



# Whole-Farm Revenue Protection

Revised April 2016

## 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

Whole-Farm Revenue Protection is available in all counties in all 50 states.

### Causes of Loss

Whole-Farm Revenue Protection provides protection against the loss of insured revenue due to an unavoidable natural cause of loss that occurs during the insurance period and also provides 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

The sales closing date, cancellation date, and termination date are the dates by which you must buy coverage, change coverage, or terminate coverage. These dates are specific to your county. The date is either January 31, February 28, or March 15. Please talk to your crop insurance agent for more information.

#### Revised Farm Operation Report Dates

If you need to revise your farm operation report, the day the revised report is due is based on how you file your taxes. If you are a calendar year filer or an early fiscal year filer, your revised report is due on or before July 15. If you are a late fiscal year filer your report is due on the last day of the month in which your fiscal year begins, but no later than October 31. Please talk to your crop insurance agent for more information.

#### Contract Change Date

Any change that RMA makes to the WFRP policy will be available on or before August 31 of the year before your insurance coverage begins.

### Insurance Year

The insurance year 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 insurance year could be below the insured revenue. Inspections may be required for losses. You must have filed farm taxes for the insurance 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, forest products, and animals for sport, show, or pets.

The policy also provides replant coverage:

- For annual crops, except those covered by another policy;
- Equal to the cost of replanting, up to a maximum of 20 percent of the expected revenue; 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 minimum 3-commodity requirement);
- The amount of premium rate discount that you receive due to farm diversification; and
- The subsidy amount. Farms with 2 or more commodities receive a whole-farm subsidy and farms with one commodity receive a basic subsidy.

You can buy WFRP alone or with other buy-up level

(additional) Federal crop insurance policies. When you buy WFRP with another 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; and
- Information regarding growth of the farm.

The farm's insured revenue amount is the coverage level you choose (50-85 percent) multiplied by your farm's approved revenue.

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, a farm's revenue comes 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 in 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 are grouped together to recognize farm diversification (this makes 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;
- 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;
- Have no more than \$1 million expected revenue from animals and animal products;
- Have no more than \$1 million from greenhouse and nursery products;
- Have no more than 50 percent of total revenue from commodities purchased for resale;
- Have buy-up coverage levels on any Federal crop insurance plan you choose with 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 2016 insurance year, tax forms from 2010-2014 are required except:

- If you qualify as a Beginning Farmer or Rancher under our procedures, you may qualify with 3 consecutive years 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 2016 insurance year, tax forms from 2012-2014 are required and you also must have farmed during 2015;
- If you were physically unable to farm for 1 of the 5 required historic years but were farming the past year; 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.

You must provide information supporting expansion, if you want the farm to be considered as an expanding operation due to the farm operation physically expanding over the last few years, 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). You must also provide any supporting information required to show that your farm tax forms are accurate and were filed with the IRS. Supporting information includes other signed tax forms.

### 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

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.

### 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 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 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 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 receive a whole-farm premium subsidy as long as the minimum diversification requirements are met. Farms with one commodity 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/](http://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](http://www.rma.usda.gov/tools/agent.html).

### Contact Us

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