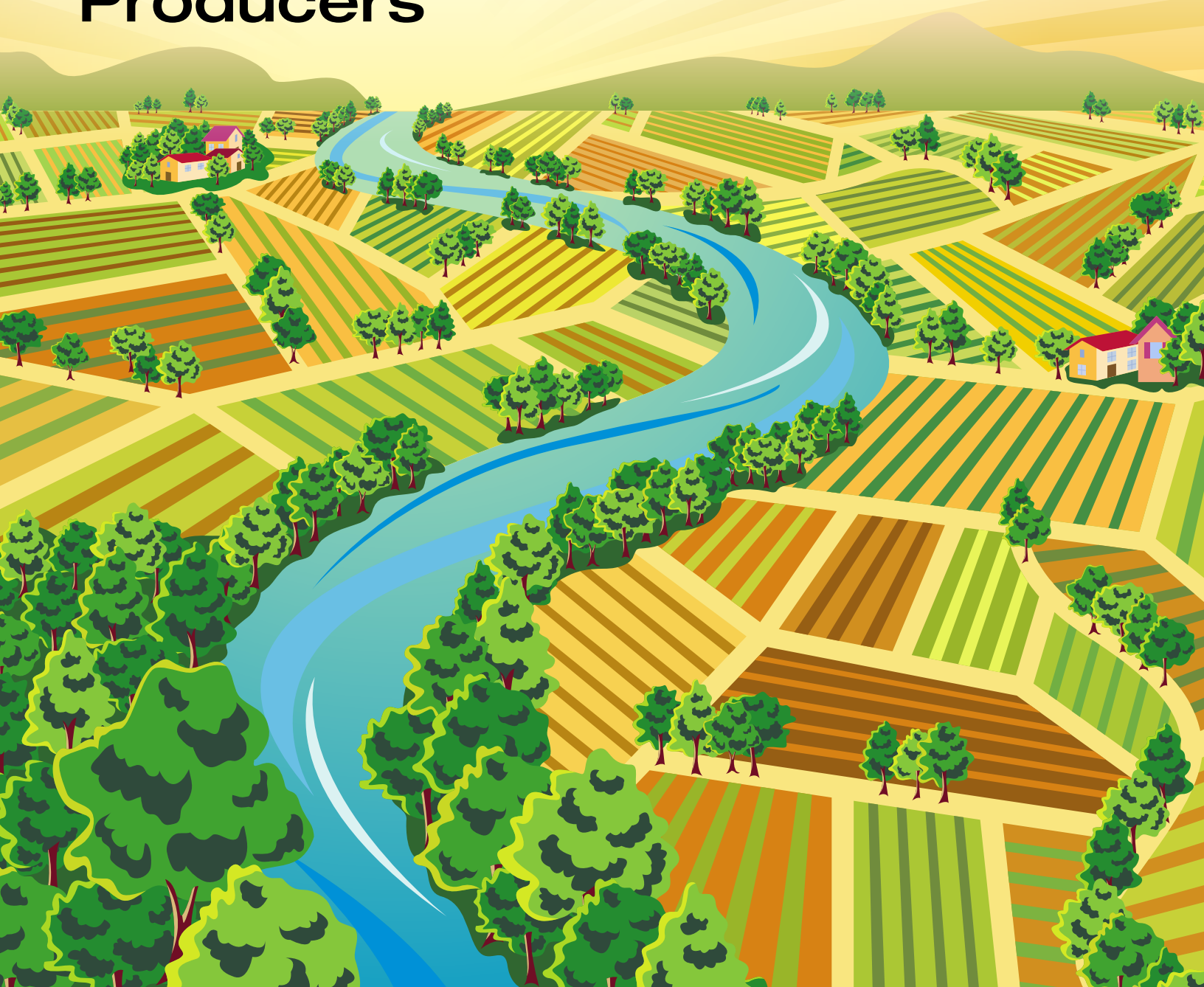


# Introduction to Crop Insurance for Organic and Transitioning Producers



ORGANIC  
FARMING  
RESEARCH  
FOUNDATION



U.S. Department of Agriculture  
Risk Management Agency

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By Harriet Behar & Michael Stein

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# Introduction

Crop insurance programs can help minimize risk and protect you and your farm from weather- and market-related losses.

This guidebook is designed to help you understand how crop insurance works and how to determine which crop insurance options are right for you. In this guidebook, there is information on insurance and coverage, record- keeping, working with crop insurance agents, and processing claims

To help you evaluate the integration and benefits that crop insurance may offer to your farm operation, we also provide a review of risk management strategies and how crop insurance can be part of overall farm resiliency planning.

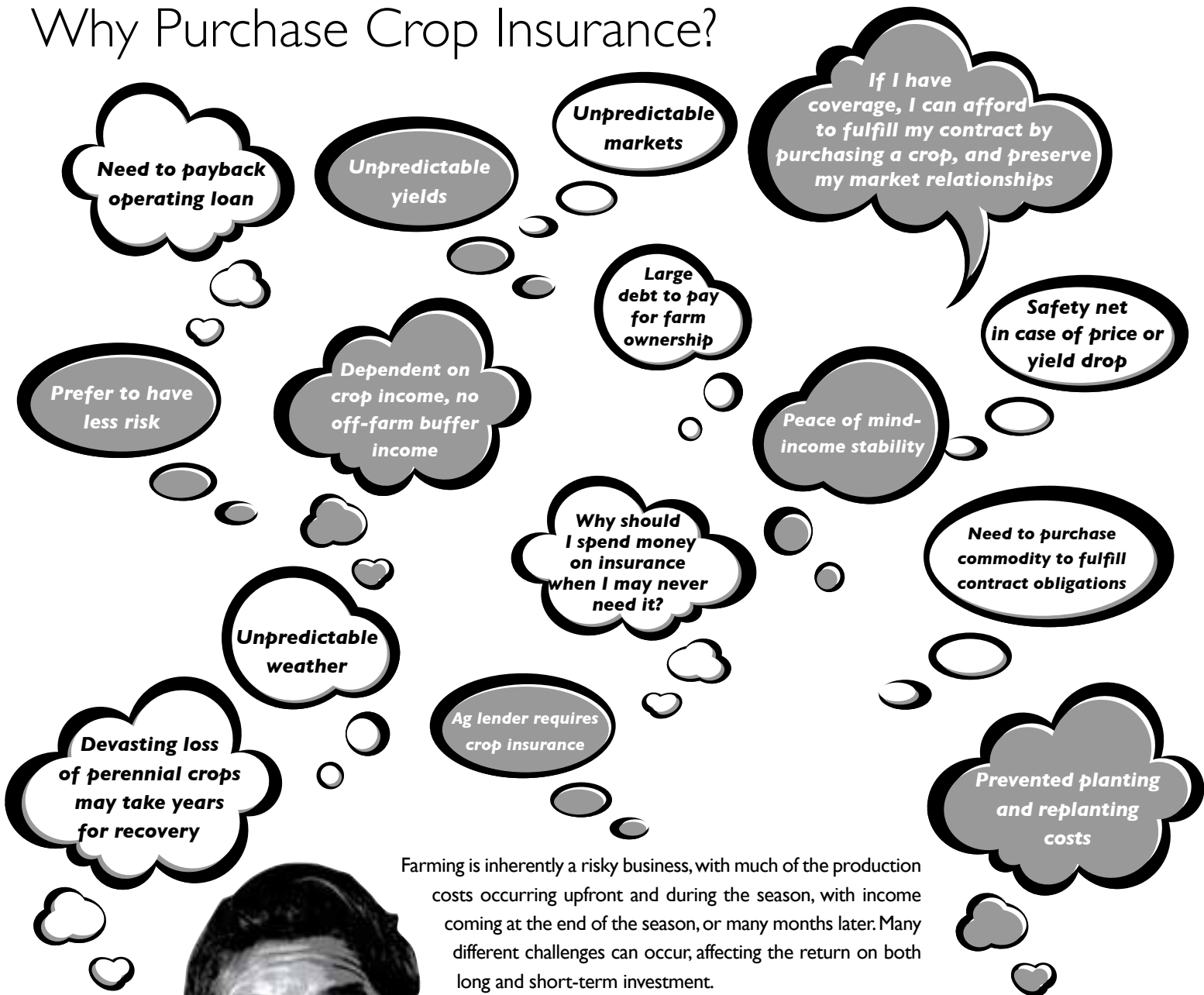
There are forms at the end of this guidebook that can be used to keep the records necessary to apply for crop insurance and submit a claim if you experience losses. These forms have also been developed to meet organic certification requirements.

While this guidebook can be used by both conventional and organic producers, it is focused on the specific insurance options available for organic and transitional producers, as well as how to address risk in organic and transitional operations.



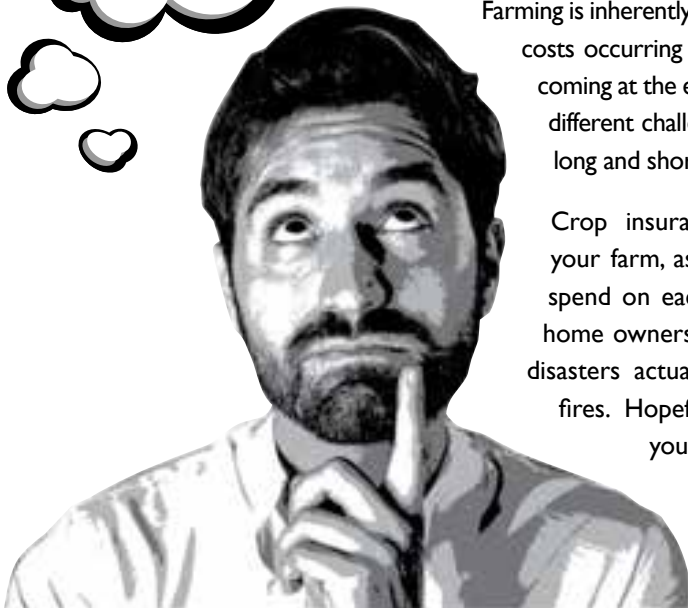


# Why Purchase Crop Insurance?



Farming is inherently a risky business, with much of the production costs occurring upfront and during the season, with income coming at the end of the season, or many months later. Many different challenges can occur, affecting the return on both long and short-term investment.

Crop insurance protects the overall investment in your farm, as well as the money, time, and energy you spend on each year's crop. While it's similar to buying home owners' insurance against fire or other loss, crop disasters actually occur more frequently than property fires. Hopefully, you will never need to collect on your insurance policy, but there is security in knowing you would be covered if you experienced a devastating loss. Here are a few factors to consider when making your decision.





# Safety net to minimize risk

Everyone has their own personality and their own comfort with risk. At times, risk can interfere with decision making, causing hesitation that might result in lost opportunities. Crop insurance provides a level of confidence that allows you to make crop management decisions based on conditions, rather than fear of crop loss.

It also provides a buffer against income loss from forces beyond your control, such as weather or volatile markets. If you have done your due diligence to grow crops following good farming practices with timely planting, fertility, pest, disease and weed management, crop insurance can cover losses.



