WHAT IS THIS USER’S GUIDE?

Whole Farm Revenue Protection (WFRP) is a complex and potentially ever-changing partnership between the federal government and private crop insurance providers. This module provides a general orientation to WFRP for trainers, links to resources that will allow trainers to access up-to-date information, and guidelines on how to introduce beginning refugee farmers to WFRP. It is suggested that trainers seek to make refugee farmers aware of the potential benefits and costs of WFRP (Activities 1 and 2), and to provide additional technical assistance and advocacy only for those farmers who choose to learn more and/or apply for WFRP. Farmers who are not proficient and literate in English should not attempt to purchase WFRP without the support of a trusted, bilingual advocate who can insure that the farmer understands all of a WFRP policy’s provisions and requirements.
ACKNOWLEDGMENTS: This teaching resource was developed by Linda Seyler of Global Garden Refugee Training Farm in Chicago, IL in partnership with the Institute for Social and Economic Development (ISED Solutions). This material is funded by USDA, Risk Management Agency, under award number RM18RMEPP522C018: ‘Producing and Using Risk Management Educational Resources and Methods for Refugee Farmers.’

WHY IS THIS TRAINING NEEDED?

Farmers everywhere have developed strategies for surviving catastrophic crop failure, but New Americans are likely to be unfamiliar with the practice of purchasing crop insurance policies. They will also likely to be unfamiliar with programs and assistance available to them via USDA, including application assistance and the subsidies provided via USDA’s Whole Farm Revenue Protection program.

VARIATION:

Throughout this guide, boxes (like this one) contain variations and adaptations that serve varying programs and farmers. They are suggestions and reflections from other programs based on how they made this workshop work for them.

ICONS:

You will find the icons below throughout this guidebook. They are there so you are prepared for the activity and can get an idea of what it will bring at a glance.
Is this guide right for you?

AUDIENCE:

• **Who:** Refugee farmers and growers who are planning or already operating their own farm business.

• **Language / Literacy:** English proficiency is important for farmers who intend to apply for and participate in WFRP. Farmers who do not have these skills must have a reliable, trusted advocate who does – a family member or program staff- to assist them with navigating WFRP program applications, requirements, and benefits.

• **Farming Experience:** This module is intended for advanced farmer participants who are considering or preparing for operating their own farm.

• **Prerequisites: Skills, experience, and knowledge:** General financial literacy, financial planning, and record keeping skills are recommended and required for farmers who want to utilize WFRP crop insurance. Farmers without this prior knowledge will still gain an understanding of the basic concepts of crop insurance and know that assistance with WFRP is available if/when they decide to learn more.

• **Region/Climate:** This module is intended for use across the United States. Examples use data for Kane County in Illinois, but trainers can find equivalent information for their location at https://ewebapp.rma.usda.gov/apps/costestimator/Estimates/DetailedEstimate.aspx.

• **Program Structure:** This guide is appropriate for small farmers using any marketing practices.

• **Season:** This topic is best delivered during the off season when farmers are planning for the next growing season.

RESOURCES NEEDED:

• **Time:** 1 hour

• **Staff/Interpreters:** Language interpretation will be required.

• **Location:** This training is best delivered in the classroom.

**Resources and Materials Needed to Complete this Module:**

• Copy IRS Schedule F for farm tax return
• Sample Farm Operation Report form
5 OBJECTIVES AND SKILLS
• Vocabulary
• Objectives
• Proof of Learning

6 LESSON 1 / INTRODUCTION TO WHOLE FARM REVENUE PROTECTION
20 MINUTES
• Participants learn about the purpose of USDA’s Whole Farm Revenue Protection program.

10 LESSON 2 / BENEFITS & COSTS OF WFRP CROP INSURANCE
40 MINUTES
• Participants learn more details about what WFRP does and does not cover, who is eligible to apply, and the type and extent of records needed to apply and comply.

16 LESSON 3: THE WFRP APPLICATION PROCESS
20 MINUTES
• Trainers learn how to assist farmers with locating an Approved Insurance Provider/ crop insurance agent, and what records and forms farmers need to apply for WFRP.

