provide and the needs of applicants.

5 Implementing

If you're selected, you can choose whether to sign the contract for the work to be done.

Once you sign the contract, you'll be provided standards and specifications for completing the practice or practices, and then you will have a specified amount of time to implement. Once the work is implemented and inspected, you'll be paid the rate of compensation for the work if it meets NRCS standards and specifications.

To find out more, go to: **www.nrcs.usda.gov/GetStarted**

Plan to Succeed

Plan to Succeed

The One Page Business Plan FARM CREDIT

Mission: The mission for your business guides everything that you do. Keep it simple by finding the lowest common denominator.

Objectives:

Objectives are general directions for your business. They outline what you want the business to look like in the future. Stay focused on your Mission Statement.

Objective 1:	**Objective 2:**	**Objective 3:**	**Objective 4:**

SMART Goals: Remember, a goal without a deadline is just a dream! **S** — Specific **M** — Measurable **A** — Attainable **R** — Rewarding **T** — Timed

SMART Goal a):	**SMART Goal a):**	**SMART Goal a):**	**SMART Goal a):**
Action Plan: i.	**Action Plan:** i.	**Action Plan:** i. ii. iii.	**Action Plan:** i. ii.
SMART Goal b):	**SMART Goal b):**	**SMART Goal b):**	**SMART Goal b):**
Action Plan: i. ii. iii.	**Action Plan:** i. ii. iii.	**Action Plan:** i. ii.	**Action Plan:** i. ii.

Action Plans: Every goal must have action plans that explain how that goal will be accomplished. Explain who will do what, where, when, how, and how often.

Develop a budget to ensure you are valued.

FARM CREDIT

1) Use last year's records as a starting point for your five-line income statement. If you're starting a new operation, plenty of information is available! For example:
   - http://agalternatives.aers.psu.edu/

   Make sure you take regional cost differences into account (land rent is a good example of this.)

2) Calculate your five-line income statement.
   COGS = any expense that helps produce one more unit of output.
   Production labor and associated payroll expenses, including workman's compensation, unemployment taxes, FICA, Medicare, health insurance
   Crop or livestock inputs – seed, fertilizer, soils, chemicals, feed

   Overhead = any expense that you incur no matter how much production you actually have.
   The main ones are the **"DIRTI"** Five:
   Depreciation, Interest, Repairs, Taxes, Insurance
   Don't forget to include Managers' and Bookkeepers' wages/salaries, marketing, and utilities.

3) Calculate the percent of sales for each line.
   (Divide the dollars for each line by the total sales.)

Historical	Dollars	% of Sales
Sales *(total income)*		100%
- Cost of Goods Sold: *(variable costs)*		
= Gross Margin:		
- Overhead *(fixed costs)*		
= Profit (Net Margin)		

4) Create your budget—from the bottom up. Start with your desired draw (the amount you and your family need to take from the operation to live on, plus income taxes). Add the principal portion of any loan payments you need to make in 2011 to get the total profit needed from the operation.

5) Add your overhead expenses to the required profit to figure the gross margin the operation will need to yield. Your overhead expenses shouldn't change much from the previous year, unless you've undergone a significant expansion or other major change.

6) Determine the breakeven sales needed in your operation to support the overhead obligations and profit required. Do this by dividing the gross margin (E) by the gross margin as a percent of sales (taken from your records, calculated in step 3).

7) Step back and see if this budget makes sense. Is this sales volume reasonable for this year, especially if it's your first year in business? Is it possible for the acreage you raise and the market prices of your products? If it is, great! Develop a marketing plan (action plan) to achieve that level of sales. If not, that's okay. Rework until you have a plan that is sound. If this is a building year, how will you achieve your goal (and finance the operation in the meantime)? Address these questions early in the year to ensure you have a complete plan.

BUDGET		
Owner Draw Desired (include income taxes):	$	(A)
Bank principal payments required:	$	(B)
TOTAL PROFIT REQUIRED: (A+B)	$	(C)
Overhead expenses	$	(D)
GROSS MARGIN REQUIRED: (C+D)	$	(E)
Divide by Gross Margin percentage	$	(F)
SALES VOLUME REQUIRED: (E/[F as % of sales—from historical])	$	(G)

Plan to Succeed

The One Page Business Plan FARM CREDIT

Mission: The mission for your business guides everything that you do. Keep it simple by finding the lowest common denominator.