# Income protection in times of significant loss caused by natural disasters

## UNPREDICTABLE WEATHER OR OTHER NATURAL CONDITIONS

Weather events such as hailstorms, wind storms, fire, drought, frost, heavy rains and flooding, as well as insect, disease, or wildlife damage are all beyond the control of the farm operator. No matter how well prepared you might be, there is no guarding against these “acts of nature.” Building resiliency into your farm with good conservation practices, diversification, and careful attention to variety selection and rotation can help, but a strong hailstorm or other natural disaster can destroy your crops no matter how careful your planning. Crop insurance can help cover your losses.

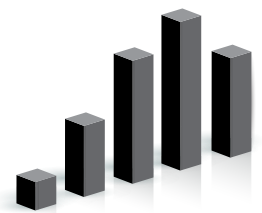


## UNPREDICTABLE YIELDS

Seed quality, climatic/environmental conditions from planting to harvest, date of planting, disease or insect issues, and storage problems can all affect yield. Most of these factors are beyond your control, and their occurrences fluctuate from year to year. There is no guarantee on the final crop yield until it is harvested and sold. Crop insurance can protect against lower than average yields.

## UNPREDICTABLE MARKETS

Fluctuations in the marketplace from year to year can be a significant challenge for farmers. In the current trade climate, with tariffs and changes to trade deals between the U.S. and other countries around the world, the markets for U.S. organic and nonorganic agricultural products are even more unpredictable than in the past. Even with contracted production, you may find yourself in a position where your intended market is no longer present at harvest. Crop insurance can help you facing fluctuating markets.



## UNPREDICTABLE PRICES

Prices received for agricultural commodities are controlled by regional, national, and international market forces and do not necessarily relate to the cost of production. You may have little to no say in the price you receive for your crops. However, in lower volume niche markets, farmers have found a little more security in what their crop is worth at point of sale. You may choose to work with futures markets or precontract your crop at a specific price. Both can be either beneficial or problematic, depending on which way the market goes after the price has been determined. Crop insurance can help you deal with low prices.



## Investment in farm security

### **NEED TO PAYBACK OPERATING LOANS IN CASE OF CROP FAILURE**

Many farmers take out short term operating loans in the early spring to cover the costs of growing and harvesting their crops. If there is a crop failure or a significant drop in expected revenues, the operating loan still needs to be repaid. Many times, lenders will not provide operating loans without proof of crop insurance because they need to be comfortable that they will be repaid if there is a disaster. Sometimes, lenders require being listed as co-beneficiaries on the crop insurance policy.

### **SIGNIFICANT DEBT ON FARM OWNERSHIP**

If the mortgage payments on your farmland and homestead are directly dependent on farm income, crop insurance provides the safety net to make those payments on time. Protecting the long term investment made in your home, machinery, infrastructure, and land improvements is a wise choice.

### **NO OFF-FARM BUFFER INCOME**

If you dedicate all of your time and resources to crop production and there is a crop failure, the fact that you had “all of your eggs in one basket” leaves you vulnerable to devastating income loss. Farmers may work off farm, or have family members with off-farm jobs that can buffer possible crop losses, but it can be very difficult to juggle the needs of the farm with the needs of an off-farm job. Crop insurance can provide a safeguard that allows you to focus on farming.

### **LENDING REQUIREMENTS**

Crop insurance offers more opportunities for short and long-term funding, providing the capital needed to farm successfully. Access to farm loans may be dependent on obtaining and maintaining crop insurance.

### **LARGE INVESTMENT IN PERENNIAL CROPS**

Most perennial crops take years to establish before sales begin to recoup the cost of establishment. If a catastrophic event severely damages or destroys a perennial planting, such as tree fruits, it can take years to regain the crop's volume pre-damage. Crop insurance can provide at least a portion of one year's crop income to help with rebuilding after a disaster.

### **PREVENTED PLANTING AND REPLANTING COSTS**

Multi-peril crop insurance can provide a payment if the crop cannot be planted in a timely manner due to adverse weather conditions. This can compensate for pre-planting costs incurred when the crop is not planted by the final planting date required. Whole Farm Revenue Protection will take into consideration the loss of income by late planting, or the extra expense of replanting.

### **PROTECTING YOUR REPUTATION IN THE MARKET**

For specialty or niche markets, there may be only a few specific buyers. If you cannot fulfill a contract, or in any way you provide less than what is expected by the buyer, it can reduce your standing in the marketplace and contribute to difficulties in finding future buyers. Crop insurance provides some income to either cover the purchase of product to fulfill the contract, or take a lowered price for less-than-expected quality or volume.

### **NEED TO PURCHASE COMMODITY TO MEET CONTRACTS IF CROP FAILURE**

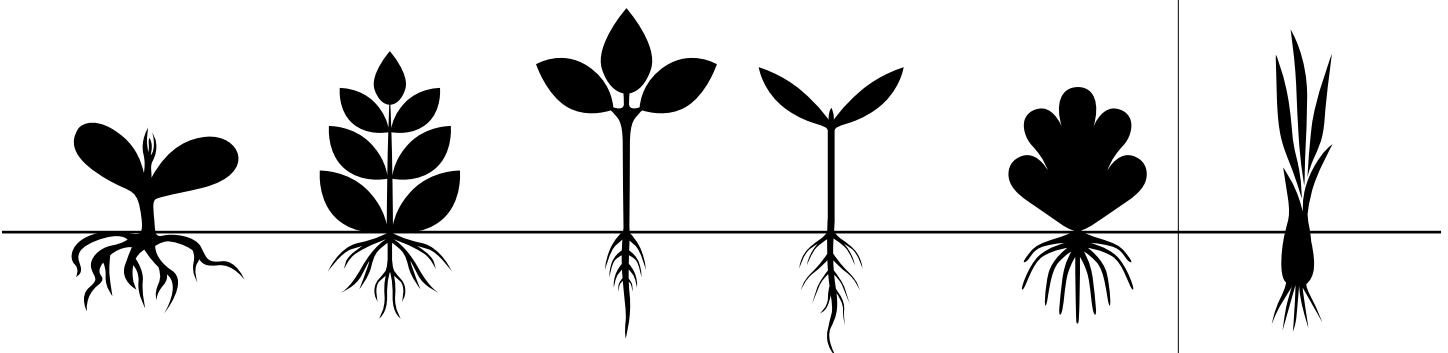
If you sign a contract that guarantees a specific quality and quantity of a commodity and cannot meet this requirement, you may need to purchase the crop on the open market to fulfill your contract. This extra cost is covered by some types of crop insurance.



# Understanding Risk Management

Farming is a risky business, but it is possible to manage the uncertainty of weather and markets. Understanding which events are most likely to occur and/or which can have the most damaging impacts can help you decide the ways you can manage risk. Analyzing the risk's effect on your long-term goals and farm viability can help you judge the value of various types of crop insurance. You can then review your options on how to manage these unpleasant surprises, reduce your liabilities and develop a monitoring system from year to year to track how well you are doing. Having a risk management system that provides a replacement income, such as crop insurance, can lessen the stress of catastrophic events on you and your farm. Your risk management review can also provide insight into new opportunities as you strengthen the resiliency of your farm business.

Crop insurance is meant to provide a safety net, not complete coverage of all losses. Depending on the type of insurance, you can usually choose to cover between 50% - 85% of your losses. The cost of crop insurance, the premium you pay, directly relates to type of insurance and the percentage of income you wish to receive if you had a full loss.





# What are You Doing to Make Your Farm More Resilient?

1. If you have experienced devastating crop loss in the past, have you considered alternative production methods, crops, or locations?
2. Have you purchased crop insurance before? Did you need to file a claim?
3. Is your crop insurance coverage sufficient to cover a devastating loss?
4. Is your farm diversified, or are you considering additional or alternative enterprises?
5. Is your marketing plan diverse with a variety of buyers and market channels?
6. Do you have a business plan?
7. Do you understand your cost of production, your income break-even level with costs, and your debt to asset ratio?
8. Have you reviewed your sales contracts and are aware of your financial liabilities if you cannot deliver product to your buyer?
9. Do you have a relationship with an agricultural lender? A crop insurance agent?
10. Do you carry insurance on your farm buildings, accident liability, livestock, equipment etc.?
11. Do you keep good farm records throughout the year, tracking costs and income, to enable you to do a comprehensive and accurate accounting at the end of your fiscal year?

## RISK FACTORS

High Risk	Medium Risk	Low Risk
<ul style="list-style-type: none"> <li>■ Short term operating loans dependent on this year's income.</li> <li>■ Need to purchase commodity in case of crop failure.</li> <li>■ Highly dependent on crop sales to keep farm.</li> <li>■ Perennial crop destroyed this year and for years into the future.</li> </ul>	<ul style="list-style-type: none"> <li>■ Diversification of farm production provides some income, even when one crop might be destroyed.</li> <li>■ Prices drop, but still cover cost of production.</li> <li>■ Yields affected by weather, insects, etc., but still some crop to sell.</li> <li>■ Perennial crop lost this year, but could produce a crop in coming years.</li> </ul>	<ul style="list-style-type: none"> <li>■ Additional family income comes from off-farm sources to cover basic family and farm management needs.</li> <li>■ Crop insurance covers an acceptable percentage of the income/yield loss caused by weather, low prices, or loss of market</li> <li>■ Prevented planting and/or replanting costs were covered by crop insurance.</li> <li>■ Consistent supplier reputation damaged, may need to find new markets.</li> </ul>





# Crop Insurance Basics

The Risk Management Agency (RMA) of the United States Department of Agriculture (USDA) administers federally subsidized crop and livestock insurance for U.S. producers. These insurance policies are then sold by private companies under the terms set by RMA. The Federal Crop Insurance Corporation, under the supervision of the USDA Secretary of Agriculture, provides research and oversight to RMA in its management of federally subsidized crop insurance.

Due to this federal subsidy, the payment of crop insurance is shared between the federal government and the farmer who purchases it. The percentage of the federal subsidy for each type of insurance varies and can be found on the RMA website, or by asking your approved USDA crop insurance vendor. Over the years, the subsidization of this farm income safety net by the federal government has grown, in many ways replacing direct payments that address cycles of lowered farm income.

## RMA Crop Insurance Options

The two main crop insurance products subsidized by the US government are Multi-Peril Crop Insurance (MPCI) and Whole Farm Revenue Protection (WFRP). You can use both products, but be aware there is a mechanism that prevents you from receiving a payment for the same crop loss under both policies.

MPCI is based on two factors: average yield and price for each crop you are insuring. For example, if you grow corn, soybeans, forages, and oats, you would have a different insurance policy for each, or choose to just insure some crops but not all. If you have some crops that are nonorganic and some organic, you could have two different MPCI policies, e.g., one each for nonorganic corn and organic corn. Note: RMA requires that if you are insuring it as organic, you have a certificate to show you are certified organic.

WFRP is different from MPCI because it is based solely upon revenue, using your most recent 5-year average income from your tax filing form Schedule F as the basis of how much you can insure. The types of crops grown, yields, expenses, acreages, market prices and fluctuations in income from year to year are accounted for in the WFRP application process.