23 LESSON 4: WHEN TO FILE A WFRP CROP INSURANCE CLAIM
15 MINUTES
• Situations in which a farmer can file a WFRP crop insurance claim are listed.
VOCABULARY: Crop Failure
Policy
Insurance
Premium
Whole Farm Revenue Protection (WFRP)
USDA
Approved Insurance Provider (AIP)
RMA

OBJECTIVES: By the end of this module, farmers will:
• Understand what WFRP is, including its purpose and benefits
• Understand the process and requirements of applying for WFRP
• Assess whether WFRP would be a good fit for their business and whether they are interested in learning more about the program

PROOF OF LEARNING: I will know that farmers have achieved learning objectives because:
• They can state whether or not they consider WFRP premiums are reasonable and affordable for their farm business.
• They can explain why they would or would not consider applying for WFRP crop insurance, either now or in the future.
• They keep good farm records or seek help with keeping good farm records.
LESSON STEPS

1. **What is Insurance? Discussion:**

   Ask participants if they have auto, health, or home insurance. Ask if they pay for this themselves or if their employer does. Explain that the money they pay for insurance is called a **premium**.
LESSON STEPS, CONTINUED

Ask them to explain what this insurance does for them. If necessary, supplement their answers by explaining that insurance reduces the cost to individuals who have a car accident, get sick or injured, or who lose their house to a disaster. Many people pay a small premium to create a large pool of money to help people when something bad and expensive happens.

In the U.S., insurance is sold to customers by businesses called insurance companies or insurance providers. Customers who want protection from bad things that might happen buy a policy from an insurance company. This policy is a legal contract between the customer and the insurance company which explains what is and is not protected or ‘covered.’

Generally, insurance will pay only for events beyond the customer’s control. For example, if your house is hit by lightning and burns down, insurance will pay for repairs or replacement. However, if you set a fire that burns down your house, insurance will not pay for repairs (and you may go to jail for endangering other people).

2. Crop Insurance
In the United States, farmers can buy crop insurance as a way to plan and protect themselves from crop failure. Farmers can pay a fee, or premium, to an insurance company each year. If they have good crops that year, then nothing else happens. But if they have a major crop failure, then the insurance company will pay them most of what they would have earned if they had grown and sold a good crop.
• Crop failure can be defined as a failure of crops to yield an expected amount due to things such as flooding, pest damage, drought, other bad weather, etc.

• Crop insurance protects farmers from income losses caused by crop or market failures beyond their control.

• Vocabulary: **Whole Farm Revenue Protection (WFRP)** is what we call crop insurance for small farmers who grow more than one crop.

• WFRP covers losses due to things like weather, pests, natural disasters, or price drops that a farmer cannot control.

Optional Sorting Activity: Trainers could create flashcards of different scenarios of problems on a farm. Farmers could sort these visuals/stories into things that would be eligible for coverage under this program and things that would not, in order to better assess farmer comprehension of the program.

**Explain:** When you pay your **crop insurance premium**, you are buying a **policy** which is a contract/agreement between you and the insurance company. The **policy** requires you, the farmer, to do your best to grow good crops. It includes rules about how you farm to maintain good practices that promote safety and health. You must keep good records of what you do and report crop losses right away. If you follow all of the **policy** rules, then you will be protected from losing income when crops or markets fail.
LESSON STEPS, CONTINUED

The **United States Department of Agriculture**, which is part of our national government, has a program called **Whole Farm Revenue Protection** which helps small farmers pay for the cost of crop insurance.

‘Revenue’ is another word for ‘income’. This program helps farmers have enough income to live on and stay in business even when their crops fail or market prices fall because of things the farmer cannot control.

3. Eligibility & Application

*After announcing each of the requirements below, pause to ask participants if they meet that requirement. It is expected that most will answer ‘yes’ to the first three. Most will likely not be able to answer ‘yes’ to #4.*

To apply for WFRP, you must:

1. Be a US citizen or legal resident (All refugees are eligible);
2. Be a farmer who raises 2 or more types of crop or animals;
3. Sell less than $1 million/year farm product;
4. File federal income tax form for your farm for previous 3-5 years (Schedule F).
TIME: 40 Minutes

OVERVIEW:
Participants learn more details about what WFRP does and does not cover, and the type and extent of records need to apply and comply.