The mission of Tyler's Tip-Top Tomatoes, LLC is to grow good food, make good money and be good people.

Objectives:
Objectives are general directions for your business. They outline what you want the business to look like in the future. Stay focused on your Mission Statement.

Objective 1:	Objective 2:	Objective 3:	Objective 4:
Achieve an appropriate balance of work and home life	Make enough money to pay myself, the bank and reinvest in the farm	Increase efficiency while offering customers wider selection	Increase communication with customers

SMART Goals: Remember, a goal without a deadline is just a dream! **S** — Specific **M** — Measurable **A** — Attainable **R** — Rewarding **T** — Timed

Objective 1	Objective 2	Objective 3	Objective 4
SMART Goal a): Take Sundays off	**SMART Goal a):** Make a net profit (including draw) of $50,000 this operating cycle	**SMART Goal a):** Decrease COGS/ lb of tomatoes	**SMART Goal a):** Start and maintain a blog to show customers progress on farm
Action Plan: i. Train Charlie for Sunday tasks, give him #'s to call ii. Measure his performance	**Action Plan:** i. Compare cash flow budget to P&L and bank accounts monthly, adjust as needed	**Action Plan:** i. Measure production per worker and per variety ii. Set pest traps, scout	**Action Plan:** i. Research platforms ii. Block off 1 hour each week to write post/ edit pics
SMART Goal b):	**SMART Goal b):**	**SMART Goal b):** Introduce at least one new variety of tomato for sale each year	**SMART Goal b):** Invite customers to participate in tomato soup contest, %of proceeds to be donated to local soup kitchen
Action Plan: i. ii. iii.	**Action Plan:** i. ii. iii.	**Action Plan:** i. Pick five varieties for trial, test on limited growing area ii. Measure yields to choose	**Action Plan:** i. Pick date and venue ii. Send out e-mail blast with soup kitchen for contestants

Action Plans: Every goal must have action plans that explain how that goal will be accomplished. Explain who will do what, where, when, how, and how often.

Develop a budget to ensure you are valued.

FARM CREDIT

1) Use last year's records as a starting point for your five-line income statement. If you're starting a new operation, plenty of information is available! For example:
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   -

   Make sure you take regional cost differences into account (land rent is a good example of this.)

2) Calculate your five-line income statement.
   COGS = any expense that helps produce one more unit of output.
   Production labor and associated payroll expenses, including workman's compensation, unemployment taxes, FICA, Medicare, health insurance
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   The main ones are the **"DIRTI"** Five:
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   Don't forget to include Managers' and Bookkeepers' wages/salaries, marketing, and utilities.

3) Calculate the percent of sales for each line.
   (Divide the dollars for each line by the total sales.)

Historical	Dollars	% of Sales
Sales *(total income)*	$200,000	100%
- Cost of Goods Sold: *(variable costs)*	$120,000	60%
= Gross Margin:	$80,000	$\boxed{40\%}$
- Overhead *(fixed costs)*	$60,000	30%
= Profit (Net Margin)	$20,000	10%

4) Create your budget—from the bottom up. Start with your desired draw (the amount you and your family need to take from the operation to live on, plus income taxes). Add the principal portion of any loan payments you need to make in 2011 to get the total profit needed from the operation.

5) Add your overhead expenses to the required profit to figure the gross margin the operation will need to yield. Your overhead expenses shouldn't change much from the previous year, unless you've undergone a significant expansion or other major change.

6) Determine the breakeven sales needed in your operation to support the overhead obligations and profit required. Do this by dividing the gross margin (E) by the gross margin as a percent of sales (taken from your records, calculated in step 3).

7) Step back and see if this budget makes sense. Is this sales volume reasonable for this year, especially if it's your first year in business? Is it possible for the acreage you raise and the market prices of your products? If it is, great! Develop a marketing plan (action plan) to achieve that level of sales. If not, that's okay. Rework until you have a plan that is sound. If this is a building year, how will you achieve your goal (and finance the operation in the meantime)? Address these questions early in the year to ensure you have a complete plan.

