An NGFN Webinar

May 14, 2015

CROP INSURANCE FOR SMALL FARMS
A CRASH COURSE
Presentation Outline

- Technical Orientation
- Welcome

**Jeff Farbman**
*Wallace Center at Winrock International*

- Crop Insurance Basics: Duties, Myths and Truths
- Crop Insurance Basics & Whole Farm Revenue Protection
- Questions and Answers
- Upcoming Opportunities, etc.
WALLACE CENTER at WINROCK INTERNATIONAL

• Market based solutions to a 21st Century food system
• Work with multiple sectors – business, philanthropy, government
• Healthy, Green, Affordable, Fair Food
• Scaling up Good Food
NATIONAL GOOD FOOD NETWORK: VISION
Supply Meets Demand
• There is abundant good food (healthy, green, fair and affordable) to meet demands at the regional level.

Information Hub
• The National Good Food Network (NGFN) is the go to place for regional food systems stories, methods and outcomes.

Policy Change
• Policy makers are informed by the Data and Analysis and outcomes of the NGFN and have enacted laws or regulation which further the Network goals.

http://ngfn.org | contact@ngfn.org
Presentation Outline

- Technical Orientation
- Welcome

**Crop Insurance Basics: Duties, Myths and Truths**

**Janie Hipp**
*University of Arkansas*
*Indigenous Food and Agriculture Initiative*

- Crop Insurance Basics & Whole Farm Revenue Protection
- Questions and Answers
- Upcoming Opportunities, etc.
Crop Insurance Basics: Duties, Myths and Truths

Presenter: Janie Simms Hipp, J.D., LL.M.
479-575-4699; jhipp@uark.edu
Why Crop Insurance???  Why Do I Need Crop Insurance?

* Crop insurance is one of many risk management options.
* 5 areas of risk – Each need examination – Each need a plan
  * Marketing
  * Financial
  * Legal
  * Human Resource
  * Production - - Crop Insurance is a Key Way to Plan for Production Risk
Marketing Risk:

- What’s your market?
- Do you know marketing opportunities?
- How often do you review your marketing options?
- Do you have a marketing plan and how often do you review and update it?
- Crop insurance - - did you know that crop insurance products can guarantee revenues and enhance your marketing opportunities?
Crop Insurance Basics

- **Financial Risk:**
  - Do you have a business plan? Is it current?
  - Have you considered good times (increase in $$) or bad times (decrease in $$)?
  - What is your cost of production? What are your break-even costs? Balance sheets, cash flow, income statements? Debt-to-asset ratio? Debt level? Financing options?
  - What is your tax liability? Tax records?
  - Crop insurance - - is it adequate to repay current operating loans? Will it allow you to take advantage of marketing opportunities? Will it ensure the security on your loan? Will it make your lender feel more secure?
**Legal Risk:**

* Will? Estate plan? Farm succession plan? Exit strategy?
* Do you have general liability insurance policies?
* Are you considering liability for public accessing your lands? Direct marketing? Food safety liability? Livestock damage caused to others? Environmental liability? Land use issues with neighbors?
* Have you read your contracts? Your leases? Your loans?
* Are you a “business entity”?
* And more??? (P.S. This isn’t a complete list of legal issues...)

**Crop Insurance Basics**
Crop Insurance Basics

* **Human Resource Risks:**
  * Do you have personal insurance? Is it adequate?
  * Medical and disability insurance? Life insurance?
  * Do you have employees? Have you considered your liability for your employees’ actions? Have you trained your employees on safety issues? Employee handbook?
  * How do you work with your family?
  * Are you keeping up with your own growth and education?

* Who are your advisors?
**Production Risk:**

- When was the last time you evaluated your risk of crop or livestock loss?
- How closely do you track the weather and its effects on your operation? Diseases?
- Do you have alternative production plans if your production risk becomes too great? Do you have knowledge necessary to implement a new production system?
- When was your last SWOT analysis?
- Are you irrigated? Are you controlling for water or lack thereof?
- What about disease and pests?
- **Crop insurance** - have you discussed crop insurance products with an agent? If you have crop insurance is it adequate to cover possible severe losses?
Crop Insurance has been around in various forms since the 1930s.
- Congress has had a long history of addressing disasters through disaster bills - but those days are passing into memory
- Crop insurance is designed to cover losses that are unavoidable - due to naturally occurring events
- Does not cover losses due to negligence or failure to follow good farming practices
  - Good farming practices varies from crop to crop and region to region
  - What does your local extension agent or crop consultant consider good farming practices? Do you even know who these people are? You should.
Crop Insurance Basics