OBJECTIVES / LEARNING:
By the end of this activity, participants will:
• Understand that good farm business records are needed to apply for WFRP.
• Understand that bilingual assistance from someone they trust is highly recommended for participation in WFRP.

VOCABULARY:
• Insurance
• Premium
• Policy
• Approved Insurance Provider (AIP)

LESSON STEPS

1. Review

• Crop Insurance will protect your farm income by repaying you for income you lose because of:
  
  1. Crop failure, or
  2. Unexpected changes in market prices
LESSON STEPS, CONTINUED

2. Benefits: How Does Whole Farm Revenue Protection Protect Farmers?

• How much will WFRP pay?
  
  • It will pay 50% to 85% of lost farm Income, depending on how much insurance you buy.
  
  • Each farmer decides how much insurance they want to buy.

• WFRP is purchased from a for profit insurance company.
  
  • USDA -part of our federal government- pays part of the cost for this insurance so that the price is affordable for small scale farmers.

• WFRP insures a wide range of crops and livestock under one policy.
  
  • It is especially helpful for small farms with mixed crops or livestock, vegetable or fruit farmers, and organic farmers.
  
  • Farms that produce 3 or more crops pay a lower premium than farms with less diversity.
  
  • If you grow just one crop -Example: 100 acres of field corn- USDA offers a different type of crop insurance for you.

• One policy covers all of a farmer’s crops and livestock.

• WFRP crop insurance is available in all counties in all 50 states.

• WFRP also offers coverage that reduces the risk of trying new crops or expanding farm operations.
3. Farmers’ Obligations

- Farmers must use good farming practices – losses cannot be caused by the farmer.

- Crop insurance requires lots of record keeping to prove that farmers are using good practices.

- Requires timely reporting of losses for claims
  - Losses must be reported to your insurance agent within 72 hours of discovery.
  - Often, farmers must wait for the insurance agent to inspect a field with a failed crop in person before plowing under and replanting.

4. How Much Do WFRP Premiums Cost?

The actual cost of WFRP insurance depends on many variables including the farmer’s state, county, specific crops/livestock grown, the number of crops/livestock grown, and total annual farm revenue, plus the percentage of coverage chosen by the farmer.

Example: Premium Cost of crop insurance for a mixed vegetable farmer in Kane County, IL

The three tables on the following page show estimated 2019 WFRP insurance costs for a farm which expects to earn $10,000, $25,000, or $50,000 annual revenue from growing a mix of beets, broccoli, carrots, eggplant, and ‘other vegetables’ in Kane County, Illinois. In these examples, expected revenue is divided equally among the five crops. Please note: Changes to any one of these factors can affect the final cost of WFRP crop insurance.

As the following tables show, USDA/RMA subsidies for WFRP insurance are substantial.
LESSON STEPS, CONTINUED

A farmer who expects to earn $25,000 would pay between $105 and $701 each year, depending on the percent of their revenue that they choose to protect.

In these examples, the cost to the farmer ranges from less than 0.5% (for 50% coverage) to 2.8% (for 85% coverage) of their annual revenue.