BUDGET		
Owner Draw Desired (include income taxes):	$30,000	(A)
Bank principal payments required:	$20,000	(B)
TOTAL PROFIT REQUIRED: (A+B)	$50,000	(C)
Overhead expenses	$60,000	(D)
GROSS MARGIN REQUIRED: (C+D)	$110,000	(E)
Divide by Gross Margin percentage	1—0.6=0.4 (40%)	(F)
SALES VOLUME REQUIRED: (E/F as % of sales—from historical])	$275,000	(G)

United States Department of Agriculture
Risk Management Agency

Getting Acreage Reporting Right

Getting acreage reporting right saves you money.

You have a lot at stake

You have a lot at stake in making sure your crop insurance acreage reporting is accurate and on time.

If you fail to report on time, you may not be protected. If you report too much acreage, you may pay too much premium. If you report too little acreage, you may recover less when you file a claim.

Crop insurance agents often say that mistakes in acreage reporting are the easiest way for producers to have an unsatisfactory experience with crop insurance.

Don't depend on your agent to do this important job for you. Your signature on the bottom of the acreage reporting form makes it, legally, your responsibility. Double-check it for yourself. Also make sure that your crop insurance and USDA Farm Service Agency reports are identical (provide written explanation of any differences). The law requires that they be compared.

Make sure that you receive and retain a signed copy of the reports that you file, as this is critical to correct any errors that may show up later.

What is an acreage report?

The acreage report is the basis for determining the amount of insurance provided and the premium charged.

An annual acreage report for each insured crop in the county in which you have an ownership share must be submitted to your insurance company (through your agent) on or before the acreage reporting date for that crop.

The acreage report shows the crops you have planted, acreage prevented from planting, what share you have in those crops, where the crops are located, how many acres you planted, the dates you planted them, what insurance unit they are located on, and the cultural practice followed (i.e., irrigated, double cropped, etc.).

You may not revise this report after the acreage reporting date. Dates vary from crop to crop.

Intended acreage reports

Although not often used, insurance providers may request planting intentions from you at the time of application, or when servicing the policy for subsequent crop years. This may occur when you are updating your Actual Production History (APH).

The intended acreage report is not your official acreage report, which is done after planting. Your agent may use the intended acreage report, with your verification, to help you arrive at a final acreage report.

If you submit nothing further by the final acreage reporting date, coverage will be based on the intended acreage report and understood to be complete and accurate. So make sure what you actually planted is what counts for your acreage reporting.

Remember, you may make revisions to your acreage report right up to the final acreage reporting date.

Acreage reporting dates

Acreage reporting dates vary by crop and State. They are also subject to change, so don't forget to check with your crop insurance agent to make sure you do not miss this important deadline.

It is a good idea to have a checklist with each of the crop insurance deadline dates filled in.

You can also find your acreage reporting deadline online at **Farm-Risk-Plans.USDA.gov**. Click on the link to "Regional Office Crop Fact Sheets." Click on your State and scroll down to your crop fact sheet.

Summary of Protection or Schedule of Insurance

About 8 to 10 weeks after you submit your acreage report, you will receive a Summary of Protection or Schedule of Insurance. This document summarizes your previous acreage report as it appears in the official records. Review it carefully to make sure that all entries are correct and match the copy of your signed acreage report that you initially provided to your insurance agent. Differences between the summary and your signed acreage report can usually be corrected if you contact your agent and give notice of the error immediately upon receipt of the summary.

Remember

Acreage reporting is your responsibility.

Doing it right will save you money.

Always get a copy of your report immediately after signing and filing it with your agent, and keep it with your records.

Remember, it is your responsibility to report crop damage to your agent within 72 hours of discovery.

Never put damaged acreage to another use without prior written consent of the insurance adjuster. You don't want to destroy any evidence of a possible claim.

For more information:

Contact a crop insurance agent. To find an agent, visit our online locator at: **http://www3.rma.usda.gov/apps/agents/**.

Aggregate Stability

Soil aggregates are groups of soil particles that bind to each other more strongly than to adjacent particles. Aggregate stability refers to the ability of soil aggregates to resist disintegration when disruptive forces associated with tillage and water or wind erosion are applied. Wet aggregate stability suggests how well a soil can resist raindrop impact and water erosion, while size distribution of dry aggregates can be used to predict resistance to abrasion and wind erosion.

