



FARM PRODUCTION AND CONSERVATION

## 2021 Kentucky Horticulture Council Multi-Peril Crop Insurance Webinar

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Jackson, Mississippi Regional Office  
November 9, 2021

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## Topics

- RMA and Jackson Regional Office overview
- Crop Insurance Cycle
- Kentucky Summary of Business
- Whole Farm Revenue Protection
- Micro-Farm Whole Farm Revenue Protection
- Organic and Specialty Crops

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# Risk Management Agency (RMA)

- RMA was created in 1996
- Serves America's agricultural producers through effective, market-based risk management tools to strengthen the economic stability of agricultural producers and rural communities.
- Manages the Federal Crop Insurance Corporation (FCIC) to provide innovative crop insurance products to farmers and ranchers.
- Approved Insurance Providers (AIP) sell and service the policies through a private partnership with RMA.
- RMA backs the AIPs who share the risks associated with catastrophic losses due to major weather events.
- RMA's vision is to secure the future of agriculture by providing world class risk management tools to rural America.

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# RMA Structure

- Insurance Services**
  - Ensures program is adaptive, effective, and actuarially sound at the local level.
  - A primary focus consists of risk management education and outreach.
- Product Management**
  - Responsible for overseeing product development and maintaining existing policies.
- Compliance**
  - Responsible for safeguarding the integrity of the Federal Crop Insurance Program.
  - Investigates program vulnerabilities, fraud, and waste/abuse of the program.

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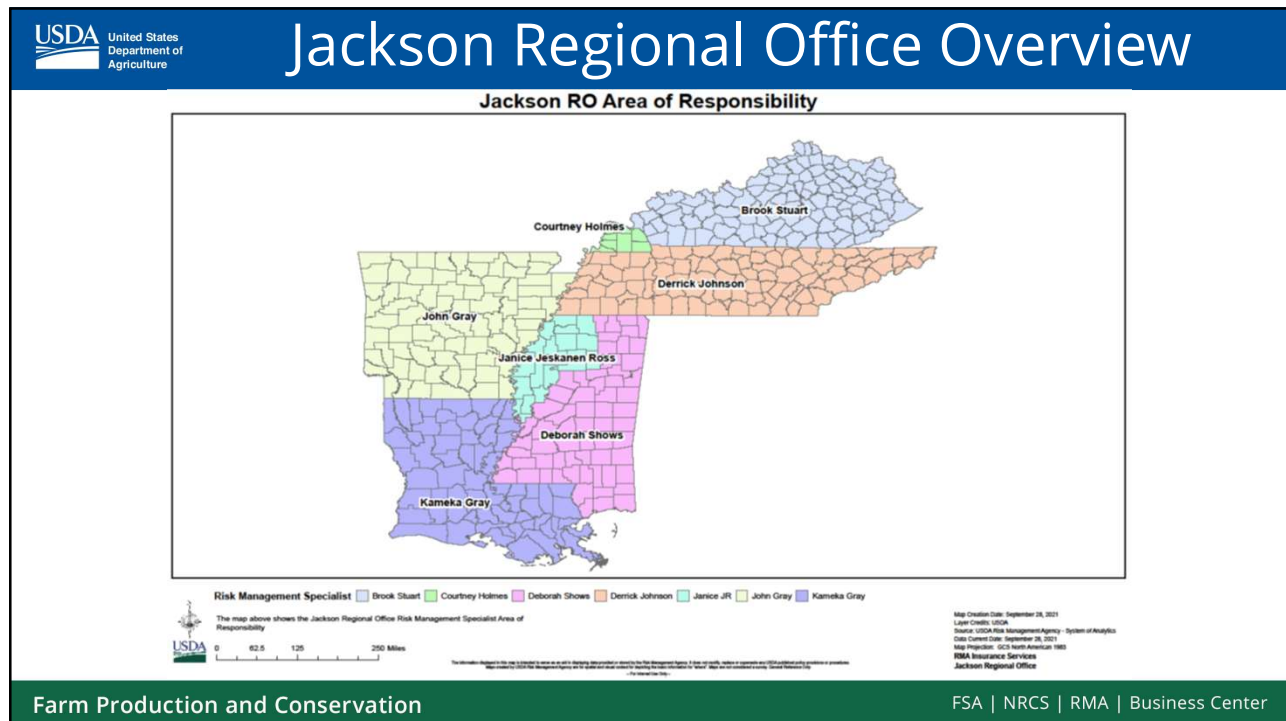
# Jackson Regional Office Overview - Insurance Services