<table>
<thead>
<tr>
<th>% Coverage Chosen by Farmer</th>
<th>Total Insurance Premium</th>
<th>Portion of Premium Paid by USDA</th>
<th>Cost to Farmer</th>
<th>Cost to Farmer as Percent of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>638</td>
<td>357</td>
<td>281</td>
<td>2.81%</td>
</tr>
<tr>
<td>80</td>
<td>536</td>
<td>381</td>
<td>155</td>
<td>1.55%</td>
</tr>
<tr>
<td>75</td>
<td>465</td>
<td>372</td>
<td>93</td>
<td>0.93%</td>
</tr>
<tr>
<td>70</td>
<td>385</td>
<td>308</td>
<td>77</td>
<td>0.77%</td>
</tr>
<tr>
<td>65</td>
<td>332</td>
<td>266</td>
<td>66</td>
<td>0.66%</td>
</tr>
<tr>
<td>60</td>
<td>288</td>
<td>230</td>
<td>58</td>
<td>0.58%</td>
</tr>
<tr>
<td>55</td>
<td>242</td>
<td>194</td>
<td>48</td>
<td>0.48%</td>
</tr>
<tr>
<td>50</td>
<td>210</td>
<td>168</td>
<td>42</td>
<td>0.42%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Coverage Chosen by Farmer</th>
<th>Total Insurance Premium</th>
<th>Portion of Premium Paid by USDA</th>
<th>Cost to Farmer</th>
<th>Cost to Farmer as Percent of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>1594</td>
<td>893</td>
<td>701</td>
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</tr>
<tr>
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<td>1340</td>
<td>951</td>
<td>389</td>
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<tr>
<td>75</td>
<td>1163</td>
<td>930</td>
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</tr>
<tr>
<td>70</td>
<td>963</td>
<td>770</td>
<td>193</td>
<td>0.77%</td>
</tr>
<tr>
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<td>829</td>
<td>663</td>
<td>166</td>
<td>0.66%</td>
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<td>720</td>
<td>576</td>
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</tr>
<tr>
<td>55</td>
<td>605</td>
<td>484</td>
<td>121</td>
<td>0.48%</td>
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<tr>
<td>50</td>
<td>525</td>
<td>420</td>
<td>105</td>
<td>0.42%</td>
</tr>
</tbody>
</table>
### $50,000 Expected Annual Farm Revenue

<table>
<thead>
<tr>
<th>% Coverage Chosen by Farmer</th>
<th>Total Insurance Premium</th>
<th>Portion of Premium Paid by USDA</th>
<th>Cost to Farmer</th>
<th>Cost to Farmer as Percent of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>85</td>
<td>3188</td>
<td>1785</td>
<td>1403</td>
<td>2.81%</td>
</tr>
<tr>
<td>80</td>
<td>2680</td>
<td>1903</td>
<td>777</td>
<td>1.55%</td>
</tr>
<tr>
<td>75</td>
<td>2325</td>
<td>1860</td>
<td>465</td>
<td>0.93%</td>
</tr>
<tr>
<td>70</td>
<td>1925</td>
<td>1540</td>
<td>385</td>
<td>0.77%</td>
</tr>
<tr>
<td>65</td>
<td>1658</td>
<td>1326</td>
<td>332</td>
<td>0.66%</td>
</tr>
<tr>
<td>60</td>
<td>1440</td>
<td>1152</td>
<td>288</td>
<td>0.58%</td>
</tr>
<tr>
<td>55</td>
<td>1210</td>
<td>968</td>
<td>242</td>
<td>0.48%</td>
</tr>
<tr>
<td>50</td>
<td>1050</td>
<td>840</td>
<td>210</td>
<td>0.42%</td>
</tr>
</tbody>
</table>

**5. Where to get estimates for an actual farm**


At this site, you will be asked to enter your state and county, the farm’s total annual revenue for the past five years, each specific crop and/or livestock the farmer plans to grow this year, and the portion of revenue the farmer expects to earn from each crop or type of livestock. Based on these inputs, you will be given an estimate of insurance costs through WFRP. The Cost Estimator is a good starting point, but it only provides an estimate. Farmers need to speak with a crop insurance agent for actual prices and policy guidelines.

If a specific crop is not listed in the Cost Estimator, use the ‘other’ codes: ‘other fruits,’ ‘other vegetables,’ ‘other greens,’ or ‘other livestock.’
While the actual price of a WFRP policy may be affordable and attractive to farmers, there are other costs to consider, including:

- Paperwork and farm records from previous 3-5 years are required to apply for and purchase WFRP.
- Farmers must use good farming practices AND to keep records that prove you have used good farming practices.
- Farmers must submit a crop planting plan when they apply for WFRP and keep records of actual planting, harvest, and market activities during the growing season.
- Significant paperwork is required to make a claim in the case of revenue losses.
- Problems with crops generally must be reported within 72 of discovery for a claim to be honored.