Long-term use of a conservation tillage system (no-till) and cover crops resulted in increased soil organic matter and improved soil structure and aggregate stability of this north Georgia (Cecil) soil. Photo courtesy James E. Dean, USDA NRCS (retired).

Factors Affecting

Inherent - Aggregation and stability of soil aggregates are affected by predominant type and amount of clay, adsorbed cations, such as calcium and sodium, and iron oxide content. Expansion and contraction of clay particles as they become moist and then dry can shift and crack the soil mass and create aggregates or break them apart. Calcium, magnesium, iron, and aluminum stabilize aggregates via the formation of organic matter – clay bridges. In contrast, aggregate stability decreases with increasing amounts of exchangeable sodium. Dispersion is promoted when too many sodium ions accumulate between soil particles.

Dynamic - Aggregate stability is highly dependent on organic matter and biological activity in soil, and it generally increases as they increase. Fungal hyphae, thread-like structures used to gather resources, bind soil particles to form aggregates. Other soil organisms, like earthworms, secrete binding materials. Soil particles are also aggregated and stabilized by organic "glues" resulting from biological decomposition of organic matter. Physical disturbance, e.g. tillage, accelerates organic matter decomposition rates, and destroys fungal hyphae and soil aggregates. Soil biota help create aggregates and use them as habitat or refugia to escape predation.

Relationship to Soil Function

Changes in aggregate stability may serve as early indicators of recovery or degradation of soils. Aggregate stability is an indicator of organic matter content, biological activity, and nutrient cycling in soil. Generally, the particles in small aggregates (<0.25 mm) are bound by older and more stable forms of organic matter. Microbial decomposition of fresh organic matter releases products (that are less stable) that bind small aggregates into large aggregates (>2-5 mm). These large aggregates are more sensitive to management effects on organic matter, serving as a better indicator of changes in soil quality. Greater amounts of stable aggregates suggest better soil quality. When the proportion of large to small aggregates increases, soil quality generally increases.

Stable aggregates can also provide a large range in pore space, including small pores within and large pores between aggregates. Pore space is essential for air and water entry into soil, and for air, water, nutrient, and biota movement within soil. Large pores associated with large, stable aggregates favor high infiltration rates and appropriate aeration for plant growth. Pore space also provides zones of weakness for root growth and penetration.

Problems with Poor Function

Aggregate stability is critical for infiltration, root growth, and resistance to water and wind erosion. Unstable aggregates disintegrate during rainstorms. Dispersed soil particles fill surface pores and a hard physical crust can develop when the soil dries. Infiltration is reduced, which can result in increased runoff and water erosion, and reduced water available in the soil for plant growth. A physical crust can also restrict seedling emergence.

Wind normally detaches only loosely held particles on the soil surface, but as blowing soil particles are accelerated by the wind they hit bare soil with sufficient energy to break additional particles loose from weakly aggregated soil. This action increases the number of particles that can be picked up by the wind and abrade a physically-unprotected soil surface.

Practices that lead to poor aggregate stability include:

- Tillage methods and soil disturbance activities that breakdown plant organic matter, prevent accumulation of soil organic matter, and disrupt existing aggregates,
- Cropping, grazing, or other production systems that leave soil bare and expose it to the physical impact of raindrops or wind-blown soil particles,
- Removing sources of organic matter and surface roughness by burning, harvesting or otherwise removing crop residues,
- Using pesticides harmful to beneficial soil microorganisms.

Improving Aggregate Stability

Practices that keep soil covered physically protect it from erosive forces that disrupt aggregation, while also building organic matter. Any practice that increases soil organic matter, and consequently biological activity, improves aggregate stability. However, it can take several growing seasons or years for significant organic matter gains. In contrast, management activities that disturb soil and leave it bare can result in a rapid decline in soil organic matter, biological activity and aggregate stability.

Aggregates form readily in soil receiving organic amendments, such as manure. They also form readily where cover and green manure crops and pasture and forage crops are grown, and where residue management and/or reduced tillage methods are used.

Improving aggregate stability on cropland typically involves cover and green manure crops, residue management, sod-based rotations, and decreased tillage and soil disturbance. Aggregate stability declines rapidly in soil planted to a clean-tilled crop.