* How Does Crop Insurance Work?
  * Federal Crop Insurance Corporation (FCIC) establishes programs
    * FCIS created in 1938 and was an experiment until 1980
    * Unanticipated losses, prevented planting, yield losses, disasters dealt with through disaster bills and free coverage
    * 1980 to 1994 - - most farmers hadn’t moved to crop insurance and Congress was still passing ad hoc disaster bills for farmer relief
    * Prior to 1980, was a government program only
    * Federal Crop Insurance Act of 1980 transformed into program involving private insurance providers
    * Federal Crop Insurance Reform Act of 1994 – next wave of changes
  * 1994 – Crop Insurance mandatory to receive certain benefits (price support programs, loans, etc.)
  * 1996 – repealed mandatory requirements, but farmers required to purchase insurance or waive other disaster benefits
Crop Insurance Basics

- 1996 - Risk Management Agency (USDA RMA) created
- RMA administers programs and underwrites crop insurance policies for crops and livestock;
  - 10 regional offices
- Policies are sold and serviced by private insurance companies
  - Agents sell policies
    - Front-line source of information about various policies and products
- 2000 – allows RMA to expand insurance products through partnerships in research and development of products & premium subsidies increased to encourage participation
- 2014 – Congress continued to make improvements to allow more small, diversified farms have access to better products & special programs for beginning farmers; conservation compliance tied to crop insurance
Crop Insurance Basics

* # of products & types of crops covered continues to increase
* 100s of crops covered now - - livestock covered - - new whole farm products
* In the beginning only a handful of row crops were covered
* As demand for more products increases, more products will likely come on line
* But if producers don’t use the products, the products are arguably unnecessary…..in other words - - don’t complain about “no products for me” if you don’t take the products or work with the system to modify and encourage good products
* Stay involved and informed!!
Crop Insurance Basics

* “Good farming practices”
  * Failure to use such care as a reasonably prudent and careful person would use under similar circumstances – reasonable production methods
  * For conventional or sustainable farming practices, those practices that are generally recognized by agricultural experts for the area; or
  * For organic farming practices, those generally recognized by organic agricultural experts for the area or contained in the organic plan.

* Recordkeeping is CRITICAL!!!!
  * The sloppier your records are the less likely you are to get insurance or get paid fully against losses
  * How and what do you produce -- what you do to protect your production -- documentation as to day and time and actions you take -- precision is key!
  * Records for each insurable unit of production -- kept in safe place -- including receipts
  * Who, what, when, where, how and why -- and pictures -- smartphones and technology make this exercise a lot easier
Crop Insurance Basics

* Disease is an insured peril
  * But if you don’t take reasonable action to prevent or address disease issues, your level of indemnity for loss could be affected
  * Knowledge of pending disease outbreaks in your areas – knowledge of ways to control – recommendations of local experts – what are considered good farming practices in your areas - - contained in your organic production plan - - are you scouting?
* Experts – plant pathologists, certified agronomists, crop advisors, crop consultants, horticultural scientists, professional horticulturists, others can be qualified if their research or occupation is related to a specific crop (make sure they are approved)
Crop Insurance Basics

- **Common Mistakes Made By Producers**
  - Underreporting your planted acreage per unit or Overreporting your planted acreage per unit -- either can affect your indemnity payments
  - Failure to report all farm serial numbers (FSNs) planted to the insured crop - Failure to report the production for all farm serial numbers (FSNs) -- either can affect your indemnity payments
  - Failure to elect "New Producer" status - Failure to indicate "Added Land" on your acreage report
* **Harvesting the crop in a manner other than insured** –
  * If you are harvesting the insured crop in a manner other than intended without informing the crop insurance carrier and have a claim, you will have a problem. No indemnity will be paid. Ex: insured corn as grain, but harvested it as silage.