If a farmer does not follow all the rules, they may be denied insurance payments when crops fail, even if they have a real/legitimate claim.

WFRP is a complicated program. If farmers are not able to read and understand program materials by themselves, they must have someone they trust to guide them and explain all the details and requirements so that they fully understand what is required.
The WFRP Application Process

TIME: 20 Minutes

OVERVIEW:
Trainers learn how to assist farmers with locating an Approved Insurance Provider/ crop insurance agent, and what records and forms farmers need to apply for WFRP.

VOCABULARY:
• AIP-Approved Insurance Provider
• Whole Farm History Report
• Schedule F
• Farm Operations Report

OBJECTIVES / LEARNING:
By the end of this activity, participants will:
• Understand what an Approved Insurance Provider is and what they will do.
• Understand how to locate an Approved Insurance Provider.
• Understand what records and forms they might need to apply for WFRP.

LESSON STEPS

1. Approved Insurance Providers (AIP)

To apply for WFRP, farmers need to contact an Approved Insurance Provider (AIP) who will:

• Visit your farm to understand what you need
LESSON STEPS, CONTINUED

• Help you collect records

• Help you decide how much insurance to buy

• Assist you with the WFRP application

• Figure how much your premium will cost

• If you and your insurance agent do not speak the same language, then you must have someone who can do a good job of interpreting both languages so that you and your agent understand each other completely.

• A misunderstanding could become very expensive for you, the farmer.

• If you cannot read English fluently, then you must have someone you trust who will read all of the papers and explain them to you.

• If you do not follow all of the policy rules and instructions, you will not be able to collect insurance payments when you have losses.

2. Finding an Approved Insurance Provider (AIP) for WFRP

• Approved Insurance Provider (AIP) agents can be found at the USDA’s Risk Management website:

  www.rma.usda.gov/tools/agent

Approved Insurance Providers (AIP) can be found at USDA/RMA’s ‘Approved Insurance Provider Listing’ at https://prodwebnlb.rma.usda.gov/apps/AgentLocator/#/. Here you search for crop insurance agents by zip code. Agents are listed by name with their full contact information.
If you have difficulty locating a crop insurance agent familiar with WFRP, it may be helpful to contact an insurance provider’s national offices to speak with their WFRP specialist. The trade association, National Crop Insurance Services (NCIS), provides contact information at https://cropinsuranceinamerica.org/about-crop-insurance/insurance-providers-list/

3. **How to Apply for WFRP**

The following farm records will help with applying for WFRP:

- Crop management
  - Planting
  - Management: Tillage, fertilizer application, pest management
  - Harvest & Post Harvest
- GAP/ Food Safety
- Sales Records
  - Need to document income
- Farm Expense Records
- IRS Farm Tax Records
  - Beginning Farmers need to provide tax records from past 3 years.
  - Farmers who have been in operation for more than 10 years, must provide tax records from the past 5 years.
  - Tax records should be provided via Schedule F (IRS Form 1040) which summarizes annual Farm Income and Expenses.
Good records which show what a farmer has grown in previous years and how much they planted, harvested, and earned from each crop or type of livestock will help a farm qualify and apply for WFRP.

Insurance providers have additional forms which use the farm records listed above to analyze a farm’s risk and growth potential. Crop insurance agents will work with a farmer to complete these forms which determine the actual cost of WFRP crop insurance premiums for each farm. Each insurance company creates their own WFRP application forms, but the following two types are what is required.

• **Whole Farm History Report**
  - Shows your farm income/revenue, expenses, and profit from the past 5 years
    - Beginning farmers need records from only past 3 years.
  - This report is usually filled in with numbers from a farmer’s **IRS 1040 Schedule F** (see Image 1).
  - For farmers who reported farm income, but did not use an IRS Schedule F form to do so, a Substitute Schedule F may be used instead. A Substitute Schedule F is almost identical to a regular Schedule F, but is not filed with the IRS.
  - Your insurance agent may require backup records to ensure that your Substitute Schedule F is accurate.
Farm Operation Report (FOR)
Shows what the farmer plans to grow at the start of the season, with revisions filled in as changes are made during the growing season. The initial crop plan determines the farm’s initial WFRP premium, with adjustments made to the premium if the farmer changes the crop plan for reasons other than losses covered by WFRP.