Pasture and forage plants have dense, fibrous root systems that contribute organic matter and encourage microbial activity. However, grazing and fertility must be managed to maintain stands and prevent development of bare areas or sparse vegetation.

Conservation tillage systems, such as no-till with cover crops, reduce soil disturbance, and provide and manage residue for increased soil organic matter and improved aggregate stability. Additionally, surface roughness provided by crop residues protects soil from wind erosion.

Conservation practices resulting in aggregate stability favorable to soil function include:

- Conservation Crop Rotation
- Cover Crop
- Pest Management
- Prescribed Grazing
- Residue and Tillage Management
- Salinity and Sodic Soil Management
- Surface Roughening

Measuring Aggregate Stability

Measuring Water Stable Aggregates is described in the Soil Quality Test Kit Guide, Section I, Chapter 8, pp. 18 - 19. See Section II, Chapter 7, pp. 69 - 71 for interpretation of results.

Arshad MA, Lowery B, and Grossman B. 1996. Physical Tests for Monitoring Soil Quality. In: Doran JW, Jones AJ, editors. Methods for assessing soil quality. Madison, WI. p 123-41.

Kemper WD, Rosenau RC. 1986. Aggregate Stability and Size Distribution. In: Klute A, editor. Methods of soil analysis. Part 1. Physical and mineralogical methods. Madison, WI. p 425-42.

Specialized equipment, shortcuts, tips:

Determine for the top three inches of soil. However, in rangeland conditions determine for the top ¼ to ½ inch of soil as it is most likely to be removed by erosion. A 400-watt hairdryer and drying chamber are required to conduct the wet aggregate stability test.

Time needed: 2 hours

USDA United States Department of Agriculture

Virginia Overview

Do you want to improve soil and water quality on your farm by:

- Excluding livestock from streams?
- Installing grazing and animal waste handling systems?
- Planting cover crops and reducing tillage?

NRCS can work with you to develop an EQIP plan of operation and contract.* EQIP contracts run from one to 10 years and are limited to $450,000 per individual.

Practice installation will commence during the first year of the contract. You receive payments after the practices identified in the plan are implemented.

Ten percent of all EQIP funds have been set aside to assist historically underserved clients. Landowners certify they belong to one of these groups. Veterans who are beginning farmers can receive preference in applying for 2014 Farm Bill programs.

New and beginning, socially disadvantaged, veterans, and limited resource farmers can receive financial assistance payments of up to 90 percent of the costs for installing conservation practices. Eligible individuals may also receive up to 50 percent in advance for purchasing materials or contracting.

*Contracts for confined livestock feeding operations also require a comprehensive nutrient management plan.

Helping People Help the Land

October 2015

Agricultural Act of 2014

EQIP

Environmental Quality Incentives Program

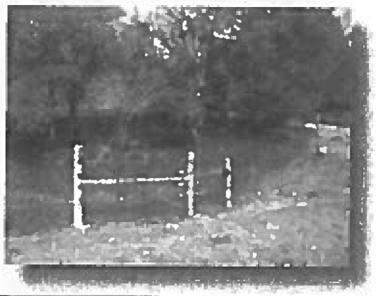
USDA's Natural Resources Conservation Service offers voluntary Farm Bill conservation programs that benefit agricultural producers and the environment.

The Environmental Quality Incentives Program (EQIP) provides financial and technical assistance to help agricultural producers address natural resource concerns such as water and air quality, ground and surface water conservation, soil erosion and sedimentation, and wildlife habitat. Eligible land includes crop-, pasture-, and non-industrial private forestland.

Applicants must:

- Be engaged in agriculture or forestry and have a farm number and tract established with the Farm Service Agency
- Control or own eligible land
- Comply with highly erodible land and wetland conservation requirements
- Develop an EQIP plan of operations to meet their objectives

EQIP applications are ranked based on a number of factors, including the environmental benefits and cost effectiveness of the proposal.