### **MULTI-PERIL CROP INSURANCE (MPCI)**

These types of crop insurances cover losses due to natural perils including adverse weather, excessive moisture or floods, drought, wind damage, cold or frost damage, fire, insects, disease, wildlife, earthquake, volcanic eruptions, and other unavoidable causes. These types of events can cause low yields, poor quality, later planting dates or prevented planted. Coverage can also be obtained to insure against loss of revenue caused by a price increase or decrease, low yields, or a combination of both.

Coverage types, costs, and coverage availability can be specific to the production region, the specific type of crop (i.e., food grade versus feed grade) and production practices (i.e., irrigated or not). However, MPCI is not available for every crop in every county.

Multi-peril crop insurance is based upon the farm's historical or the county average Actual Production History (APH) for yields, and the RMA's yearly determined price for that specific commodity. Insured crop prices can be tied to USDA historical prices for that commodity, harvest price, or to a contracted price with a USDA mandated price ceiling.



**For detailed information on MPCI see page 13**



## THERE ARE A VARIETY OF TYPES OF MULTI-PERIL CROP INSURANCE:

**YIELD PROTECTION (YP)** provides protection against a loss in yield due to unavoidable, naturally occurring events. This type of crop insurance guarantees a production yield based on the individual producer's Actual Production History.

**REVENUE PROTECTION (RP)** provides protection against a loss of revenue caused by a price increase or decrease, low yields, or a combination of both. This coverage guarantees an amount based on the individual producer's APH and either the projected price or harvest price. A payment is due when the calculated revenue (production to count x harvest price) is less than the revenue protection guaranteed by the federal government.

**REVENUE PROTECTION WITH HARVESTED PRICE EXCLUSION (RP-HPE)** is similar to Revenue Protection, however, the revenue protection guarantee for this program is based on the projected price only and it does not increase based on the harvest price.

**AREA YIELD PROTECTION (AYP)** coverage is based on the experience of the county, rather than individual farms. Maintaining the insured's actual production history is mandatory and may be used by RMA as a data source to establish and maintain the area programs. If the county yield falls below the insured's trigger yield, a payment can be collected. Since this plan is based on county yields and not individual yields, you may have a low yield on your farm and not receive payment if the county yield does not fall below a certain threshold.

**AREA REVENUE PROTECTION (ARP)** is based on the experience of the county rather than individual farms. Coverage is provided against loss of revenue due to a county level production loss, a price decline, or a combination of both. ARP will pay a loss when the final county revenue is less than the trigger revenue, which is calculated using the higher of the projected price or harvest price. There is also another program that does not take harvest price into account, Area Revenue Protection with Harvested Price Exclusion.





## WHOLE FARM REVENUE PROTECTION (WFRP)

This is a relatively new federally subsidized crop insurance that focuses on overall farm income, rather than on a specific crop yield or crop revenue. WFRP relies on the income and costs reported as the adjusted gross income on the IRS schedule F tax form, rather than specific crop yield or revenue losses caused by natural events or market fluctuation.

WFRP is available nationwide for all types of farm production and markets. Organic producers, specialty crop producers, and any producers selling multiple products, can benefit from this type of insurance. For farmers with diversified operations, selling multiple products, there is a slightly larger federal insurance premium subsidy. For more information on subsidies, see page 28.

It is possible to insure some crops under WFRP and some under MPCl, but you will only get one payment for that loss if there is a claim.

Both types of crop insurance require immediate reporting of an event that caused damage to your crop, so an adjuster can visit your farm and verify the type and amount of loss. You also need to keep documentation throughout the year to show that you performed the required activities to produce a crop before the catastrophic event occurred. Providing detailed information to your crop insurance agent from the start can help determine the best coverage options.

This guidebook covers Multi-Peril and Whole Farm Revenue Protection in detail, but there are other types of crop insurance. If you think these two choices do not fit your farm's needs, speak with a crop insurance agent about other options. Over 80% of the crop insurance sold in the U.S. is the Multi-Peril Commodity Crop Insurance. Since Crop insurance agents do not sell many other types of policies, they may not know all of the fine points of other crop insurance products, and it is a good idea to do your own research.

## GOOD FARMING PRACTICES:

The production methods utilized to produce the insured crop and allow it to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late planted acreage, which are those generally recognized by agricultural experts or organic agricultural experts, depending on the practice, for the area. We may, or you may request us to, contact FCIC to determine if production methods will be considered "good farming practices."

## THINGS TO CONSIDER WHEN PURCHASING CROP INSURANCE



**How many dollars can you budget for purchasing crop insurance?**



**How much income loss can you handle and still retain your farm business?**



**What are the chances that a weather-related incident could cause significant crop loss?**



**Could the prices or markets for your crops be lower at harvest than projected?**



# Crop Insurance Options for Organic Producers

Organic farmers and ranchers are not immune to the forces of weather and market changes. In fact, organic producers, and those looking to become certified organic, have unique challenges. These include not as many buyers for their crops, longer distances to market with higher shipping costs, less opportunities for off-farm storage of crops, and different quality than nonorganic crops might require. In addition, pesticide drift or contamination from genetically engineered crops could cause the crop to lose its organic premium in the marketplace. These contamination events are not covered by crop insurance.

Having a crop insurance financial safety net could make a significant difference in your farm's short and long-term economic stability. Whether you have many acres or just a few, grow produce, commodity crops, or livestock, there are crop insurance options for your organic farm. It is worthwhile to spend some time considering Multi-Peril Crop Insurance (MPCI) and/or Whole Farm Revenue Protection (WFRP), since there are choices that are better suited to those in transition to organic, newly certified, or have been producing organically for many years. Cash grain, specialty crop, and/or livestock operations can choose to insure 50-85% of their agricultural income, in 5% increments.

Whole Farm Revenue Protection, along with the organic contract price addendum (<https://legacy.rma.usda.gov/pubs/rme/addendum.pdf>) and organic and organic price elections for MPCI, now provide organic producers of all types with access to crop insurance that reflects the higher dollar value found in the organic marketplace.

In the past, the lack of acceptable crop insurance options for organics discouraged experienced organic farmers with stable high value markets from using crop insurance, which left USDA with a relatively small pool of organic and transitioning farmers' yields and losses to determine the risk of the organic pool for MPCI. Many counties have few to no organic farmers in crop insurance, resulting in a very small to nonexistent pool of production to determine county/regional yield factors for organic crops. This is more of a problem for new-to-organic producers who do not have Actual Production Histories for their yields, and are less likely to have contracts in place by the crop insurance purchasing deadline in early spring. Longer term organic farmers have their own records and production information, which enables them to come closer to insuring the actual value of their organic crops.

Now, as the options for insuring organic crops becomes more attractive through more diverse and robust options, more organic producers are purchasing crop insurance, and a larger pool of data should be more representative of actual yields and prices.

Price volatility in the organic marketplace, while not as much of a roller-coaster as for non-organic commodity crops, is still an issue affecting organic farmers. Organic producers, both new-to-organic and long-term growers with these diverse options, may need to spend more time reviewing crop insurance products and determining which type(s) of crop insurance provide the protection they seek. Organic operations are not constrained by lack of crop insurance options and the products discussed in this guidebook are available from crop insurance agents across the U.S.



# Multi-Peril Crop Insurance for Certified Organic Crops

MPCI uses two calculations to determine the basis of coverage, the yield, and the price of the crop.

## **DETERMINING ORGANIC YIELD:**

If you have at least four years of Actual Production History (APH) of a crop, you can average the four years of your historical yield per acre for each crop species.

If you do not have at least 4 years actual production history (APH) of growing that crop, you will need to use the T-yield (average yield based on the 10-year historical county average yields) as the factor for computing your crop's yield. As T-yield is based on county data, there may or may not be an organic T-yield for your crops in your county. If there is an organic T-yield for organic crops it is often less bushels per acre than for nonorganic crop production under the same practice. This lowered yield is based upon the RMA's historical data for organic crop production. If there is no organic T-yield data, organic producers without production history must rely on 65% of the county's non-organic T-yield.

If you are in your first year of certified organic production, even with years of transitioning to organics, you are only allowed to use 65% of your county's non-organic crop average for your crop's yield. Unfortunately, the years you are transitioning to organic do not count towards your organic production history, they are considered nonorganic crop production for the purposes of computing crop insurance. As you have more years of certified organic production for that crop, you will average the previous four years with a mix of your own organic yields and this lowered county average, until you have enough years to average your operation's four years of organic production.

## **DETERMINING ORGANIC CROP PRICE:**

Once you are in certified organic production, you can insure your crops at their organic price using the organic price election. Every commodity crop has both a nonorganic and organic price election, 98 crops in total. Each crop has its own factor in calculating the organic price election and is usually higher, as compared to the nonorganic price. RMA relies on a variety of factors, including the National Agricultural Statistics Service (NASS) organic and nonorganic crop pricing that has been tracked over the years. Typically, these organic price elections have been pretty close to the actual organic market price.

Be aware that not all organic premium price elections are available in every location for the specific commodities listed below. These prices have been determined by referring to current market information gathered by the USDA. If the premium organic price election is not available in your region, the price for organic or transitioning to organic will be the same for non-organic crops for the current crop year. However, if you have a contract for a higher price, there is an option to insure your crops at or near the contract price.

**FOR A LIST OF CROPS APPROVED FOR USDA RMA ORGANIC PRICE ELECTIONS, VISIT:**

**<https://www.rma.usda.gov/Topics/Organic-Crops/Organic-Premium-Price-Elections-Available-by-Commodity>**

**FOR A LIST OF CROPS APPROVED FOR USDA RMA CONTRACT PRICE ADDENDUM, VISIT:**

**<https://www.rma.usda.gov/Topics/Organic-Crops/Contract-Price-Addendum-Eligibility-by-Commodity>**

County yield histories for major commodity crops are compiled based on yield data reported and collected through the crop insurance program, county estimates data reported by the National Agricultural Statistics Service (NASS), and/or T-yields (based on the 10-year historical county average yields) utilized by the crop insurance program.



**NON-RMA  
INSURANCE  
OPTIONS**

- Noninsured Crop Disaster Assistance Program (NAP) is a federally funded baseline catastrophic coverage program managed through the Farm Service Agency (FSA) regional offices.

- Crop-Hail Insurance is offered through private insurance providers and is not part of the Federal Crop Insurance Program. There are no sign-up dates and policies can be purchased any time during the growing season, sometimes just a few days before the catastrophic event might happen. This coverage can be expanded to include crop damage or losses by fire, lightning, wind, vandalism and malicious mischief. This type of coverage can be attractive when there is a bumper crop in the field or crops of very high value.

- Prevented planting coverage is also provided and payments are described in a separate tab. Provisions for prevented planting crop insurance payments due to floods is here:

<https://www.rma.usda.gov/pubs/rme/ppflood.pdf>

FOR A LIST OF CURRENT USDA ORGANIC CROP PRICES, VISIT:

<https://www.ams.usda.gov/mnreports/lbfnof.pdf>

FOR A LIST OF ORGANIC SPECIALTY CROP PRICES, VISIT:

<https://www.ams.usda.gov/mnreports/lswnos.pdf>

or: <https://www.ams.usda.gov/mnreports/fvdorganic.pdf>

**MULTI-PERIL CROP INSURANCE  
NAVIGATING THE ACTUARIAL INFORMATION BROWSER (AIB)**

The Risk Management Agency has a searchable listing by crop, state, and county for each of these commodities, with information from crop year 2011 to 2018.