Administer crop insurance program for 5-state region (AR, KY, LA, MS, and TN).

## Yearly Reviews:

- Crop T-Yields
- Rates
- Plant Dates
- Crop Program
- Requests for Actuarial Change (Written Agreements)
- PPA – Program Performance Assessment (Formerly Large Claims)
- Disaster Reports
- Risk Management Education
- Crop Fact Sheets/State Profiles

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## Jackson Regional Office Overview

- Director – Roddrick Bell – [Roddrick.bell@usda.gov](mailto:Roddrick.bell@usda.gov)
- Deputy Director – Cody Adkins – [Cody.adkins@usda.gov](mailto:Cody.adkins@usda.gov)
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  - Kentucky
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    - Courtney Holmes – [Courtney.holmes@usda.gov](mailto:Courtney.holmes@usda.gov)
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    - Janice Jeskanen Ross – [Janice.jeskanenross@usda.gov](mailto:Janice.jeskanenross@usda.gov)
  - Tennessee
    - Derrick Johnson – [Derrick.johnson@usda.gov](mailto:Derrick.johnson@usda.gov)
- Staff Assistant – Helen Ward – [Helen.ward@usda.gov](mailto:Helen.ward@usda.gov)

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## Crop Insurance Cycle

The diagram illustrates the 11 steps of the Crop Insurance Cycle, arranged in a clockwise circle:

- Program Changes:** Step 11 (red arrow) and Step 1 (red arrow).
- Application Process:** Steps 1, 2, 3, and 4 (green arrow).
- Coverage and Billing:** Steps 5, 6, and 7 (gray arrow).
- Claims Process:** Steps 8, 9, and 10 (blue arrow).

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## Crop Insurance Cycle – Application Process

### Step 1: Policy Renewal, Change Options, Application

- Insurance Cycle begins each year with the insurance offer.
- Actuarial documents published, by RMA and list:
  - Plans of insurance
  - Crops, types, and practices
  - Coverage levels and premium rates

### Step 2: Sales Closing, Cancellation, Termination Dates

- Insurance applications must be signed by the sales closing date specified in the crop actuarial documents.
- Insurance coverage is continuous so must be cancelled by the cancellation date, in writing, by the policyholder.

### Step 3: Acceptance

- Insurance provider will process application and will issue a summary of coverage and other documents

### Step 4: Insurance Attaches

- Annual crops – insurance attaches when planting begins
- Perennial crops – insurance attaches on the calendar date specified in the crop provisions

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## Crop Insurance Cycle – Coverage and Billing

### Step 5: Acreage Reports

- Report acreage planted by producer
- Date, share, location, practices, and types/varieties planted

### Step 6: Summary of Coverage

- AIP will process acreage report and provide summary of coverage and amount of insurance (guarantee) available.

### Step 7: Premium Billing

- AIP will issue a premium bill no earlier than the premium billing date in actuarial documents.
- Will specify the amount of premium that is due.

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## Crop Insurance Cycle – Claims Process

### Step 8: Notice of Damage or Loss of Production

- Written notice, by the policyholder, must be filed within 72 hours of the date of damage.
- Refer to the crop provisions for provided cause of loss.

### Step 9: Inspection

- After AIP reviews the claim report, a loss adjuster will be sent to inspect the damage.
- The loss adjuster will gather all information required to process the claim.