2016 Resource Concerns	Description	Sample Practices
Livestock Operations 	Assistance with animal waste storage and handling facilities for livestock (including dairy, swine, and poultry) and efficient application of organic nutrients. A Virginia Comprehensive Nutrient Management Plan (CNMP) is required when payment is for a waste facility. Funding is available to assist with the development of a CNMP.	▪ Waste Storage Facility ▪ Animal Mortality Facility ▪ Nutrient Management ▪ Heavy Use Area Protection ▪ Fencing
Grazing Lands 	Assistance to plan and implement rotational grazing systems, exclude livestock from streams, establish riparian buffers, and apply nutrients more efficiently. For prescribed grazing payments, all components of the prescribed grazing plan must be in place and livestock managed according to the plan.	▪ Access Control & Fencing ▪ Heavy Use Area ▪ Pasture & Hayland Planting ▪ Prescribed Grazing ▪ Riparian Buffers or 10-Ft. Setbacks ▪ Nutrient Management ▪ Water Troughs & Pipelines
Cropland 	Assistance to improve soil quality with crop rotations, cover crops, and high residue crop production, using no-till with erosion control practices. Payments may only be made to applicants who have not adopted the practice on fields that will be in the contract.	▪ Conservation Crop Rotation ▪ Residue & Tillage Management ▪ Cover Crop ▪ Grassed Waterways ▪ Field Border ▪ Nutrient Management
Organic Farming Initiative 	Assistance to current certified organic producers and those transitioning to organic farming. Addresses soil, water, air, plant, animal, and energy conservation concerns. There is a $20,000 per year ($80,000 over six years) payment limit for applications within this special pool	▪ Conservation Crop Rotation ▪ Nutrient Management (Organic) ▪ Prescribed Grazing ▪ Residue & Tillage Management ▪ Irrigation Water Management
Shellfish Aquaculture 	Program to help shellfish growers improve the water quality that shellfish need to thrive through gear cycling/disposal and restoration of declining shellfish beds.	▪ Gear Cycling/Disposal ▪ Establishment of Rare & Declining Habitat

How to apply

Stop by your local USDA Service Center or visit www.nrcs.usda.gov/getstarted. (Find your local USDA Service Center at http://offices.usda.gov.)

www.va.nrcs.usda.gov

Natural Resources Conservation Service

Local External Resources for Small Farmers

- ***United States Department of Agriculture (USDA)***

  USDA provides leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on public policy, the best available science, and effective management.

  They have a vision to provide economic opportunity through innovation, helping rural America to thrive; to promote agriculture production that better nourishes Americans while also helping feed others throughout the world; and to preserve our Nation's natural resources through conservation, restored forests, improved watersheds, and healthy private working lands.

Website: http://www.usda.gov/wps/portal/usda/usdahome?navid=ABOUT_USDA

Technical Assistance: when a technician visits property and performs a site assessment to evaluate soil, water, and other natural resource concerns

- ***Farm Service Agency (FSA)***

  FSA is equitably serving all farmers, ranchers, and agricultural partners through the delivery of effective, efficient agricultural programs for all Americans.

  FSA is a customer-driven agency with a diverse and multi-talented work force, dedicated to achieving an economically and environmentally sound future for American Agriculture.

  FSA is market-oriented, economically and environmentally sound American agriculture delivering an abundant, safe, and affordable food and fiber supply while sustaining quality agricultural communities.

Website: http://www.fsa.usda.gov/programs-and-services/farm-loan-programs/index

- ***Natural Resources Conservation Service (NRCS)***

  NRCS provides America's farmers and ranchers with financial and technical assistance to voluntarily put conservation on the ground, not only helping the environment but agriculture operations, too.
  - Provide free technical assistance to landowners
  - Administer financial assistant programs for natural resource issues such as:
    - Soil health
    - Water quality
    - Wildlife
    - Energy efficiency
    - Growing season extension
  - They perform highly erodible land and wetland determinations
  - Tip: notify NRCS before disturbing land
  - Web Soil Survey
  - Focus on conservation methods for soil, water, air, plants, animals, humans and energy

Website: http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/about/

- ***Virginia's Soil and Water Conservation Districts***

  The mission of the Virginia Association of Soil and Water Conservation Districts and its Foundation is to provide and promote leadership in the conservation of natural resources through stewardship and education programs. The VASWCD and its Foundation coordinates conservation efforts statewide to focus effectively on issues identified by local member districts.