* **Destroying the insured crop without the company's approval** –
  * Production for a crop that is destroyed before the claim adjustment is made will be assessed at the full production guarantee and no indemnity will be paid.
Crop Insurance Basics

* Availability in every county for every crop???
  * Actuarial soundness drives products
  * New product development requires time; pilot programs are approved and administered for a time before they become widely available
  * RMA doesn’t expand into areas or into crops where no one requests those expansions - - get involved
    * Reach out to crop insurance agents & Reach out to RMA offices to request products come into your area or cover your crops
Duties of the Crop Insurance Holder (the Insured)

- **Read your policy!!!**
- Know **all the applicable dates** - **closing date** (to apply for coverage); **cancellation date** (to give notice if you don’t want coverage next year); **production reporting date** (actual production history deadline); **final planting date** (if unable to plant must contact your agent); **acreage reporting date** (report acreage planted to agent); **payment due date** (interest charges will be incurred thereafter); **final date to file notice of crop damage**; **end of insurance period**; **debt termination date** (insurance for next year will be cancelled if payment not made by this date)

- **Report on time & Meet Policy Deadlines**
- No fraud - - this is a serious issue and you will be in danger
- **Keep impeccable records!!!**
- **Report Losses Immediately & Pay $ When Due**
Myths about Crop Insurance

- **It Doesn’t Pay:** Depends on Who You Are….for years, folks have said that for every dollar paid in premiums by farmers, the program has cost much more and paid out much more to farmers, because premiums are subsidized. For Farmers, perhaps this is a good thing - - for taxpayers?

- **It Costs Too Much:** For the level of coverage purchased, the price is lower than most other insurances (car, etc.)

- **My Crops aren’t covered:** There is at least some minimum coverage for most every crop. Particularly with newer products. There may not be higher levels of coverage, depending on what crop you are growing
Myths about Crop Insurance

* You have to have a total loss to collect: Losses that qualify for coverage do not have to be total losses -- it depends on the policy you choose

* You have to use the county averages related to production: Not if you have adequate production records

* There is too much paperwork: Crop insurance agents can help with understanding paperwork; but paperwork is involved in any insurance product
What Policy to Choose

- What crops do you grow?
- Where are you located?
- What kind of loss are you more likely to experience?
  - Yield losses? Yield and Price Losses? Revenue Losses?
- Catastrophic coverage?
  - Available for all crops - administrative fee per crop – coverage levels
**Coverage level**

* Choosing a coverage level
  * You have calculated your probable loss
  * You have calculated your absorbable loss

* You want to pick a coverage level that is above your maximum absorbable loss!

* Likely frequency of crop losses
  * This is tricky….how much of a gambler are you?
  * Likely frequency of crop losses that would be covered by insurance
Your Risk Exposure Tolerance

- What is your risk exposure?
- How large of a loss can you afford?
- What are your crop insurance options?
- Compare Yield based, Revenue based, and Catastrophic coverage?
- Should you buy crop insurance or self-insure?
- What is the worst case scenario if you don’t have crop insurance?
- What kinds of losses are likely on your farm?
  - Look through your records - - variability of yields & incomes
  - Maximum premium you can tolerate?
Other Business Questions

* Stage in Your Business Life Cycle:
  * Start up vs. Established

* Recent Losses
  * Had a loss last year? Can you afford 2 in a row?

* Undergoing business or family changes
  * Changes in family living costs
  * Transferring business from one generation to next

* Can you absorb a loss? Do you have equity on hand? Cash flow on hand? Reserves on hand/
When applying, you must provide your SSN or EIN

Notwithstanding any of the provisions in this section, if you certify to an incorrect SSN or EIN, or receive an indemnity, prevented planting payment or replant payment and the SSN or EIN was not correct, you may be subject to civil, criminal or administrative sanctions.

Insurance products are contracts — every party has duties and responsibilities.

Access to your farm and access to your records are required; records must be retained; you might be investigated.
Crop Insurance Links

- Links to crop insurance providers in each state:
  - http://www.cropinsuranceinamerica.org/about-crop-insurance/insurance-providers/#.VVQo5aaXE_U
- Links to the # of farms and crops covered in each state:
- More than 89% of insurable farmland in the US is now protected through the federal crop insurance program
- Crop Insurance and Specialty Crops:
- RAFI – New Article about Crop Insurance Coverage (Whole Farm):
  - http://rafiusa.org/blog/whole-farm-review-protection-a-year-in-review/
- General info: www.Farm-Risk-Plans.USDA.gov
AGR&AGR–Lite 2014 to WFRP 2015*
Change in Policies Sold

* As of 5/4/2015. Data subject to ongoing updates.
Source: USDA RMA Summary of Business.
Policy Availability and Policies Sold

AGR & AGR-Lite, 2014

WFRP 2015

Policies were only available in the shaded counties for each year.