### Step 10: Indemnity Claim

- After the claim is processed by the AIP, an indemnity check could be issued to the policyholder

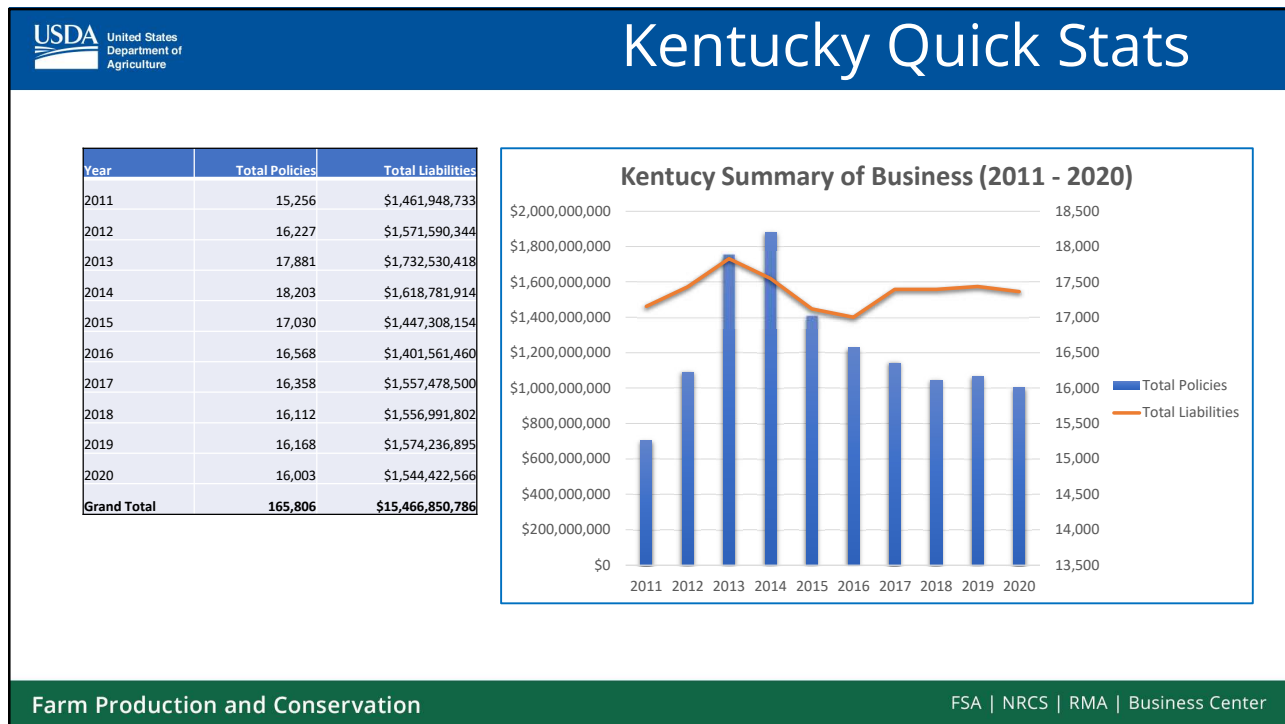
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## Crop Insurance Cycle – Program Changes