  Piedmont Soil and Water Conservation District (Prince Edward, Amelia, Nottoway)
    - Their mission is to identify and provide technical, educational, and financial resources to the citizens of Amelia, Nottoway, and Prince Edward Counties in order to promote the wise use and conservation of soil, water, and related resources.
    - Locally led organization that administers the Virginia's Agriculture Best Management Practice funding program that helps improve water quality and prevent soil loss.
        - Ex. Fencing livestock out of water bodies and creating alternative water supply
        - Conservation Technical Assistance- assess farm for natural resource concerns
        - No-till drill rental program
        - Partnership with Natural Resources Conservation Service (NRCS) programs
        - Tip: Before you clear land, contact your SWCD

Website: http://piedmontswcd.org/

- ***Virginia Department of Agriculture and Consumer Services (VDACS)***

  Established in 1877, the Virginia Department of Agriculture and Consumer Services (VDACS) promotes the economic growth and development of Virginia agriculture, provides consumer protection and encourages environmental stewardship.

Website: http://www.vdacs.virginia.gov/

- ***Farm Bureau***

  With 128,000 members in 88 county Farm Bureaus, the Virginia Farm Bureau Federation is Virginia's largest farmers' advocacy group.

  Farm Bureau is a non-governmental, nonpartisan, voluntary organization committed to protecting Virginia's farms and ensuring a safe, fresh and locally grown food supply.

  The Virginia Farm Bureau Federation is an affiliate of the American Farm Bureau Federation, which boasts more than 6 million members nationwide.

  The organization works to support its producer members through legislative lobbying, leadership development programs, commodity associations, rural health programs, insurance products, agricultural supplies and marketing, and other services.

  Virginia Farm Bureau is a voluntary organization wholly controlled by its members and financed by members' $40 annual dues.

Website: https://vafarmbureau.org/

- *Farm Credit*

  The Farm Credit System is a nationwide network of cooperative lending institutions that provides credit and financial services to farmers, ranchers, rural homeowners, agricultural cooperatives, rural utility systems and agribusinesses.

  Colonial Farm Credit is part of the nationwide Farm Credit System, a financial cooperative owned by its member-borrowers since 1916.

Website: https://www.colonialfarmcredit.com/home.aspx

- *Sustainable Agriculture Research and Education (SARE)*

  Since 1988, the SARE grants and education program has advanced agricultural innovation that promotes profitability, stewardship of the land, air and water, and quality of life for farmers, ranchers and their communities.

  SARE's mission is to advance—to the whole of American agriculture—innovations that improve profitability, stewardship and quality of life by investing in groundbreaking research and education.

Website: http://www.sare.org/

- *Tobacco Region Revitalization Commission*

  The Tobacco Region Revitalization Commission is a 28-member body created by the 1999 General Assembly. Its mission is the promotion of economic growth and development in tobacco-dependent communities, using proceeds of the national tobacco settlement. To date, the Commission has awarded 1,999 grants totaling more than $1.1 billion across the tobacco region of the Commonwealth, and has provided $309 million in indemnification payments to tobacco growers and quota holders.

  The Tobacco Region Revitalization Commission is created as a body corporate and a political subdivision of the Commonwealth and as such shall have, and is vested with, all of the politic and corporate powers as are set forth in this chapter. The Commission is established for the purposes of determining the appropriate recipients of moneys in the Tobacco Indemnification and Community Revitalization Fund and causing distribution of such moneys for the purposes provided in this chapter, including using moneys in the Fund to: (i) provide payments to tobacco farmers as compensation for the adverse economic effects resulting from loss of investment in specialized tobacco equipment and barns and lost tobacco production opportunities associated with a decline in quota; and (ii) revitalize tobacco dependent communities.

Website: http://www.tic.virginia.gov/

Pricing Formula
(for what you are worth)

Labor + Materials = Cost

Cost x 2 = Wholesale Price

Wholesale x 2 = Retail Price

Materials + Labor +
Expenses + Profit =
Wholesale x 2 = Retail

United States Department of Agriculture

A Risk Management Agency Fact Sheet

Area Risk Protection Insurance

June 2013

What is Area Risk Protection Insurance?

