What is Crop Insurance?

- It is the government’s principal means of helping farmers survive a major crop loss.
- Protects farmers against production and revenue losses.
- Even when not paying on losses, it enables farmers to obtain loans, helps them aggressively market a portion of their crop and lets them plan more reliably for the future.
- Perils covered - unavoidable, naturally occurring events - hail, frost, freeze, wind, drought, excess moisture, earthquake, price change (for revenue protection), plant disease, insect damage, and wildlife.
What perils are not covered by crop insurance?

- Any act by any person that affects the yield, quality or price of the insured crop (e.g., chemical drift, fire, terrorism)
- Failure to follow recognized good farming practices for the insured crop
- Failure or breakdown of the irrigation equipment or facilities, or the inability to prepare the land for irrigation using your established irrigation method, unless the failure, breakdown or inability is due to a cause of loss specified in the Crop Provisions.
- Failure to carry out a good irrigation practice for the insured crop
Federal Crop Insurance Program

- **Program Statistics**
  - $109 billion in Liability
  - Policies Earning Premium - 1.2 million
  - Acres insured - 294 million
  - 20+ Plans of Insurance

- **Tennessee**
  - $9.9 million in Liability
  - Policies Earning Premium - 11,974
  - Acres insured - 2.7 million acres

SOB, for the 2014 CY, as of Jan. 19, 2015
What crops were insured in 2014?

2014 - 120+/- crops were insured nationwide
2014 - 17 crops were insured in TN

- AGR Lite
- Apples
- Barley
- Tobacco, Burley
- Tobacco, Dark Air
- Tobacco, Fire
- Canola
- Corn
- Cotton
- Fresh Market Tomatoes
- Grain Sorghum
- Nursery (FG & C)
- Oats
- Peaches
- Popcorn
- Rice
- Soybeans
- Wheat

SOB for the 2014 CY, as of January 26, 2015
What crops are grown in Tennessee that are not covered by crop insurance?
What else?

What crops have not been included?

Does RMA have a policy available?
Whole-Farm Revenue Protection (WFRP)
What is Whole-Farm Revenue Protection?

WFRP is a plan of insurance that:

- is a new pilot program for the 2015 crop year;
- is different than other program;
- insures potential revenue, not the actual commodity;
- uses 5 consecutive years of tax records to establish your operation’s financial history; and
- covers all farm raised/grown commodities under a single policy.
What is WFRP?

- WFRP is a plan of insurance that provides protection against loss of revenue that a producer expects to earn or will obtain from commodities produced or purchased for resale during the insurance period.
- This insurance plan is tailored to any farm with up to $8.5 million in insured revenue.
Whole-Farm Revenue Protection

- What does WFRP cover?
  - WFRP covers revenue from all commodities produced on the farm:
    - Including animals and animal products
    - Commodities purchased for resale

- What commodities are not covered?
  - Timber, forest, and forest products
  - Animals for sport, show or pets
Coverage Level

- Coverage Levels - 50 - 85%
  - 5% increments
  - For 80 and 85% coverage level - must have a commodity count of at least 3
  - Not available at catastrophic (CAT) level
Can I purchase other Federal Crop Insurance Policies in conjunction with WFRP? Yes

- Must be at a buy-up coverage level
- Any indemnities from the MPCI policies will count as Revenue Earned under WFRP
Can I purchase Non-insured Disaster Assistance (NAP) coverage? YES, but...

- You may not receive benefits from both NAP and WFRP
- If you participate in NAP and WFRP and elect to keep a NAP payment, you will still owe premium for WFRP even if you elect not to take a WFRP indemnity.
Does WFRP have replant coverage? Yes

- Replant costs for annual commodities
  - Replant is payable after the loss of 20% of the crop or 20 acres
  - Actual replant payment - the LESSER of the actual cost to replant or 20% of the expected revenue per acre multiplied by the coverage level
- Verifiable records of replant costs required
- Insurance company (AIP) has approval authority
Whole-Farm Revenue Protection

Important Dates for Tennessee

- **Sales Closing**  
  March 15, 2015
  - Application
  - IRS Tax Form 1040 Schedule F (or applicable)
    - 2009 - 2013 for the 2015 Crop Year
  - Allowable Expenses Worksheet
  - Allowable Revenue Worksheet
  - Whole Farm History Report
  - Farm Operation Report (Intended, Revised, Final)
  - Beginning Inventory Report (if applicable)
  - Accounts Receivable and Payable (if applicable)
  - Market Animal and Nursery Inventory/Accounting Worksheet (if applicable)
Whole Farm Revenue Protection

Important Dates for Tennessee

- **Sales Closing Date** - March 15, 2015
- **Revised Farm Operation Report**
  - Calendar or early fiscal filers - July 15
  - Late Fiscal Files - last day of the month in which the fiscal year begins, but no later than October 31
- **Revised Farm Operation Report after deadline**
  - Notify AIP within 30 days
- **Final Farm Operation Report** - March 15, 2016 (the subsequent year)
From the RMA Homepage you can find:

1. Whole-Farm Revenue Protection Home page
2. Cost Estimator - Estimates premium
3. Information Browser - Actuarial Documents and List of commodity codes
4. Insurance Agents in your area

If you have any questions contact the Jackson Regional Office at 601/965-4771 or Terri Lemire at terri.lemire@rma.usda.gov or Marques Saffold at marques.saffold@rma.usda.gov