

RIGHTRISK™

RIGHTRISK NEWS

DATES TO REMEMBER

MPP-Dairy Program
- December 15, 2014

Base Acre/Yield Updates
- February 27, 2015

ARC/PLC Election
- March 31, 2015

PLC/SCO Election
- March 31, 2015

Crop Insurance Sign Up
(Most Spring Planted Crops)
- March 15, 2015

For more information see:
<http://www.rma.usda.gov>
<http://www.fsa.usda.gov>

2015 Whole Farm Revenue Protection Pilot Plan

Insurance protecting against poor crop yields has been available to farmers for many years. However, income can also be reduced by low prices, where both yield and price contribute to total farm revenue.

Whole-Farm Revenue Protection (WFRP) is a new insurance policy that provides producers with an improved whole farm risk management product under one policy. It protects against the loss of approved revenue due to unavoidable natural causes that occur during the insurance year. It covers all agricultural products established or produced on the farm operation, except timber, forest and forest products, and animals for sport, show, or pets.

WFRP is intended to replace coverage previously provided by Adjusted Gross Revenue (AGR) and Adjusted Gross Revenue – Lite (AGR-Lite) insurance plans.

In order to qualify for WFRP, a producer must generally:

- be eligible to receive federal benefits;
- file either a Schedule F tax form or “substitute Schedule F” to the IRS;
- have insured revenue of \$8.5 million or less;
- expect revenue from animals and animal products of \$1 million or less or no more than 35 percent of total expected revenue;
- expect revenue from nursery and greenhouse production of \$1 million or less or no more than 35 percent of total expected revenue;
- raise at least two commodities if one of the commodities is potatoes;
- not purchase CAT coverage or another policy offered for any commodity on the farm;
- derive 50 percent or more of expected revenue from those counties (or contiguous counties) in which WFRP is being piloted;
- have no more than 50 percent of allowable income derived from commodities purchased for resale.



How Much Risk is Right for You?

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WFRP coverage is based on the coverage level multiplied by the lower of: (1) adjusted average gross farm income as reported on a producer's Schedule F income tax for the five consecutive years immediately before the insurance year or (2) the insured revenue from the production of commodities during the current insurance period.

Losses occur when the "allowable revenue" from the sale of commodities produced during the insurance year falls below the "insured revenue". Allowable income is farm revenue, specified by the insurance policy and including applicable adjustments, from the production of commodities produced by the farm or purchased for further growth (such as yearling cattle purchased for resale).



WFRP does not cover lost revenue due to negligence, mismanagement, or wrongdoing; failure by the farmer or rancher to follow recognized good farming practices; damage to machinery, equipment, or irrigation equipment; failure to carry out good irrigation practices; theft or vandalism; inability to market the commodities; lack of labor; or deterioration of stored commodities.

For the initial year of insurance coverage, the completed application must be submitted no later than the sales closing date which corresponds to spring planted crop sales closing dates for the county. These are typically February 28th and March 15th.

A producer claiming an indemnity must provide a notice of loss within 72 hours of initial discovery that allowable revenue for the insurance year could fall below the insured revenue. A claim for indemnity must be submitted by the producer declaring the amount of loss not later than 60 days after the original date that the farm tax returns must be provided to the IRS.

The premium rate for WFRP depends on the county, commodities grown, and percentage of each commodity grown. Billing dates for WFRP are August 15th for calendar year and early fiscal filers and December 1st for late fiscal filers. As with other crop insurance plans, a portion of the premium is subsidized by the federal government.

For more information see: <http://www.rma.usda.gov> > Fact Sheets (screen center) > Whole-Farm Revenue Protection



RightRisk helps decision-makers discover innovative and effective risk management solutions.

- *Education*
- *Coaching*
- *Research*

RightRisk News is brought to you by the RightRisk Team

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*How much risk
is right for you and your operation?*