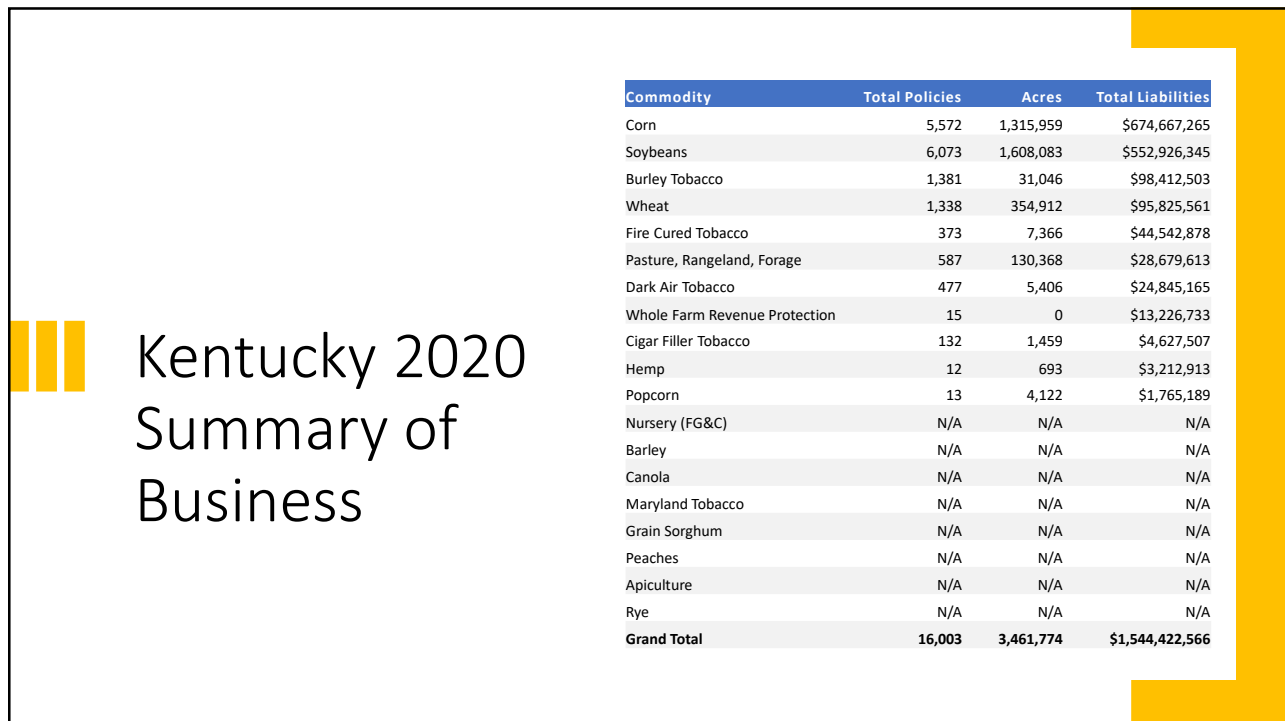
### Step 11: Contract Change Date

- Changes to the insurance policy may be made by RMA from one year to the next and will be made available on RMA's website by the contract change date.
- AIPs will notify policyholders, in writing, of any changes applicable to their policy no later than 30 days before the cancellation date.
- Policyholder will then have the opportunity to review the changes and accept/change/cancel policy for the following year.

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# Whole Farm Revenue Protection (WFRP)



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# Whole Farm Revenue Protection (WFRP)

**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.

**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 Levels**

- Coverage levels in 5% increments from 50 to 85%
- Diversification of 3 commodities required for 80% and 85% coverage levels.

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# Whole Farm Revenue Protection (WFRP)

- Revenue from all commodities produced on the farm:
  - Hemp recently added
  - Including animals and animal products
    - Excluding timber, forest, forest products, and animals for sport, show or pets
  - Commodities purchased for resale (up to 50% of total)
- Premium subsidy is available and depends on farm diversification
  - Farms with 2 or more commodities (commodity count) receive whole-farm premium subsidy
  - Farms with 1 commodity receive basic premium subsidy


**WFRP Subsidy: Percentage of Total Premium Paid by Government**

| Coverage Level                               | 50% | 55% | 60% | 65% | 70% | 75% | 80% | 85% |
|--|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Basic Subsidy</b>                         |     |     |     |     |     |     |     |     |
| <b>Qualifying Commodity Count: 1</b>         | 67% | 64% | 64% | 59% | 59% | 55% | N/A | N/A |
| <b>Whole-Farm Subsidy</b>                    |     |     |     |     |     |     |     |     |
| <b>Qualifying Commodity Count: 2</b>         | 80% | 80% | 80% | 80% | 80% | 80% | N/A | N/A |
| <b>Whole-Farm Subsidy</b>                    |     |     |     |     |     |     |     |     |
| <b>Qualifying Commodity Count: 3 or more</b> | 80% | 80% | 80% | 80% | 80% | 80% | 71% | 56% |