A Farm Operation Report (FOR) (see Image 2 on the following page) begins with a list of all of the crops or livestock that a farmer intends to plant and wants to include in their WFRP policy. Each insurance company has their own FOR form, but they all include three sections: Intended, Revised, and Final.

As part of applying for WFRP crop insurance, farmers should be prepared to list the following in the Intended section of their FOR:
LESSON STEPS, CONTINUED

- Each crop – with the Crop Commodity code from USDA/RMA’s Cost Estimator
- The acreage the farmer intends to plant with each crop
- The yield the farmer expects from each crop, usually in units (pounds, kilos, bushels, ...) per acre
- The price/unit the farmer expects when they sell each crop
- The production costs per each crop

This information will be used to calculate the farmer’s ‘Intended Revenue’ for each crop and their ‘Expected Revenue’ - and their initial Premium cost - for the entire farm before the growing season, when they purchase the policy.

<table>
<thead>
<tr>
<th>Commodity Name</th>
<th>Expected Yield</th>
<th>Expected Acreage</th>
<th>Expected Market Price</th>
<th>Expected Production</th>
<th>Cost of Production</th>
<th>Total Intended Revenue</th>
<th>Actual Acreage</th>
<th>Cost of Production</th>
<th>Total Expected Revenue</th>
<th>Final Production</th>
<th>Final Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broccoli</td>
<td>5,000 #/acre</td>
<td>2 acres</td>
<td>$2/#</td>
<td>$20,000</td>
<td>-</td>
<td>$87,000</td>
<td>2</td>
<td>$2,000</td>
<td>$16,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beets</td>
<td>10,000 #/acre</td>
<td>5 acres</td>
<td>$1.50/#</td>
<td>$75,000</td>
<td>-</td>
<td>$69,000</td>
<td>4</td>
<td>$5,000</td>
<td>$55,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrots</td>
<td>15,000 #/acre</td>
<td>3 acres</td>
<td>$2/#</td>
<td>$90,000</td>
<td>-</td>
<td>$87,000</td>
<td>-</td>
<td>-</td>
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</tr>
</tbody>
</table>

*Image 2. Sample Farm Operation Report*
As the growing season progresses, the farmer and their insurance agent will fill in the Revised section of the FOR to reflect changes in the crop plan or market prices. If the farmer carries out their intended crop plan with no changes, then the Revised section will be left blank.

The expected market prices that a farmer uses on their FOR must be reasonable and realistic. Their insurance agent is likely to require sales records or other documentation that shows that the farmer’s income expectations are realistic.

As part of their application for WFRP insurance, farmers should be prepared to provide details from their crop plan, but they can expect significant assistance from their insurance agent in completing the FOR.
When to File a WFRP Crop Insurance Claim

TIME: 15 minutes

OVERVIEW:
Trainers learn how to assist farmers with when they should file a WFRP crop insurance claim.

OBJECTIVES / LEARNING:
By the end of this activity, participants will:
• Participants will know when they should file a WFRP crop insurance claim.

LESSON STEPS

1. There are three situations in which a farmer should file a WFRP crop insurance claim:

   • When a planted crop is damaged in the field:

     • Damage must be reported to the insurance agent within 72 hours of the farmer discovering the damage.

     • Often, the insurance agent must visit the field in person to see the crop damage in person.

     • Farmers should not till or re-plant the field before receiving approval from their insurance agent.

   • Prevented Planting: When a crop cannot be planted on time because of weather, flooding, or other causes beyond the farmer’s control:

   •
LESSON STEPS, CONTINUED

• These conditions must be reported within 72 hours of the last possible planting date for a crop or when the farmer decides that it is not possible to plant the intended crop.

• Farmers should not till or plant a substitute crop before their insurance agent inspects the field in person or approves a revised plan.

• When market prices drop below the expected market price on the farmer’s Farm Operation Report filed with the insurance provider:

  • Farmers have 45 days after the publication of a dropped price to report this type of revenue loss