Source: USDA RMA Summary of Business as of 5/4/15. Data subject to ongoing updates.
Crop Insurance is an Important Risk Management Tool

Crop Insurance is an Important Safety Net for Farmers and Ranchers

Lenders Believe Crop Insurance is Important

Lawyers and Farm/Ranch Advisors Also Believe Crop Insurance is an Important Tool

It’s a Contract - - It has Duties & Responsibilities for You as Farm/Rancher

Be Informed - - Get Knowledgeable – Educate Yourself on Policies/Products
Presentation Outline

- Technical Orientation
- Welcome
- Crop Insurance Basics: Duties, Myths and Truths

- Crop Insurance Basics & Whole Farm Revenue Protection

Dean Benson
Gordon Killian
Northwest Farm Credit Services

- Questions and Answers
- Upcoming Opportunities, etc.
Crop Insurance Basics & Whole Farm Revenue Protection (WFRP)

May 14, 2015
Dean Benson  SVP Corporate Insurance
Gordon Killian  VP Insurance Administration
Northwest Farm Credit Services
Crop Insurance Basics

HIGH LEVEL OVERVIEW
Gordon Killian
Federal Crop Insurance

- **United State Dept. of Agriculture (USDA)**
  - Crop Insurance is under the Budget of USDA

- **Federal Crop Insurance Corporation (FCIC)**
  - Entity that writes the policies of oversees the program

- **Risk Management Agency (RMA)**
  - Implements and interprets the policy language

- **Approved Insurance Provider (AIP)**
  - Private Companies who contract with the Federal Government to service the policies, settle claims and underwriting
    - Standard Reinsurance Agreement (SRA)

- **Agency/Agent**
  - Licensed Agents appointed by the AIPs to work with growers in marketing and servicing policies
Federal Crop Insurance Programs

- **MPCI** – Multi-Peril Crop Insurance
  - APH – Actual Production History
  - YP – Yield Protection
  - RP – Revenue Protection
  - RPHPE – Revenue Protection Harvest Price Exclusion
  - ARH – Actual Revenue History

- **LGM** – Livestock Gross Margin (Dairy & Swine)

- **LRP** - Livestock Risk Protection (Feeder Cattle, Fed Cattle and Lambs)

- **PRF** - Pasture/Rangeland/Forage

- **WFRP** – Whole Farm Revenue Protection

Availability varies by location and commodity
Federal Crop Insurance Program

- **MPCI – Multi-Peril Crop Insurance**
  - **CAT – Catastrophic Coverage**
    - 50% average production at 55% of the approved price
    - Only one unit per crop / per county
    - Cost is $300 per crop / per county
  - **Buy Up –**
    - Coverage levels 50 – 75% of your Actual Production History
    - 80 & 85% levels available on some commodities
    - 100% of the approved price
    - May qualify for optional units (separate guarantees)
Federal Crop Insurance Program

Application & Reporting Requirements

• Application & Renewal

• Production Reporting
  • Must have 3rd party verifiable records or pre-harvest appraisal by the AIP

• Acreage Reporting
  • Map based / CLU reporting

• Other Reporting
  • Crop contracts, organic certificates, changes in farming operation, entity changes, etc.

• Deadlines apply for each step of the process
Entity Reporting

- Provide SSN, EIN, or RMA Assigned Number (RAN) by the sales closing date
- Verify your SSN/EIN annually and notify your agent of any entity changes
  - Individual, Spousal, Trusts, Partnership, Corporation, JV – other
    - Verify individuals/entities having 10% or more interest
- Entity that insures the crop must have ownership in the crop
- Information reported to other Federal agencies including FSA – Conservation Compliance must match the crop insurance policy
Claims Reporting

- As part of the claim process all entity policy information will be verified
  - Misreported information could impact your claim payments or void your coverage
- Important to report your acreage and production data accurately to avoid coverage or claim reductions
- Claims reporting – Filing a notice of loss with your agent
  - Within 72 hours after discovery of damage
  - Not later than 15 days after the end of the insurance period
  - Revenue losses must be filed
    - Within 45 days of RMA-issued harvest price
**YIELD PROTECTION – PER ACRE EXAMPLE**

Grower has a 50 bushel per acre approved yield
Assume the establish price is $6.00/bushel

**Guarantee calculation:**

50 bushel APH x 85% level x 100% share = Yield guarantee  
42.5 bu

Assume harvested yield =  
35.0 bu

Yield difference from guarantee  
7.5 bu

**Claim calculation:**  
7.5 bu x $6.00 =  
$45 / acre
Private Crop Insurance Products

- Hail Insurance – available for most crops
- Fire / Wind – Small Grains
- Winter Kill – Small Grains
- Hay Stack Fire
- Wind on Sweet Corn
- Re-plant Coverage (limited crops)
- Other private insurance coverage available depending on location
Whole Farm Revenue Protection

WFRP
Dean Benson
WHOLE FARM REVENUE PROTECTION – WHAT IS IT?