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## Whole Farm Revenue Protection (WFRP)

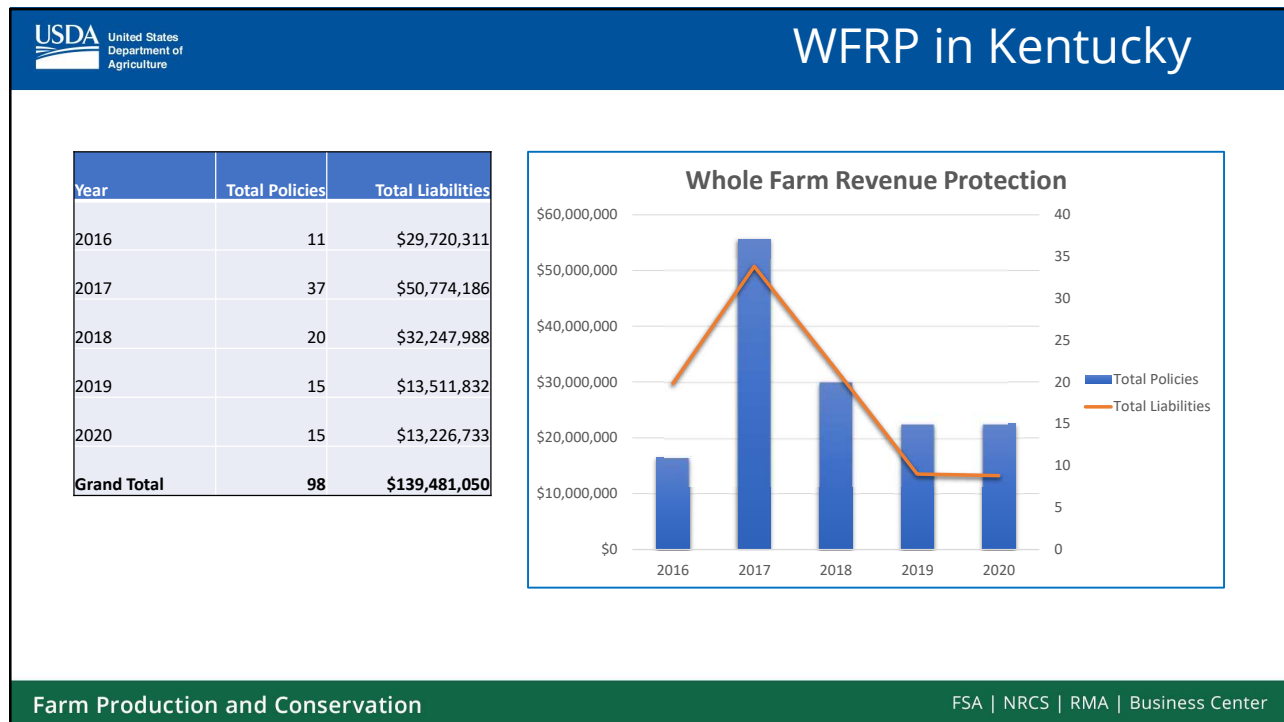
Available Crops

|                           |                              |                               |                             |
|---------------------------|------------------------------|-------------------------------|-----------------------------|
| Alfalfa (Nonirrigated)    | Dairy                        | Mint                          | Radishes                    |
| Apples (Fresh Market)     | Eggplant                     | Mustard                       | Rapeseed                    |
| Apples (Processing)       | Eggs                         | Nectarines                    | Raspberries                 |
| Asparagus                 | Endive                       | Nursery (Fg & C)              | Rhubarb                     |
| Barley (Irrigated)        | Fish                         | Okra                          | Rice                        |
| Barley (Nonirrigated)     | Flowers Cut                  | Onions                        | Rye                         |
| Dry Beans                 | Flowers Dried                | Other Animal Products         | Hybrid Corn Seed            |
| Snap Beans (Fresh Market) | Flowers Potted               | Other CombinedDirectMarketing | Seed Vegetable              |
| Beans Lima                | Forage Production            | Other Crops                   | Sheep: Ewe/Lamb             |
| Processing Beans          | Furs                         | Other Crops Perennial         | Sheep: Feedlot              |
| Bedding Plants            | Game Birds                   | Other Forage Seeds            | Sheep: Stocker/Feeder       |
| Bees (Animals)            | Garlic                       | Other Fruits                  | Soybeans (Irrigated)        |
| Beets                     | Goats                        | Other Live Animals            | Soybeans (Nonirrigated)     |
| Blackberries              | Gooseberries                 | Other Small Grains            | Spinach                     |
| Blueberries               | Grain Sorghum (Irrigated)    | Other Vegetables              | Squash Summer               |
| Broccoli                  | Grain Sorghum (Nonirrigated) | Parsley                       | Squash Winter               |
| Brussel Sprouts           | Grapes                       | Parsnips                      | Strawberries                |
| Cabbage (Fresh Market)    | Greens Collard               | Peaches (Fresh Market)        | Sweet Corn (Fresh Market)   |
| Cabbage (Processing)      | Greens (Other)               | Peaches (Processing)          | Sweet Corn (Processing)     |