<https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>

It is helpful to use this tool to compare historical prices, yield data, and other information about crop insurance.

You can select the crop, state, and county. By clicking on the prices tab and T-yield tabs you can compare the organic, transition to organic, and nonorganic (irrigated and non-irrigated) prices and yields, as well as crop insurance costs. The rates tab lists the cost per unit for that crop to purchase the insurance and the federal subsidy level. In the dates tab, you can find out the last date of buying the insurance, along with the final planting date, acreage reporting date and more.

Note, there isn't information for every crop in every state/county. In these cases, there is a process whereby your crop insurance agent can look at adjoining counties to determine whether or not your crop(s) qualify for coverage.



Prevented planting coverage is also provided and payments are described in a separate tab. Provisions for prevented planting crop insurance payments due to floods are here:

<https://www.rma.usda.gov/pubs/rme/ppflood.pdf>

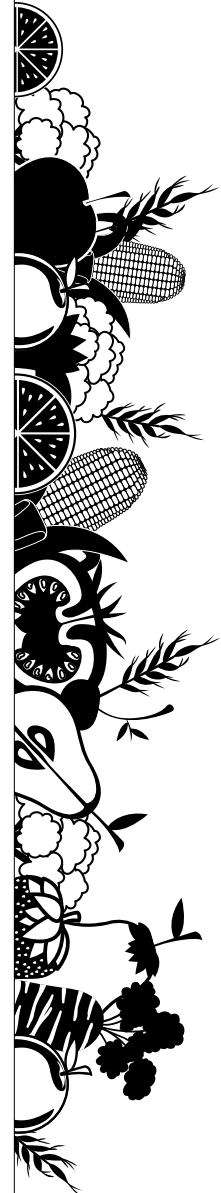
All of this information will be reviewed with your crop insurance agent, but it is nice to do a little research before going to the office, so you understand the choices they offer and where they are finding the information. There are many options to consider!



## MULTI-PERIL CROP INSURANCE

Organic Premium Price Elections by Commodity in Alphabetical Order

<b>All Other Grapefruit</b>	<b>Hybrid Sorghum Seed</b>
<b>Almonds</b>	<b>Hybrid Sweet Corn Seed</b>
<b>Apples (Fresh Market)</b>	<b>Juice Grapes</b>
<b>Avocados</b>	<b>Late Oranges</b>
<b>Avocado Tree</b>	<b>Lemons</b>
<b>Banana</b>	<b>Macadamia Nuts</b>
<b>Banana Tree</b>	<b>Mandarins/Tangerines</b>
<b>Barley</b>	<b>Maryland Tobacco</b>
<b>Blueberries</b>	<b>Millet</b>
<b>Burley Tobacco</b>	<b>Oats</b>
<b>Cabbage</b>	<b>Onions (Fresh Market)</b>
<b>Cigar Binder Tobacco</b>	<b>Oranges</b>
<b>Coffee</b>	<b>Orange Tree</b>
<b>Coffee Tree</b>	<b>Papaya</b>
<b>Corn</b>	<b>Papaya Tree</b>
<b>Corn Silage</b>	<b>Pasture, Rangeland, Forage</b>
<b>Cotton</b>	<b>Peaches</b>
<b>Cotton, Extra Long Staple</b>	<b>Pears</b>
<b>Cottonseed (endorsement)</b>	<b>Peppermint</b>
<b>Cranberries</b>	<b>Pistachios</b>
<b>Cultivated Wild Rice</b>	<b>Plums</b>
<b>Dry Air Tobacco (excluding Type 37)</b>	<b>Popcorn</b>
<b>Dry Beans</b>	<b>Potatoes</b>
<b>Dry Peas</b>	<b>Processing Cling Peaches</b>
<b>Early and Midseason Oranges</b>	<b>Processing Tomatoes</b>
<b>Figs</b>	<b>Prunes</b>
<b>Flax</b>	<b>Raisins</b>
<b>Flue Cured Tobacco</b>	<b>Rice</b>
<b>Forage Production</b>	<b>Rio Red and Star Ruby Grapefruit</b>
<b>Fresh Apricots</b>	<b>Rye</b>
<b>Fresh Freestone Peaches</b>	<b>Safflower</b>
<b>Fresh Market Beans</b>	<b>Silage Sorghum</b>
<b>Fresh Market Sweet Corn</b>	<b>Soybeans</b>
<b>Fresh Market Tomatoes</b>	<b>Sugarcane</b>
<b>Fresh Nectarines</b>	<b>Sunflowers</b>
<b>Grain Sorghum</b>	<b>Table Grapes</b>
<b>Grapefruit</b>	<b>Tangelos</b>
<b>Grapefruit Tree</b>	<b>Walnuts</b>
<b>Hybrid Corn Seed</b>	<b>Wheat</b>





## MULTI-PERIL CROP INSURANCE-CONTRACT PRICE ADDENDUM FOR ORGANIC PRODUCERS

If you have a contracted price for your crop that is significantly higher than the organic price elect, there is an option to insure your crops at the contracted price as long as it doesn't exceed the maximum allowable insured price. This is known as the contract price addendum.

More than 88 crops are applicable for crop insurance coverage based upon a contracted price. Not all commodities in all regions are eligible for this contract price addendum. Organic farmers still face a "cap" on the amount of the contract price addendums allowed for organic contracted crops, which is typically less than the actual contract price.

To determine if a specific commodity is covered in a specific region, visit the RMA Actuarial Information Browser.

In order to insure your crops with a contract price, you must have chosen this option by the closing date for purchasing MPCl, and provided a copy of your contract detailing your pricing by the acreage reporting date depends on the crop and region.

The list of crops eligible for contract price addendum is on the next page and at:

[https://www.rma.usda.gov/news/currentissues/organics/cpa\\_eligibility.html](https://www.rma.usda.gov/news/currentissues/organics/cpa_eligibility.html)

If you have numerous contracts with different prices per unit, the prices will be averaged considering the amount of acreage grown under each price. There are numerous scenarios including how to deal with unknown contract prices at the time of your acreage reporting date, differences that might occur between a projected price and the harvest price, and more. These are discussed in detail in the RMA Fact Sheet Contract Price Addendum

<https://www.rma.usda.gov/pubs/rme/addendum.pdf>





## MULTI-PERIL CROP INSURANCE

**All Other Grapefruit**

**Almonds**

**Apples**

**Avocados**

**Bananas**

**Barley**

**Blueberries**

**Cabbage**

**Canola / Rapeseed**

**Coffee**

**Corn**

**Cotton**

**Cranberries**

**Cultivated Wild Rice**

**Dry Beans**

**Dry Peas**

**Early & Midseason Oranges**

**ELS Cotton**

**Figs**

**Flax**

**Forage Production**

**Fresh Apricots**

**Fresh Freestone Peaches**

**Fresh Market Tomatoes**

**Fresh Nectarines**

**Grain Sorghum**

**Grapefruit**

**Late Oranges**

**Lemons**

**Macadamia Nuts**

**Mandarins**

**Millet**

**Mint**

**Oats**

**Onions**

**Oranges (Navel, Sweet, and Valencia)**

**Papaya**

**Peaches**

**Pears**

**Pistachios**

**Plums**

**Popcorn**

**Potatoes**

**Processing Apricots**

**Processing Beans**

**Processing Cling Peaches**

**Processing Freestone Peaches**

**Prunes**

**Rice**

**Rio Red & Star Ruby Grapefruit**

**Ruby Red Grapefruit**

**Rye**

**Safflower**

**Soybeans**

**Sugar Beets**

**Sugarcane**

**Sunflowers**

**Table Grapes**

**Tangelos (Minneola & Orlando)**

**Tobacco**

**Tomatoes**

**Walnuts**

**Wheat**





### Contract Price Addendum Eligibility by Commodity

Contract pricing available under the RMA’s Crop or Special Provisions instead of under the Contract Price Addendum authority includes:

**Alfalfa Seed**  
**Buckwheat**  
**Camelina**  
**Clary Sage**  
**Cucumbers**  
**Grapes**  
**Grass Seed**  
**Green Peas**

**Mustard**  
**Peanuts**  
**Pumpkins**  
**Sesame**  
**Silage Sorghum**  
**Sweet Corn**  
**Sweet Potatoes**

This third list has commodities covered both by the Contract Price Addendum and Crop or Special Provisions, including:

**Barley:** Hulless, Malting, Waxy Hulled, and Waxy Hulless types

**Canola / Rapeseed:** High Oleic Canola type

**Corn:** Blue and High Amylase types

**Processing Beans:** Non-organic practices for all types; Chickpeas / Garbanzo, Large Kabuli type is contract price only

**Dry Beans:** Contract Seed Bean type is contract price only

**Dry Peas:** Contract Seed Peas type is contract price only

**Soybeans:** All Other Food Grades, High Protein, Large Seeded Food Grade, Low Linolenic Acid, Low Saturated Fat, and Small Seeded Food Grade types



# Whole Farm Revenue Protection

This type of crop insurance focuses on overall farm income, rather than on a specific crop yield or crop revenue. Whole Farm Revenue Protection (WFRP) is a good option for diverse farms and the only option for many types of farms that would otherwise have no choice for insuring their unique agricultural revenue and production.

Coverage is based on your historical average revenue, as determined by your Schedule F farm tax records. If you don't file Schedule F you will need the farm tax forms you file plus supporting information so a Substitute Schedule F can be completed. The calculation of your historical average does not include the previous production year, due to timing with tax filings, but includes the five years before that.

WFRP will cover up to \$8.5 million of your farm's crop production as well as animal and nursery products (up to \$1 million in value for each), any commodities you may purchase for resale (as long as it is not more than 50% of your total revenue) and any replanting costs you might have due to weather conditions. WFRP also covers decreases in revenue that are caused by changes in market price. WFRP does not cover losses due to pesticide or GMO drift.





## WFRP PROVISIONS

There are a variety of interesting provisions that improve the attractiveness of Whole Farm Revenue Protection.