BENEFITS

AVAILABILITY

ELIGIBILITY

POLICY FEATURES

CLAIMS
WHAT IS IT?

- Revenue Safety net for all commodities grown under the farm entity under one policy

IT'S LIKE AN UMBRELLA POLICY

- With a Revenue Trigger

GUARANTEED AMOUNT OF INSURED CROP REVENUE

EXAMPLE $100,000 – REVENUE TRIGGER

$85,000 - CROP INCOME

$15,000 – WFRP CLAIM PAYMENT
Real Life Example

3 Commodity Producer

Total input costs: $270,000 +/-

Approved Whole Farm Revenue $343,147

Expecting to bring in: $356,563

At 80% coverage level, the income trigger could be: $274,518
• The cost for that $274,518 revenue trigger would be:

$1,992 (WFRP)
$1,807 (underlying crops MPCI 60% level)
$3,799 (annual cost)

1.38 % premium
2015 WFRP Enhancements

• Liability (coverage) to premium ratio is appealing – very affordable

• Liability increased to $8.5M across all approved counties

• Claim Payment rate increased to 100%
Availability
Availability
Eligibility

- 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;
- Have 5 consecutive years of farm tax history (for the 2015 WFRP insurance year, farm tax records from 2009-2013 must be available);
- Produce at least 50 percent of your agricultural commodities in counties where WFRP is available and the balance in neighboring counties;
- 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 50 percent of total revenue from commodities purchased for resale;
- Have ‘buy-up’ coverage levels on any Federal crop insurance plans 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.
COMMODITY

- Any agricultural product established or produced on your farm operation, except timber, forest, and forest products, animals for sport, show or pets.
Coverage Levels & Qualifying Commodities

- Coverage levels from 50% - 85%
  for the 80% or 85% coverage Level you must have 3 or more qualifying commodities

<table>
<thead>
<tr>
<th>Qualifying Commodities</th>
<th>Qualifying Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100.0%</td>
</tr>
<tr>
<td>2</td>
<td>16.65%</td>
</tr>
<tr>
<td>3</td>
<td>11.1%</td>
</tr>
<tr>
<td>4</td>
<td>8.33%</td>
</tr>
<tr>
<td>5</td>
<td>6.66%</td>
</tr>
<tr>
<td>6</td>
<td>5.55%</td>
</tr>
<tr>
<td>7</td>
<td>4.76%</td>
</tr>
<tr>
<td>8</td>
<td>4.16%</td>
</tr>
<tr>
<td>9</td>
<td>3.70%</td>
</tr>
<tr>
<td>10</td>
<td>3.33%</td>
</tr>
</tbody>
</table>

The number of qualifying commodities reduces the premium rate factor
SCHEDULE F

- Allowable revenue from the sale of commodities
  - Gross Revenue of farm commodities excluding added value post production cost

- Allowable expenses
  - Expenses that are directly related to the production of the commodity
## Revenue & Expense History

### Approved Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$97,548</td>
</tr>
<tr>
<td>2010</td>
<td>$125,454</td>
</tr>
<tr>
<td>2011</td>
<td>$154,888</td>
</tr>
<tr>
<td>2012</td>
<td>$195,154</td>
</tr>
<tr>
<td>2013</td>
<td>$254,215</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$827,259</strong></td>
</tr>
</tbody>
</table>

**Average Revenue:** $165,452

**Expanding Operation Indexed Revenue:** $343,147

### Approved Expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses</th>
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<td>2009</td>
<td>$57,845</td>
</tr>
<tr>
<td>2010</td>
<td>$98,454</td>
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<tr>
<td>2011</td>
<td>$99,154</td>
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<tr>
<td>2012</td>
<td>$128,957</td>
</tr>
<tr>
<td>2013</td>
<td>$199,548</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$583,958</strong></td>
</tr>
</tbody>
</table>