| Canola (Irrigated)        | Greens Turnip                | Pears                         | Swiss Chard                 |
| Canola (Nonirrigated)     | Hay (Other)                  | Green Peas                    | Tobacco Burley              |
| Carrots                   | Hemp Fiber                   | Pecans (Irrigated)            | Tobacco Dark Air            |
| Cattle: Cow-Calf          | Hemp Flower                  | Pecans (Nonirrigated)         | Tobacco Fire Cured          |
| Cattle: Feedlot           | Hemp Seed                    | Peppers (Fresh Market)        | Tomatoes (Fresh Market)     |
| Cattle: Stocker/Feeder    | Herbs                        | Peppers (Processing)          | Tomatoes (Processing)       |
| Cauliflower               | Hogs: Farrow                 | Aquatic Plants                | Turf                        |
| Celery                    | Hogs: Farrow/Finish          | Seasonal Potted Plants        | Turnips                     |
| Sweet Cherries            | Hogs: Finish                 | Plums                         | Vegetables Mixed            |
| Tart Cherries             | Hops                         | Popcorn                       | Watermelons                 |
| Clover                    | Horseradish                  | Potatoes                      | Wheat (Summerfallow)        |
| Corn (Irrigated)          | Kale                         | Sweet Potatoes                | Wheat (Continuous Cropping) |
| Corn (Nonirrigated)       | Leeks                        | Broilers                      | Wheat (Irrigated)           |
| Cucumbers (Fresh Market)  | Lettuce                      | Poultry                       | Wheat (Nonirrigated)        |
| Cucumbers (Processing)    | Mink                         | Pumpkins                      |                             |

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## Micro Farm (WFRP)

- News Release issued on October 6, 2021.
- New insurance option specifically for agricultural producers with small farms who sell locally.
- Policy was generated based on research directed by the 2018 Farm Bill, and includes feedback from producers who grow for their local communities.
- Micro Farm is offered through WFRP and has distinct provisions that can provide more access to the program:
  - No expense or individual commodity reporting needed; simplifying the recordkeeping for producers
  - Revenue from post-production costs, such as washing and packaging commodities are now considered allowable revenue
- Available to producers who have a farm operation that earns an average allowable revenue of \$100,000 or less.
  - Research showed that roughly 85% of producers who sell locally reported they made less than \$75,000 in gross sales.