1. If your operation will have a projected higher income than the five-year average due to adding capacity, such as adding more acres or achieving organic certification, you can insure up to 35% more income than your historical five-year average. You need to have good documentation that backs up your claim of future increased income due to these production changes.
2. Not every crop is covered by MPCl in every state or county, and there are even less counties that have an organic price election for some or any organic crops. Since WFRP is tied to your income, you can get coverage based on the full revenue of the crops you grow regardless of production practice.
3. While geared toward diversified farms, you can insure just one commodity (except potatoes) under WFRP, as long as there is not another crop insurance policy available for the commodity in your county, and the commodity is not a purchase for resale.
4. For direct market growers, WFRP can provide for the higher price typically obtained for commodities, compared to the wholesale price, if you have the necessary documentation and records to show it.
5. If you are a new to organic producer and do not have an Actual Production History for growing that a specific organic crop, MPCl will insure your crop at 65% of the typical county yield of that crop grown conventionally. WFRP does not take yield factors into account, only historical revenue and projected revenue based upon sound information.
6. WFRP allows for the expense of purchasing a crop for resale, as long as the income received is not more than 50% of your full farm revenue.
7. As listed previously, a wide range of commodities is covered under WFRP, including nursery stock, diverse livestock products, flowers and more. Even if your specific crop is not listed, there is a category for “other”, so if you grow blue corn as a major revenue crop, you can put this under “other crops.”
8. Beginning farmers only require three years farm revenue records to determine their historical average for WFRP, and they can obtain an extra 10% federal subsidy on the cost of their premium.
9. If you are taking over another farmer’s business, such as from your family, you can use the tax returns from their operation for your historical income average.
10. Revenue for WFRP can come from sales of animals or commodities purchased for resale, less the cost of these items. The taxable amount of total cooperative distributions directly related to your sale of the commodities you are insuring is included (except items such as fertilizer). Revenue received from bartering can also be covered, if it has been approved by the IRS on the income tax form.
11. If you have already been farming on somewhat high-risk land with resulting farm income from production on that land, WFRP will not penalize you for growing on that land, whereas MPCl will not typically insure that production.

The complete 2018 Whole Farm Revenue Protection Handbook can be found here:  
<https://www.rma.usda.gov/>



## LIMITATIONS

1. If you grow potatoes, you must have at least two other commodities to be eligible for WFRP. This is a special provision just for potatoes.
2. Farm revenue is based on what you have provided to the Internal Revenue Service in your Federal Income Tax returns on Schedule F. You need to have kept good records tracking income and expenses for at least six years. The calculation of your historical average does not count the previous production year, since often times taxes covering the previous production year have not been filed when it is time to purchase crop insurance and calculate revenues.
3. Income losses due to pesticide contamination or GMO contamination of the crop are not covered by either WFRP or MPCI. These can occur in the field, storage or transportation. Organic producers may lose access to the organic market price through this contamination, especially for crops sold to the human food grade market or overseas. Many buyers test their purchased crops before accepting it at delivery.
4. If expenses for the insured year are less than 70% of the five year averaged expenses, there is a formula that will lower the indemnity paid on a claim based upon income loss.
5. Revenue that is not allowed to be counted in your farm income for coverage under WFRP includes any revenue:
  - a. Received beyond production, such as value-added enterprises.
  - b. That doesn't have an insurable interest in its production.
  - c. Earned from custom hiring of your services or rental activities.
  - d. Earned as a contract grower of animals.
  - e. From wages, salaries, tips, cash rent, rental of equipment, or livestock.
  - f. From government agricultural programs, including NAP, Federal crop disaster payments, and replant payments.
  - g. From commodities not covered under WFRP, which include animals for show or sport, timber, forest, forest products, controlled substances, and commodities not grown in the U.S.
6. Losses must be weather related or the result of lowered prices. If losses are due to mismanagement, deterioration in storage, equipment breakdown, or other problems that could be considered human error, neither type of insurance will provide a payment for that lowered income.
7. Under Whole Farm Revenue Protection, you cannot apply for payment on your insurance until you have completed and filed your schedule F. This would occur in February or March of the following year. This is different than other crop insurance products, which can provide more timely payments.
8. You might want to look at buying both MPCI and WFRP if you are growing a crop that provides significant income, you have an Actual Production History for that crop and its production type (i.e., organic), and there is MPCI available for that crop.
9. WFRP will not pay more than \$8.5 million annually on a policy.
10. Income generated from animals, animal products, nursery or greenhouse production is not covered over \$1 million dollars.



## WHAT IS COVERED

For many organic producers, diversity is key to risk management. Many organic production systems include unique food, livestock, and feed grade products. Even though WFRP covers farm revenue, you must list the various products that generate that revenue. This is needed to measure of farm diversification that shows the farm has reduced its risk by producing significant amounts of multiple products

The commodity count—also known as the diversification measure—determines eligibility for coverage level, as well as the premium-rate discount and subsidy. The commodity count is a calculation based on the products that significantly contribute to farm revenue, rather than a simple count of all products.

In order for each commodity to be counted, the amount of income you derive from that commodity needs to meet a “qualifying threshold category” amount. You must consolidate all of the crops into one commodity listing if it is of the same type, since you cannot list a commodity twice in the listing. All items that are under your “qualifying threshold category” of your farm’s revenue can be calculated together in an “other listing” for that type. There are various categories for determining the diversity of crops with an “other” category, which can be used for non-commodity crops such as heritage breed livestock or medicinal herbs.

## CALCULATION FOR QUALIFYING THRESHOLD CATEGORY

The actual calculation for deciding if the commodity can be a stand-alone choice in the commodity list, versus lumped with commodities of the same type in an “other” category is as follows:

$I \div \text{the number of commodities you produce} \times 0.333$

(Example:  $1 \div 5 \text{ (commodities)} \times 0.333 = .0666$ )

You need to round to three decimals after each calculation.

(Example:  $.067 \times \text{the projected revenue for the farm}$ )

(Example:  $.067 \times \$50,000 = \$3350$ )

This is the “qualifying revenue threshold” for the minimum amount of revenue a specific commodity needs to meet in order to be listed as a separate commodity for determining farm revenue.

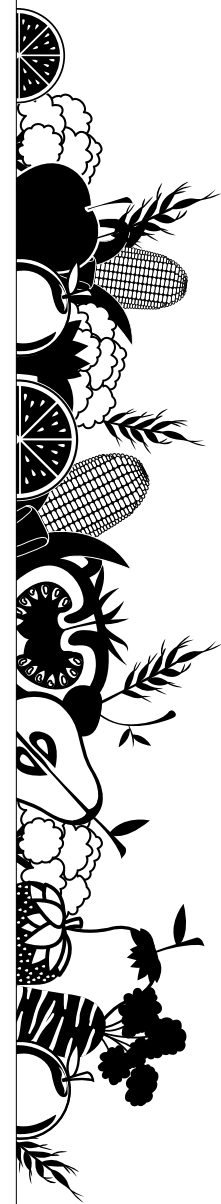
The more consolidating of listing categories you can do, the easier it will be to maintain your records.



## WHOLE FARM REVENUE PROTECTION

The commodity list you can choose from is extensive:

<b>Alfalfa-irrigated or non-irrigated</b>	<b>Garlic</b>	<b>non-irrigated</b>
<b>Apples-Fresh Market</b>	<b>Goats</b>	<b>Parsley</b>
<b>Apples-Processing</b>	<b>Gooseberries</b>	<b>Parsnips</b>
<b>Aquatic Plants</b>	<b>Grain Sorghum-irrigated or non-irrigated</b>	<b>Peaches</b>
<b>Asparagus</b>	<b>Grapes</b>	<b>Pears</b>
<b>Barley-irrigated or non-irrigated</b>	<b>Grass Hay- irrigated or non-irrigated</b>	<b>Pecans- irrigated or non-irrigated</b>
<b>Bees (animals)</b>	<b>Grass Seed</b>	<b>Peppers (Other)</b>
<b>Beets</b>	<b>Green Peas-Fresh Market</b>	<b>Plums</b>
<b>Bell Peppers</b>	<b>Green Peas</b>	<b>Popcorn</b>
<b>Berries (Other)</b>	<b>Greenhouse</b>	<b>Potatoes</b>
<b>Blackberries</b>	<b>Greens (Other)</b>	<b>Poultry</b>
<b>Blueberries</b>	<b>Greens Collard</b>	<b>Pumpkins (Mini)</b>
<b>Broccoli</b>	<b>Greens Turnip</b>	<b>Radishes</b>
<b>Broilers</b>	<b>Hay (Other)</b>	<b>Raspberries</b>
<b>Brussel Sprouts</b>	<b>Herbs</b>	<b>Rye</b>
<b>Canola-irrigated or non-irrigated</b>	<b>Hogs-Farrow/Finish</b>	<b>Seasonal Potted Plants</b>
<b>Cantaloupe</b>	<b>Hogs-Finish</b>	<b>Seed (Other)</b>
<b>Carrots</b>	<b>Hops</b>	<b>Seed Vegetable</b>
<b>Cattle-cow/calf</b>	<b>Horseradish</b>	<b>Sheep Ewe/Lamb</b>
<b>Cattle-feedlot</b>	<b>Hybrid Corn Seed</b>	<b>Sheep Feedlot</b>
<b>Cattle-stocker/feeder</b>	<b>Kernza</b>	<b>Sheep Stocker/Feeder</b>
<b>Cauliflower</b>	<b>Leeks</b>	<b>Snap Beans</b>
<b>Celery</b>	<b>Lettuce</b>	<b>Soybeans- irrigated or non-irrigated</b>
<b>Christmas Trees</b>	<b>Lima Beans</b>	<b>Spinach</b>
<b>Clover</b>	<b>Maple Syrup</b>	<b>Summer Squash</b>
<b>Corn-irrigated or non-irrigated</b>	<b>Melons</b>	<b>Sweet Cherries</b>
<b>Corn-silage</b>	<b>Millet</b>	<b>Sweet Corn-Fresh Market</b>
<b>Dairy</b>	<b>Mink</b>	<b>Sweet Corn-Processing</b>
<b>Dry Beans</b>	<b>Nectarines</b>	<b>Sweet Potatoes</b>
<b>Dry Peas</b>	<b>Nursery</b>	<b>Swiss Chard</b>
<b>Eggplant</b>	<b>Oats- irrigated or non-irrigated</b>	<b>Table Grapes</b>
<b>Eggs</b>	<b>Onions</b>	<b>Timothy Grass</b>
<b>Endive</b>	<b>Orchard Grass</b>	<b>Turf</b>
<b>Fish</b>	<b>Other Animal Products</b>	<b>Turnips</b>
<b>Flax</b>	<b>Other Crops</b>	<b>Vegetables-Mixed</b>
<b>Flint corn-ornamental</b>	<b>Other Crops Perennial</b>	<b>Watermelon</b>
<b>Flowers (Other)</b>	<b>Other Forage Seeds</b>	<b>Wheat- irrigated or non-irrigated</b>
<b>Flowers-cut</b>	<b>Other Fruits</b>	
<b>Flowers-dried</b>	<b>Other Live Animals</b>	
<b>Flowers-potted</b>	<b>Other Small Grains</b>	
<b>Forage Production</b>	<b>Other Vegetables- irrigated or</b>	
<b>Furs</b>		
<b>Game Birds</b>		





## CROP INSURANCE OPTIONS FOR VARIOUS TYPES OF FARMS



### Commodity crops

- Multi Peril Crop Insurance
- Whole Farm Revenue Protection
- Hail Insurance if bumper crop



### A few specialty crops

- Whole Farm Revenue Protection
- Non-Insured Crop Disaster Insurance Program (NAP)
- Hail Insurance if high value



### Organic production

- Multi Peril Crop Insurance with organic price selection
- Multi Peril Crop Insurance with organic contract price addendum
- Whole Farm Revenue Protection
- Non-Insured Crop Disaster Insurance Program (NAP)



### Many specialty crops

- Whole Farm Revenue Protection
- Non-insured Crop Disaster Insurance Program (NAP)
- Hail Insurance if high value



### Mixed crop & livestock

- Whole Farm Revenue Protection
- Mix of Multi-Peril Crop Insurance with Whole Farm Revenue Protection



### Perennial Fruit Crops

- Whole Farm Revenue Protection
- Hail Insurance if high value





# How to Purchase Crop Insurance

Crop insurance can be purchased from an approved Private Crop Insurance agent. Crop Insurance Agents can provide detailed information on crop insurance products, and also collect information from the insured as required by the insurance policy throughout the year. These agents are independent licensed agents who sell and service crop insurance.