**Average Expenses:** $116,792

**Expanding Operation Expenses:** $128,471

**Indexed Expenses:** $205,671

**Final Expense Factor:** 1.761

**Indexed Revenue:** $343,147

**Indexed Expenses:** $205,671
## Projections (Intended Farm Operation Report)

### Intended Farm Operation Report

<table>
<thead>
<tr>
<th>Crop</th>
<th>Acres</th>
<th>Yield/Acre</th>
<th>Unit</th>
<th>Production</th>
<th>Price/Unit</th>
<th>Projected Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potatoes</td>
<td>35.0</td>
<td>550.0</td>
<td>Cwt.</td>
<td>19,250.0</td>
<td>$ 6.25</td>
<td>$ 120,313 33.74%</td>
</tr>
<tr>
<td>Alfalfa (Irrigated)</td>
<td>100.0</td>
<td>8.0</td>
<td>Tons</td>
<td>800.0</td>
<td>$ 175.00</td>
<td>$ 140,000 39.26%</td>
</tr>
<tr>
<td>Wheat (Irrigated)</td>
<td>250.0</td>
<td>55.0</td>
<td>Bushels</td>
<td>13,750.0</td>
<td>$ 7.00</td>
<td>$ 96,250 26.99%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>385.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 356,563 100.0%</td>
</tr>
</tbody>
</table>

Indexed Revenue $343,147  
Expected Revenue $356,563  

Take the lower of $343,147
## Coverage Levels

### $343,147 – WHOLE FARM REVENUE (WFR)

<table>
<thead>
<tr>
<th>Coverage Level</th>
<th>$171,574</th>
<th>$188,731</th>
<th>$205,888</th>
<th>$223,046</th>
<th>$240,203</th>
<th>$257,360</th>
<th>$274,518</th>
<th>$291,675</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Trigger</td>
<td>50%</td>
<td>55%</td>
<td>60%</td>
<td>65%</td>
<td>70%</td>
<td>75%</td>
<td>80%</td>
<td>85%</td>
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### $205,671 – APPROVED EXPENSES

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<th>$143,970</th>
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70% of Allowable Expenses
$343,147 – WHOLE FARM REVENUE (WFR)

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<tbody>
<tr>
<td>Premium</td>
<td>$326</td>
<td>$396</td>
<td>$535</td>
<td>$669</td>
<td>$841</td>
<td>$1,055</td>
<td>$1,992</td>
<td>$3,878</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coverage Level</th>
<th>50%</th>
<th>55%</th>
<th>60%</th>
<th>65%</th>
<th>70%</th>
<th>75%</th>
<th>80%</th>
<th>85%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>$652</td>
<td>$793</td>
<td>$1,071</td>
<td>$1,338</td>
<td>$1,681</td>
<td>$2,110</td>
<td>$3,821</td>
<td>$7,058</td>
</tr>
</tbody>
</table>

Why is the premium higher without underlying MPCI?

- The Multi Peril policy always pays first and counts as revenue against the WF revenue trigger
Claims

• REPORTING REQUIREMENTS
  • Within 72 hours of discovery that revenue could be below the insured revenue
  • No later than 60 days after you file tax forms

• SETTLED
  • After taxes are filed for the insurance year
  • Accrue Crop Revenue for the Insurance Year
    • by excluding revenue from crops grown in previous years
    • by including the value of crops that were harvested but not sold
    • by including the value of any unharvest crops (if applicable)
  • By counting all MPCI claim payments as revenue to count
Claims
Only Settled after taxes are filed

WFRP Coverage Attached
Jan 1 to Mar 15

January

WFRP Claim Settlement

January

MPCI Claim Payment

December
Claims – Finalization of payment

$274,518
REVENUE TRIGGER
-
$200,000
REVENUE TO COUNT
=

$74,518
WFRP CLAIM PAYMENT

Questions?
Questions and Answers

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Webinars are Archived

TOPICS!

http://ngfn.org/webinars
NGFN Webinars

3rd Thursday of each month
3:30p EST (12:30p PST)

http://ngfn.org/webinars

- Jun 18: Creative Financing for Food
- Aug 20: One Page Cost-Benefit Analysis Tool
USDA Local Food Directories

- **Was**
  - Farmers Markets
- **Now adds:**
  - CSAs
  - On-Farm Markets
  - Food Hubs

- http://www.USDALocalFoodDirectories.com/
Get Connected, Stay Connected

http://ngfn.org/database

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