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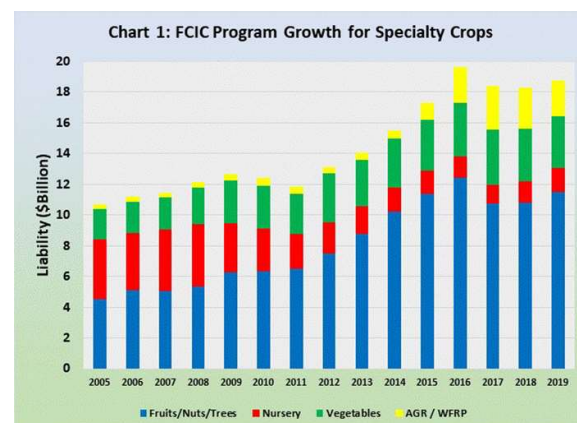
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- Organic farming has become one of the fastest growing segments of U.S. agriculture.
- Coverage availability
  - Certified organic acreage
  - Transitional acreage being converted to certified organic with an approved organic plan
- Guarantees, Coverage Levels, and Prices
  - Plans, coverage levels, types, price elections, T-yields, dates, and rates can be found in the actuarial documents for each organic crop within a selected county.
- Causes of Loss
  - All production loss or insurance amount loss due to an insured cause of loss listed in the crop provisions apply to both the organic and transitional practices
  - Failure to follow a good farming practice, failure to comply with the USDA organic standards, or crop contamination by drift of prohibited substances are not covered causes of loss.

## Specialty Crops

- Specialty crops include fruits and vegetables, tree nuts, dried fruits, horticulture nursery (including floriculture).
- Administered under the WFRP program.
- Specialty Crop Liaisons
  - RMA Regional Office point of contact is Brook Stuart for Kentucky.



## Research and Other Initiatives

- **Apples:** RMA is proposing changes to apple crop insurance to strengthen policy language and address vulnerabilities. This change is after review and feedback that began in 2018.
- **Greenhouse:** RMA contracted a study to determine the feasibility of insuring production in a controlled environment like a greenhouse. Based on the results of the study, RMA intends to work collaboratively with the contractor in developing a new inventory-based crop insurance product which establishes the guarantee based on inventory values in the operation, like RMA's Nursery Value Select program. This will be accomplished through a single-peril policy that covers disease, which the contractor determined to be the primary risk for controlled environment producers.
- **Guar:** RMA is working with a contractor to gather data and develop a viable program for guar, a drought-tolerant annual legume that has historically been used for both food and feed. Today, the crop is primarily grown for the gum from its seeds, which has several industrial and food processing applications. RMA expects to use information gathered from the contractor to develop a policy to be available for the 2023 crop year.
- **Local Foods:** RMA contracted a study to assess the feasibility of insuring local food production. The contractor provided several recommendations to improve coverage options for local food producers. Based on the results of the study, RMA is developing changes to WFRP with the needs of local food producers in mind.

## Useful Tools/Information

- **RMA Public Website** - <https://www.rma.usda.gov/>
- **Whole Farm Revenue Protection** - <https://www.rma.usda.gov/Fact-Sheets/National-Fact-Sheets/Whole-Farm-Revenue-Protection>
- **Organic Crops** - <https://www.rma.usda.gov/Topics/Organic-Crops>
- **Specialty Crops** - <https://www.rma.usda.gov/Topics/Specialty-Crops>
- **Crop Insurance Agent Locator Tool** - <https://www.rma.usda.gov/Information-Tools/Agent-Locator-Page>
- **RMA Cost Estimator Tool** - <https://webapp.rma.usda.gov/apps/costestimator/>
- **Actuarial Information Browser (Specific County/Crop Information)** - <https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>

|  |                                    |
|--|------------------------------------|
|   | <h2>Contact Information</h2>       |
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