## **YOU CAN FIND A CROP INSURANCE AGENT HERE:**

**[www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html)**

Crop Insurance Agents sell federal crop insurance and often other types of insurance. Only Approved Insurance Providers (AIP) will provide RMA federally subsidized crop insurance, Multi-Peril and Whole Farm Revenue Protection. These Approved Insurance Providers (AIPs) work with the Federal Crop Insurance Corporation (FCIC) to administer the Crop Insurance program by marketing, underwriting, and adjusting claims for Crop Insurance policies.

## **FOR A CURRENT LIST OF PROVIDERS, VISIT:**

**<https://public.rma.usda.gov/AipListing/InsuranceProviders>**

## **CHOOSING AND WORKING WITH A CROP INSURANCE AGENT**

### **BE PREPARED TO DISCUSS THIS YEAR'S CROP PLANS.**

It is very important to mention that you are certified organic so that the agent puts in the correct coding and you get the organic prices. The code is "OC" for organic and OT for transition to organic (nonorganic).

When you get your Summary of Coverage or Summary of Insurance Form from your Agent, be sure to check to see if the organic codes are there; if not, call your agent to verify.

1. What crops do you intend to grow this year?
2. Do you have contracts to fill?
3. Do you have a contracted price (s)? If so, for how many of the crops and acres you plan to plant?  
Make sure you know a copy of the Contract is due to the Agent by the established acreage reporting deadline
4. Is this the first year of growing this crop, or do you have multiple years' experience?
5. What field locations do you plan to grow your various crops?
6. Are you adding a new type of production, such as transitioning to organic, or in your first year of organic certification? Bring documentation if you have it (i.e., your Organic System Plan for the coming crop year). or proof that you have talked to a certifying agent if you are transitioning to organic.
7. Are you adding more crop acres?
8. Do you project your crop income to be larger than the previous year's, due to added acreage or higher value crops?



9. Have you reviewed the basic options and costs of the various crop insurance product at [www.rma.usda.gov](http://www.rma.usda.gov), so you have a basic understanding of the levels and how much you wish to spend?
10. Be prepared to discuss any problems you have had with crop insurance in the past.

## **ASK THE CROP INSURANCE AGENT THESE QUESTIONS**

1. Are you familiar with insuring my type of crops in my region?
2. Have you worked with other transitioning to organic producers, or organic producers in the past?
3. Are you familiar with the most current contract price addendums and organic price elections for the counties where my crops will be grown?
4. If I file a claim, are you familiar, and are your crop adjusters familiar, with organic production practices and the organic certification process? You and your adjusters need to be able to recognize from my activities and crop inputs that I have done my due diligence in growing the crop (s) using only organic approved practices and materials.
5. Have you worked with producers who purchased Whole Farm Revenue Protection crop insurance?
6. Can you help me through the process of choosing the type of crop insurance and percentage of coverage?
7. Can you discuss with me the benefits or challenges if I choose to purchase a mix of crop insurance products?

## **HOW MUCH DOES CROP INSURANCE COST?**

It depends on what you get. Your insurance costs, or premiums, are determined by the level of coverage, the types of product you produce, and the type of insurance you would like to purchase.

Premium rates and insurance terms and conditions are established or approved by the Federal Crop Insurance Corporation (FCIC). For federal crop insurance, the price of insurance is constant throughout the industry. In other words, the cost is the same regardless of the Crop Insurance company or agent.

## **COVERAGE**

For both Multi-Peril Crop Insurance and Whole Farm Revenue Protection, there are different levels of coverage that you can purchase.

For Whole Farm Revenue Protection, producers can choose coverage levels that range from 50% to 85% (in 5% increments). Farms with one commodity can qualify for Whole Farm Revenue Protection if there is not another type of insurance available for your crop in your area, but highest levels of coverage (80% and 85%) are only available to farms with three or more commodities.

For Multi-Peril Crop Insurance, you can choose a coverage level chosen between 50-85% (in 5% increments). As there are different types of Multi-Peril Crop Insurance, you can choose whether you insure up to 85% of your crop yield or your crop revenue.



Coverage Level (% of Farm Revenue)	Commodity Count (Minimum Required)	Maximum Farm Approved Revenue
85%	3	\$10,000,000
80%	3	\$10,625,000
75%	3	\$11,333,333
70%	1	\$12,142,857
65%	1	\$13,067,923
60%	1	\$14,166,167
55%	1	\$15,454,545
50%	1	\$17,000,000

To help farmers do a quick estimate based upon the commodity, the growing location, the type within the commodity (grain vs. silage for example) and the practice under which it was grown (irrigated vs. non-irrigated), the RMA has a user-friendly webpage to take you through the process.

<https://ewebapp.rma.usda.gov/apps/costestimator/Estimates/QuickEstimate.aspx>

## UNDERSTANDING CROP INSURANCE COVERAGE LEVELS

**EXAMPLE 1:** If you purchase WFRP crop insurance at the 75% level. Your farm revenue is expected to be \$100,000. Therefore, the maximum amount of dollars you could receive from crop insurance would be \$75,000.

Hail hits the farm a week before harvest, wiping out 50% of the crop and leaving you with only \$50,000 in revenue from your harvest for the year. Because you're insured at the 75% level, you will receive a payment of \$25,000.

**EXAMPLE 2:** Again, you purchase crop insurance at the 75% level with your farm revenue expected to be \$100,000. Therefore, the maximum amount of dollars you could receive from crop insurance would be \$75,000.

Minor flooding causes a small issue at harvest and lowers your revenue to \$80,000. Because your revenue is higher than the \$75,000 coverage level, you are not eligible to receive a crop insurance payment.

After the claim for indemnity is processed by the insurance provider, a check and a summary of indemnity payment sent to you, showing any deductions to the amount of indemnity for outstanding premium, interest, or administrative fees. Remember with WFRP, even if you have a loss and file a claim, a payment won't be processed until the completion of your next year's Schedule F tax document



## SUBSIDIES

The federal government subsidizes the farmer-paid premiums to reduce the cost of crop insurance for farmers. Additionally, the government also provides reimbursement to the private insurance companies to offset operating and administrative costs that would otherwise be paid by farmers as part of their premium.

### SUBSIDY RATE FOR MOST MULTI-PERIL CROP INSURANCE POLICIES

Depending on the level of coverage that you purchase, the federal government will help you offset the costs that you pay for crop insurance, known as a premium subsidy.

For example: If you insure your corn at 50% coverage and your monthly crop insurance premium payment due is \$100, the federal government will pay 67% or \$67 of your insurance cost, the premium.

Coverage Level (%)	Premium Subsidy
50%	67%
55%	64%
60%	64%
65%	59%
70%	59%
75%	55%
80%	48%
85%	38%



## SUBSIDY RATE FOR WHOLE FARM REVENUE PROTECTION

Depending on the level of coverage that you purchase, and on the number of crops that you grow, the federal government will help you offset the costs that you pay for crop insurance, known as a premium subsidy.

This rate can vary depending on how your farm is classified. Your crop insurance agent will have more information.

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



# Beginning Farmer Provisions for Crop Insurance

Federally subsidized crop insurance provides extra benefits to beginning farmers and ranchers. In order to be considered eligible for higher subsidies and other lowered costs when purchasing crop insurance, you need to have been over 18 years of age when actively operating and managing a farm or ranch for no more than five years. Be aware that other USDA beginning farmer programs consider a farmer to be in this category for ten years, and not five years.

It is easiest if you are an individual beginning farmer or rancher. A business entity or partnership can receive the benefits only if the individuals who make up the entity are mostly beginning farmers. If the policy is purchased by a married couple, and one spouse has four years of farming experience and the second has no experience, the married couple is eligible for one year of beginner farmer benefits, not five. If a beginning farmer has a partnership with a long-term farmer family member, where they have less than a 10% interest in the farm business, that entity would not be eligible.

Beginning farmers need to complete an application with their crop insurance agent to obtain these benefits. If agents are changed from year to year, there is no need to complete a new application.

## **THE BENEFITS ARE AVAILABLE NATIONWIDE AND INCLUDE:**

- Exemption from paying administrative fees for Catastrophic Risk Protection and additional coverage policies.
- Premium subsidies provided by the federal government increased by ten percentage points above what is offered on regular subsidized federal crop insurance.
- If you were part of a farming operation before you started your own operation, you can use their Actual Production History when determining yields. In order to do this, you had to have been part of the decision making or part of physical activities on that farm.
- If using the T-Yield (county average yield for that crop), there is an increase from 60-80 percent of the yield calculation, if you had an insured cause of loss.
- For Whole Farm Revenue Protection, beginning farmers can determine their historical average with three years of revenue history, instead of the standard five years of revenue records.

Once you have farmed more than five years on your own, these benefits are no longer available to you.

**When you apply for crop insurance, you need to include each field's location and provide the Farm Service Agency farm and tract number. If you don't know what this is, reach out to your local USDA Farm Service Agency office. Without this number, you will not be able to get federal crop insurance.**



# Applying for Crop Insurance, Reporting Requirements, and Filing a Claim

There are a variety of reporting requirements with Multi-Peril Crop Insurance and Whole Farm Revenue Protection, including a basic crop insurance application form to assess eligibility of the crops, yields, and revenues being requested for coverage.

Crop Insurance has a number of dates and reporting requirements that must be followed. Without the right information or forms submitted on time, you may not be able to receive the full benefits of crop insurance.

These dates may vary every year depending on your crops and your county. It is a good idea to speak with a crop insurance agent or the USDA RMA Regional Office for your area.

**(<https://www.rma.usda.gov/aboutrma/fields/rsos.html>)**

**SALES CLOSING DATE:** This is the last date to apply for crop insurance coverage (both WFRP and MPCI), or make changes in coverage from the previous year. You must decide by this date on the type of policy and the level of protection you want. The sales closing date varies by crop and by state.

**EARLIEST PLANTING DATE:** Crops planted before the specified earliest planting date will not be eligible for replanting payments.

**FINAL PLANTING DATE:** Acres planted on or before this date are eligible to receive the full crop insurance benefits. Acres planted after this date may receive a reduced benefit. Acres not yet planted as of this date should be reported to the insurance agent within three days.

**LATE PLANTING PERIOD:** For certain crops, a late planting period begins after the final planting date and lasts for 25 days. For acres planted after the beginning of this period, the value of the yield or revenue guarantee is reduced day by day. This reflects the lower yield potential for late-planted crops. After the late planting period ends, coverage remains at 60 percent of its original level. This is true even if you are prevented from planting the crop, as long as you do not plant a substitute crop for harvest.