Area Risk Protection Insurance, or ARPI, is an insurance plan that provides coverage based on the experience of an entire area, generally a county. ARPI replaces the Group Risk Plan (GRP) and the Group Risk Income Protection Plan (GRIP). It is designed to increase efficiency by providing one set of policy provisions for all area plans, and uniform pricing methods for area and individual-based plans. It also provides for more flexibility in the data source used for establishing yields and requires production reporting requirements for producers enrolled in area-based plans, which will improve accuracy and allow the program to be offered in more areas.

ARPI provides clarity, simplicity, transparency, and reduction of duplication over the GRP and GRIP policy language that benefits both you and your insurance provider. You can choose from three insurance plans:

⇒ Area Revenue Protection that covers against loss of revenue due to a county level production loss, price decline, or combination of both, and includes upside harvest price protection;

⇒ Area Revenue Protection with Harvest Price Exclusion that covers against loss of revenue due to a county level production loss, price decline, or a combination of both; or

⇒ Area Yield Protection that covers against loss of yield due to a county level production loss.

All three plans have one set of basic provisions and crop provisions documents and will be effective for the 2014 and succeeding crop years. The first contract change date is June 30, 2013 for wheat.

What Crops Are Covered By This Plan?

The crops covered by the Area Risk Protection Insurance Plan are:

- Barley,
- Corn,
- Cotton,
- Forage,
- Grain Sorghum,
- Peanuts,
- Soybeans,
- Wheat.

How Will Crop Prices Be Set?

ARPI uses the same Commodity Exchange Price Provisions (CEPP) that the Common Crop Policy uses, providing consistent prices for both individual and area-based insurance plans. The benefits of this action are that:

⇒ The producer benefits because the price at which you may insure your crops should more closely approximate the market value of any loss.

⇒ Using the same prices for both the area and individual plans will minimize confusion and reduce switching between plans based solely on price.

⇒ The United States Department of Agriculture's (USDA) Risk Management Agency (RMA) will no longer be required to make two estimates of the respective market price for these crops.

⇒ Insurance providers will no longer be required to process two releases of the market price for a crop year.

How Does RMA Collect Data for ARPI?

GRP and GRIP used USDA National Agricultural Statistics Service (NASS) data as the sole source for establishing expected county yields and in most cases for determining final county yields. ARPI includes provisions to allow RMA the ability to use data from any one of several sources. These data sources can include crop insurance data, NASS data, or other data sources. This new ability will:

⇒ Help address the issue of RMA removing area-based insurance offers due to a lack of data for certain crops in certain areas.

Lack of data is one of the biggest barriers to being able to make area-based insurance products widely available. Without unbiased, sufficient, and credible data sources, it is not possible to provide area-based insurance and existing programs could be discontinued due to the lack of data. The benefit of requiring production data from producers who insure under both area and individual policies is to:

- ♦ Improve the availability and accuracy of determining average county yields.
- ♦ Allow crop insurance to use another reliable set of data for program operation and offer area-based coverage in as many areas as possible.
- ♦ Create a minimum burden for area-based policies since many producers already keep this information year to year. Many insurance providers also maintain databases containing this information for when you need your actual production history when changing to an individual insurance plan.

What Information Do Producers Have To Keep And Provide?

ARPI includes provisions that will require production reporting by a production reporting date at the conclusion of the current insurance year to provide necessary data to assist in more accurately and efficiently operating the area-based program. This will:

⇒ Add some administrative burden and costs to producers and insurance providers to maintain and submit production records that were not required under GRP and GRIP.

To keep costs minimal, RMA will:

⇒ Not require insurance providers to perform appraisals for ARPI crops that are not harvested.

⇒ Require you to note whether the crop was destroyed or put to another use if you report unharvested acreage.

⇒ Reduce the next year's protection factor to 0.80, which is the lowest factor available, if you do not provide an accurate production report by the production reporting date.

⇒ Allow a 1-year grace period the first year of ARPI before implementing the provisions for failing to report production.

⇒ Recognize there may be certain crops, like forage, for which production reporting may be problematic and will not require production reporting for these crops.

Where to Buy Crop Insurance

All crop insurance policies are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA web site at: www3.rma.usda.gov/apps/agents/

Contact Us

USDA/RMA
Mail Stop 0801
1400 Independence Ave., SW Washington, DC 20250
Phone: (202) 720-0723
Fax: (202) 690-2818
E-mail: RMA.Media.Requests@rma.usda.gov

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