**ACREAGE REPORTING DATE:** You must report the number of acres of each insured crop that you have actually planted by this date, or within three days of when you abandon your intentions to plant it. For crops planted after the final planting date, the number of acres planted on each day must be reported. All acres of an insurable crop in which you have an interest must be reported, whether the acres are actually insured or not. Other information to report includes your share in the crop, cropping practice and type where applicable, the planting dates (if after the final planting date), and any acres that you were unable to plant.

**BILLING DATE:** Although premiums are payable as soon as the crop is planted, the policyholder will not be billed until the premium billing date. Generally, this date falls near harvest. Interest charges begin to accrue 30 days after this date on any premium payments not yet paid, at the rate of 1.25 percent per month. If an indemnity payment or replanting payment is made, any premiums still owed will be deducted from these payments.

**END OF INSURANCE PERIOD:** Following this date, you no longer have any production or revenue guarantee on the crop. This date is the earliest of the following: date the crop is harvested, abandoned, or destroyed; date the final adjustment on losses is made; or a specified calendar date for each crop (see table).

*1. William Edwards, Extension Economist, Iowa State University Extension, available at <https://www.extension.iastate.edu/agdm/crops/pdf/a1-50.pdf>*



**DATE TO FILE NOTICE OF CROP DAMAGE:** This is the last date to report actual production or quality losses in order to receive an indemnity payment. Notice is required within 72 hours of the discovery of the damage, but not later than 15 days after the end of the insurance period.

**POLICY TERMINATION DATE:** If premiums are not paid by this date the insurance coverage for the following crop year will be terminated.

**CANCELLATION DATE:** This is the last date to give written notice to the insurance company if you don't wish to carry crop insurance next year. Otherwise, the policy will automatically renew for another year.

**PRODUCTION REPORTING DATE<sup>1</sup>:** This is the date to submit the most recent crop production records used to recalculate the actual production history (APH) yield. The production reporting date is usually 45 days after the policy cancellation date. If the acreage reporting date (for the following year) is earlier than this, then that is also the last production reporting date.

### **WHOLE FARM REVENUE PROTECTION APPLICATION REQUIREMENTS:**

- The historical revenues and expenses of the farm, obtained from the Schedule F of the Federal Income Tax return for the five years previous to last crop year. The calculation of your historical average does not include the previous production year, because often times taxes have not been filed when it is time to purchase crop insurance.
  - If you don't file Schedule F you will need the farm tax forms you file plus supporting information so a Substitute Schedule F can be completed.
- You must have an Intended Farm Operation Report, such as farm plan or other documentation of what you plan to produce and how much. This will be used to quote your initial crop insurance premium payment.
  - If you wish to make the case that you will have expanded income and therefore want to insure higher revenue, you will need to document the change of production practices, higher value crops, increased production capabilities, or other tangible reasons supporting this change.
- The market animal, crop, or nursery inventory on hand from the previous crop year.
- The current value and projected increased value of animals being covered if revenues were lost.
- Accounts receivable and payable.
- Allowed revenues and expenses.
- An ID number (Social Security Number or EIN).
- Requested coverage level.
- County in which the majority of the revenue is being earned.
- Other substantial business interests of the farm

### **WHOLE FARM REVENUE PROTECTION MID-SEASON REPORTING:**

- If you make any changes to the intended Farm Operation Report, you must complete a Revised Farm Operation Report detailing any changes, usually by mid-July.
- This report should include details related to any delayed or prevented planting.





## WHOLE FARM REVENUE PROTECTION END-OF-SEASON REPORTING REQUIRES:

- At the end of the insurance year and prior to your next year's sales closing date, you will complete the Farm Operation Report by filling out the Final section. If you do not complete the Final section, you will be limited to the 65 percent coverage level the following year.
- If a claim is filed, the sooner the Federal Income Taxes and Schedule F are filed, the sooner the indemnity payment can be made under WFRP, since payment for this program is tied to revenue as reported on tax documents.
- Federal taxes need to be filed by the regular date if no claim was filed on the crop insurance from the previous year.

## FILING A CLAIM

**STEP 1:** Document what happened. All of the crop insurance products will need documentation of the loss.

You will also need to document your due diligence in trying to grow that crop before it was destroyed. For organic producers, the documentation on inputs, planting dates, manure use, insect and disease management strategies, that you maintain for your yearly organic certification are also very useful to prove your production activities were sufficient to produce the crop.

*It is always a good idea to take photos throughout the season, and especially right after a catastrophic weather event.*

**STEP 2:** Call your crop insurance agent. *A notice of loss to the crop insurance agent is due within 72 hours of the cause.*

**STEP 3:** An insurance adjuster may be needed to verify the cause of the crop or revenue loss. All weather or "act of God" events (outside human control), will need an adjuster to verify the amount of the crop lost.

If the insurance adjuster shows up to see a field flooded with two feet of water, it is hard to say if the strawberries or field peas were healthy and well-tended. However, your organic field activity logs will describe what was done, and should be sufficient for any claim you may need to submit. Remember with WFRP, even if you have a loss and file a claim, a payment won't be processed until the completion of your next year's Schedule F tax documents.

*Keeping good records to justify the amount of your claim or losses will aid in a smoother claim filing process.*

## PRODUCTION HISTORY RECORDKEEPING

Both crop insurance and organic certification require good records that document your farm's costs, income, and activities performed to produce your crop. If you choose to use your own Actual Production History for the yield under which you will base your crop insurance purchase, you will need documentation of your yields for the crop(s) you plan to insure.

Knowing your true costs and income, as well as tracking which crops are most lucrative, is important information to have when making farm production decisions for the long haul. Recordkeeping is not difficult, but many find it challenging to maintain during the busy growing season. Having clear forms, in



an easy to use format, will help you maintain comprehensive and accurate records. Recordkeeping should become a habit that is done at least once per week, or as activities happen. Keep forms and receipts in an accessible location, so everything is in one place.

In the following pages, a variety of forms will supply all of the information you need for both crop insurance and organic certification. They include:

- Field Locations
- Crop Rotation and Input History by Field
- Individual Field Activity Log
- Supplemental Organic Integrity Document Checklist
- Storage Record
- Sales Record for Wholesale
- Sales Record for Retail or Direct to Consumer

## **FIELD LOCATIONS**

When you apply for crop insurance, you need to include each field's location and provide the Farm Service Agency farm and tract number. There may be average yields for a crop specific to the section, township, and range available to the crop insurance agent, especially for crops typically grown in that region. You must have the location of their fields verified by a certifier. Having a quick reference on the location of your fields is also useful when notifying crop dusters, road crews, and utility companies to avoid use of prohibited chemicals that could compromise your organic crops. Highlighted fields noted on a county plat book are a useful tool, in addition to this list.

If more than one field is located in the same section, township and range, you can list them together.

## **CROP ROTATION AND INPUT HISTORY BY FIELD**

It is very helpful to use a form to detail your basic crop rotation and inputs, as well as track your transition to organic for each year that you have been farming. Both Multi-Peril Crop Insurance and Whole Farm Revenue Protection need at least six years or more of history to determine Actual Production Histories, and verify your production is similar to historical activities during the insured crop years. Be sure to include use of cover crops along with any inputs.

## **INDIVIDUAL FIELD ACTIVITY LOG**

Both organic certification and crop insurance need documentation on your farm activities. These records illustrate you have followed good farming practices and done the necessary activities to produce a crop, which you will need to show if you have a crop loss. These records are also useful for producers to continually improve their operation by comparing seed, inputs, and activities from year to year.

## **SUPPLEMENTAL ORGANIC INTEGRITY DOCUMENT CHECKLIST**

This checklist is helpful to ensure compliance with USDA organic standards. Many organic certification agency websites have to track these items where applicable. Check the column next to the item, if you have completed the document. Write N/A if Not Applicable. Some of these will also be requested by crop insurance agents.



## STORAGE RECORD

Use this form for items in storage longer than a week. Make sure you detail any crop from previous years, as well as new crop being put in the bin or storage location. It is to your advantage to take the time and measure the bin to get your bushels in and out as close as possible to the exact volume. For crop insurance, you need to record any inventory you have on-hand at the time of application. This form can be used to document your harvest yields. Organic certification requires each shipment to have a unique lot number. Here is a lot number example:

**2018-BA-1029-SB-JS-2**

2018	- BA	-1029	-SB	-JS	-2
↓	↓	↓	↓	↓	↓
Year of production	- Bin A	- Date of shipment Oct.29	- Soybeans	-Your initials: John Smith	-2nd shipment that day

## SALES RECORD

This form is for recording each wholesale transaction of a single crop and for retail/direct market sale. This is important to show how you are generating revenue from your products. If you do not maintain a sales record and need to file a claim, a sales record would then need to be developed to show how much revenue was obtained and how much less it was from the average income, to determine a possible indemnity payment based upon the percentage of coverage you purchased.

## ESTIMATED AND ACTUAL INDIVIDUAL CROP INCOME AND EXPENSE - CROP INSURANCE PLANNING WORKSHEET

You must complete a separate form for six years previous to the current crop year, as well as an insured year estimate to show how accurate you are estimating your yields and resources.

## INCOME TAX RECORDKEEPING

Whole Farm Revenue Protection (WFRP) crop insurance is tied to the items detailed in the Internal Revenue Service Schedule F – Profit or Loss from Farming. Both your income and expenses are used when applying for WFRP crop insurance. The basis for the percentage of income you can choose to insure is the average of five years of your income previous to the year before you are applying for crop insurance.

You need to justify your expenses for the insured revenue year. Those expenses will be compared to your average expenses if you file a crop insurance claim. WFRP is a good option for diversified operations, such as specialty crop growers, livestock producers, etc. The income and expense form is a template for the items needed for your Schedule F. You must maintain supporting receipts or other documentation that details your expenditures and income figures by line item. The detailed instructions for completing the Schedule F can be found here: <https://www.irs.gov/pub/irs-pdf/i1040sf.pdf>



*The blank forms on the following pages can be copied and used for recordkeeping purposes. More blank forms are available on [www.ofrf.org/RMA](http://www.ofrf.org/RMA)*







**INDIVIDUAL FIELD ACTIVITY LOG – PAGE ONE OF TWO**

FSA Tract and Field Number \_\_\_\_\_ Field Name \_\_\_\_\_  
 Acres or Row Feet \_\_\_\_\_ Crop Year \_\_\_\_\_

Cover crop type, if present and planting date	
Cover crop termination date and method	
Basic tillage, method and date	
Soil amendments	
Soil amendment application date and rate	
Manure source	
Date and rate of manure application	
Crop planted	
Planting date	
Seed variety(s)	
Seeding rate	
Crop monitoring-problem weeds, pests, crop vigor- include date of review	
Pest management input(s)	
Pest management input- date(s) and rate(s) of application	
Disease management input(s)	
Disease management input- date(s) and rate(s) of application	
Weed management-post planting- method(s) and date(s)	
Harvest date(s)	
Estimated yields (bu, pds, tons, etc.) per date if more than one harvest	



**INDIVIDUAL FIELD ACTIVITY LOG – PAGE TWO OF TWO**

FSA Tract and Field Number \_\_\_\_\_ Field Name \_\_\_\_\_

Acres or Row Feet \_\_\_\_\_ Crop Year \_\_\_\_\_

Storage location	
Equipment used and cleaning activities between nonorganic and organic, date	
Tillage used post-harvest-type and date	
Cover crop planted after crop removed/type and date	
<b>Succession Planting in the same crop year and field</b>	
Crop type and planting date	
Type of seed and rate of succession crop	
Fertility inputs used on succession crop	
Pest and disease management (succession)	
Weed management (succession crop)	
Crop monitoring (succession crop)	
Harvest date (succession crop)	
Estimated yields (succession crop)	
Storage location (succession crop)	
Tillage used post-harvest	
Cover crop planted (type and date)	



## SUPPLEMENTAL ORGANIC INTEGRITY DOCUMENTS CHECKLIST

Year \_\_\_\_\_

Type of Documentation	Check or N/A
Maps for all fields, with field names	
Map of farmstead illustrating crop storage, equipment storage, livestock housing, etc.	
5-year field history (can complete the forms provided in this booklet)	
Prior Land Use Affidavit if you have not had control of the land for 5 years	
Seed invoices, tags, bags	
If not using organic seed, seed search table illustrating where you searched for organic	
Field activity log (can use the form provided in this booklet)	
Fertility input invoices and labels with ingredients	
Soil tests illustrating need for soil amendments	
If using off farm manure- no prohibited substances used on manure or in bedding	
If using compost- documentation that it meets the NOP definition of compost	
If washing crops for human consumption- annual water test illustrating water is potable	
Pest and Disease management invoices and labels with ingredients	
Adjoining Land Use Affidavit-Neighbor signs they do not spray prohibited substances-No spray agreements with road crews, utilities etc.- If in place, no buffer zone needed	
Buffer zone harvest-storage-sales records- A buffer zone may be needed due to activities on adjoining land, if you harvested a crop in that buffer zone, how much, date, where did you store and sell this nonorganic crop	
If equipment is used for both nonorganic and organic production, a cleanout record detailing activity performed and dates.	
Storage records- crop- volume-year of production (form in this booklet)	
Documentation of approved pest management in and around crop storage	
Clean truck affidavit- If crop is shipped using an outside entity, you must verify truck is clean before loading the organic crop.	
Sales records- Amount shipped and dollars received-date (form in this booklet)	
Description of Lot numbering system	
Labels- if selling organic retail products	
If growing nonorganic and organic crops- production, harvest, storage and sales records for the nonorganic crops.	









## SALES RECORD

Use this form for each wholesale transaction for a single crop.

Date	
Crop sold	
Your invoice number	
Lot number (s) for this sale	
Buyer	
Volume sold	
Dollars received-excluding ship reimburse	
Storage Location, or note if sold from field	
Contracted or spot market sale	
Bill of lading number	
Weigh ticket number	
Transaction or Export Certificate #?	
Date	
Crop sold	
Your invoice number	
Lot number (s) for this sale	
Buyer	
Volume sold	
Dollars received-excluding ship reimburse	
Storage Location, or note if sold from field	
Contracted or spot market sale	
Bill of lading number	
Weigh ticket number	
Transaction or Export Certificate #?	
Date	
Crop sold	
Your invoice number	
Lot number (s) for this sale	
Buyer	
Volume sold	
Dollars received-excluding ship reimburse	
Storage Location, or note if sold from field	
Contracted or spot market sale	
Bill of lading number	
Weigh ticket number	
Transaction or Export Certificate #?	



# SALES RECORD

Use this form for each retail or direct to consumer transaction.

Date	
Location (farmers market, roadside stand etc.)	
Crop(s) sold – approximate	
Volume sold – approximate (cases of peppers, dozens of sweet corn, etc.)	
Day's income in dollars	
Inventory remaining at end of sales day- approximate	



## ESTIMATED AND ACTUAL INDIVIDUAL CROP INCOME AND EXPENSE CROP INSURANCE PLANNING WORKSHEET

Crop \_\_\_\_\_ Year \_\_\_\_\_

Complete for 6 years previous to current crop year, as well as insured year estimate.

Item	Estimated	Actual
<b>INCOME</b>		
Yield per acre		
Price for crop		
Total Income per acre		
<b>EXPENSES</b>		
Labor		
Repairs		
Seed		
Fertilizer/Lime		
Cover crop		
Soil amendment		
Weed control		
Building repairs/rent		
Fuel/Oil		
Insurances		
Utilities		
Marketing		
Drying		
Storage		
Custom Hire		
Light Vehicle		
Processing Fees		
Professional Services		
Real Estate Tax		
Lease		
Interest		
Other		
<b>NET RETURN PER ACRE</b>		



**INCOME WORKSHEET FOR SCHEDULE F PAGE 1 OF 2**

**Tax Year-** The twelve months between

\_\_\_\_\_ (month), \_\_\_\_\_ (year) to \_\_\_\_\_ (month), \_\_\_\_\_ (year)

<b>Source of Income</b>	<b>Date of payment(s) Month, Day and Year</b>	<b>Dollar Amount</b>
Use when there are four or less payments or consolidate information from sales records		
Sales of crops- produce, grains etc. –total for the year		
Income from rents based on crop shares or farm production		
Sales of raised livestock or other resale items- total for the year		
Distributions from cooperatives- Patronage dividends		
Distributions from cooperatives- Payments related to sale of commodities		
Dollar value of products received in place of cash- Item _____		
Dollar value of products received in place of cash- Item _____		
FSA program Price Loss Coverage Payment (will be deducted from income when calculating for crop insurance)		
FSA program Agriculture Risk Coverage Payment (will be deducted from income when calculating for crop insurance)		



**INCOME WORKSHEET FOR SCHEDULE F PAGE 2 OF 2**

**Tax Year-** The twelve months between

\_\_\_\_\_ (month), \_\_\_\_\_ (year) to \_\_\_\_\_ (month), \_\_\_\_\_ (year)

<b>Source of Income</b>	<b>Date of payment(s) Month, Day and Year</b>	<b>Dollar Amount</b>
Other FSA program income (will be deducted from income when calculating for crop insurance)		
Commodity Credit Corporation Loans- only in special cases, see instructions		
Crop insurance proceeds, and federal crop disaster payments (will be deducted from income when calculating for crop insurance)		
Custom Hire (machine work) income (will be deducted from income when calculating for crop insurance)		
Other: state or federal gas tax refunds, biofuel producer credits (will be deducted from income when calculating for crop insurance)		
Depreciation and other items- see instructions (will be deducted from income when calculating for crop insurance)		
Income from breeding fees, renting draft animals, machinery or land that isn't noted on Schedule E or other forms of your tax return  Item _____  Item _____  Item _____ (will be deducted from income when calculating for crop insurance)		
<b>GROSS INCOME- TOTAL IN THE DOLLAR AMOUNT COLUMN</b>		



**EXPENSE WORKSHEET FOR SCHEDULE F PAGE 1 OF 3**

Tax Year- The twelve months between

\_\_\_\_\_ (month), \_\_\_\_\_ (year) to \_\_\_\_\_ (month), \_\_\_\_\_ (year)

Expense Item	Item and dollar amount of Schedule F tracked expense	Total dollars spent for this line item
<b>Car and Truck expenses</b> - use this for repairs/insurance/ license plates for farm dedicated vehicles. Use this line item only for actual cost of fuel, or you can use the standard mileage rate. (54 cents per mile in 2016, 53.5 for 2017, 54.5 cents for 2018)		
<b>Chemicals-</b> for organically approved synthetics or what you may be using on nonorganic land.		
<b>Conservation expenses-</b> costs associated with conservation of soil or water on land used or associated with farming. Must be consistent with a written conservation plan approved by the Natural Resources Conservation Service.		
<b>Custom Hire-</b> costs of hiring outside custom hire or machine work for farming activities.		
<b>Depreciation-</b> buildings, improvements, cars and trucks, machinery and other permanent equipment. See Schedule F for further instructions including use of section 179 for longer term depreciation and for special allowance for vines, fruit or nut trees.		
<b>Employee Benefit Programs-</b> Payments an employer makes for their employees' accident, health or life insurance. Not for employer's own health insurance.		
<b>Feed-</b> List only the costs associated with the raising of livestock for this tax year, not stored feed held beyond this tax year.		
<b>Fertilizers and Lime-</b> Include manure, soil amendments, liquid fertility products.		





**EXPENSE WORKSHEET FOR SCHEDULE F PAGE 2 OF 3**

Tax Year- The twelve months between

\_\_\_\_\_ (month), \_\_\_\_\_ (year) to \_\_\_\_\_ (month), \_\_\_\_\_ (year)

Expense Item	Item and dollar amount of Schedule F tracked expense	Total dollars spent for this line item
<b>Freight and trucking-</b> cannot include cost of transferring livestock, add this to the cost of purchasing livestock		
<b>Gasoline, Fuel and Oil-</b> for farm equipment		
<b>Insurance (other than health)-</b> use for farm business insurance.		
<b>Interest: mortgage paid to banks-</b> excluding your home		
<b>Labor hired (less employment credits)-</b> not fees paid to yourself, deduct any credits such as employment zone credits or others, see Schedule F instructions. Can include cost of boarding your labor, but not the value of any farm products they used.		
<b>Pension and Profit-Sharing Plans-</b> any contributions you make to an employee's plan. Must file supplemental IRS forms.		
<b>Rent or Lease- Machinery, equipment-</b> Full amount if leased less than 30 days. If more than 30 days, see Schedule F instructions		
<b>Rent or Lease- Other (land, animals, etc.)-</b> (including pasture or farmland, breeding animals)		
<b>Repairs and Maintenance-</b> incidental items that did not add to the property's value or appreciably prolong the life of the farm buildings, machinery or equipment.		
<b>Seeds and Plants-</b> do not include perennial fruit and nut tree or vines that you depreciated in another area of this form.		



**EXPENSE WORKSHEET FOR SCHEDULE F PAGE 3 OF 3**

Tax Year- The twelve months between

\_\_\_\_\_ (month), \_\_\_\_\_ (year) to \_\_\_\_\_ (month), \_\_\_\_\_ (year)

Expense Item	Item and dollar amount of Schedule F tracked expense	Total dollars spent for this line item
<b>Storage and Warehousing-</b> only farm related		
<b>Supplies-</b> Miscellaneous farm related items		
<b>Taxes-</b> Real estate and property taxes paid on farm business assets and not claimed anywhere else. Federal highway tax, social security, Medicare, unemployment tax you paid for employees. State unemployment tax for employees. Not income, home or personal property taxes.		
<b>Utilities-</b> Farm business cost for natural gas, electricity, water. Can deduct for phone if you have a second line for farm use.		
<b>Veterinary, breeding, and medicine-</b> Farm use only, not for pets or recreational animals.		
<b>Other expenses-</b> List organic certification cost here. Special situations such as bad debt, business start up, business use of home, reforestation costs, legal and professional fees, short lived tools such as shovels. See Schedule F instructions.		
<b>TOTAL EXPENSE</b>		



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